

Annual Comprehensive Financial Report

City of Jacksonville Beach, Florida



*Fiscal Year ended
September 30, 2021*

INTRODUCTORY SECTION

CITY OF JACKSONVILLE BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Prepared by
Finance Department

**CITY OF JACKSONVILLE BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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LETTER OF TRANSMITTAL



February 25, 2022

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

Florida Statutes require that all general purpose local governments publish within nine months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report for the City of Jacksonville Beach, Florida, for the fiscal year ended September 30, 2021.

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, 2021, 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, 2021, 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. In 2021, the City did not meet the minimum expenditures required for a Federal Single Audit.

City of
Jacksonville Beach

City Hall
11 North Third Street
Jacksonville Beach

FL 32250

Phone: 904-247-6274

www.jacksonvillebeach.org



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

Profile of the City of Jacksonville Beach, Florida

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

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

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

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

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

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

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds, this comparison is presented as part of the basic financial statements for the governmental funds beginning on page 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 82.

Factors Affecting Financial Condition

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

Local Economy

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

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

Long-Term Financial Planning

The City prepares a rolling five-year Capital Improvement Plan (CIP) each year. As part of this process, revenues and expenditures for key operating funds such as the General Fund, Community Redevelopment, Electric, and Water & Sewer are analyzed to ensure the financial sustainability of each fund over the long term. The goal is to ensure that a minimum reserve of 25% will be maintained at the end of each five-year period. This exercise allows the City to plan for major capital expenditures in a fiscally responsible manner, while consciously evaluating whether scheduled rate changes meet the needs of adequately maintaining assets. Therefore, during the fiscal year 2021-2025 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 2021-2025 capital improvement plan totaled \$117,080,266.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2020. This was the twenty-eighth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR that satisfied both GAAP and applicable legal requirements.

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

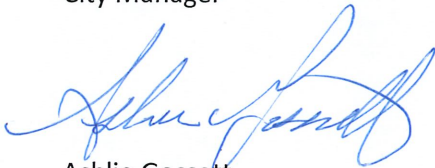
In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2020. This was the twenty-seventh consecutive year that the government has received this award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories: as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF JACKSONVILLE BEACH
Government Organization

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

JUDICIAL BRANCH
City Attorney
Sandra Robinson

EXECUTIVE BRANCH
City Manager
Michael Staffopoulos
Deputy City Manager
Karen Nelson

Assistant to the City Manager
Chris Wright

City Clerk
Sheri Gosselin

Finance
Ashlie Gossett, CFO

Police Department
Chief Gene Paul Smith

Public Works
Dennis Barron, Director

Beaches Energy Services
Allen Putnam, Director

Human Resources
Kimberlee Bennett, Director

Parks & Recreation
Jason Phitides, Director

Planning & Development
Heather Ireland, Director

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

LEGISLATIVE BRANCH

City Council:

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

City Attorney

Sandra Robinson

City Auditors

Purvis, Gray and Company, LLP

EXECUTIVE BRANCH

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

AGENCY, BOARDS, AND COMMISSION

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

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, 2021, 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, 2021, 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 25, 2022, 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 25, 2022
Tallahassee, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
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, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, on pages vi-ix of this report, and the financial statements which immediately follow this discussion.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$462,348,592 (net position). Of this amount, \$113,940,848 (unrestricted net position) is available to meet the City's obligations to provide ongoing services to our citizens and customers, to make payments to creditors, to pay for the projects in our capital improvement plan, or to establish reserves for emergencies or catastrophic events.
- The City's total net position increased by \$23,141,724 or 5.3% over the prior year. The governmental net position increased by \$11,822,753 (7.3%) and the business-type net position increased by \$11,318,971 (4.1%). The increase in the governmental activities is due primarily to increased property and other tax revenues as the economy improves. The increase in the business-type activities is due to a savings in debt servicing costs and the continued positive business performed of the City's various services.
- Revenues and net transfers-in for the governmental activities totaled \$38,314,226, an increase of \$1,154,363 or 3.1% for the year. Total expenses were \$26,491,473, a decrease of \$588,916 or 2.2% for the year.
- Revenues in the business-type activities totaled \$109,786,707, a modest increase of \$689,039 or 0.6% from the prior year. Total expenses and net transfers out were \$98,467,736, an increase of \$5,111,316 or 5.5% for the year.
- The City's total financed debt as of September 30, 2021 is zero. The last bond payment was made at the beginning of the fiscal year and now the City is very proud to announce that it is debt free.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The government-wide financial statements are presented on pages 18-19 of this report.

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

The City maintains fifteen individual governmental funds. Information is presented separately in the governmental fund financial statements for the general fund, the capital projects fund, 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.

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 33-69 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 70-75 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 76.

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
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 2021, the City's net position for governmental activities increased by \$11,822,753 or 7.3%. The increase in net position for business-type activities was \$11,318,971 or 4.1%.

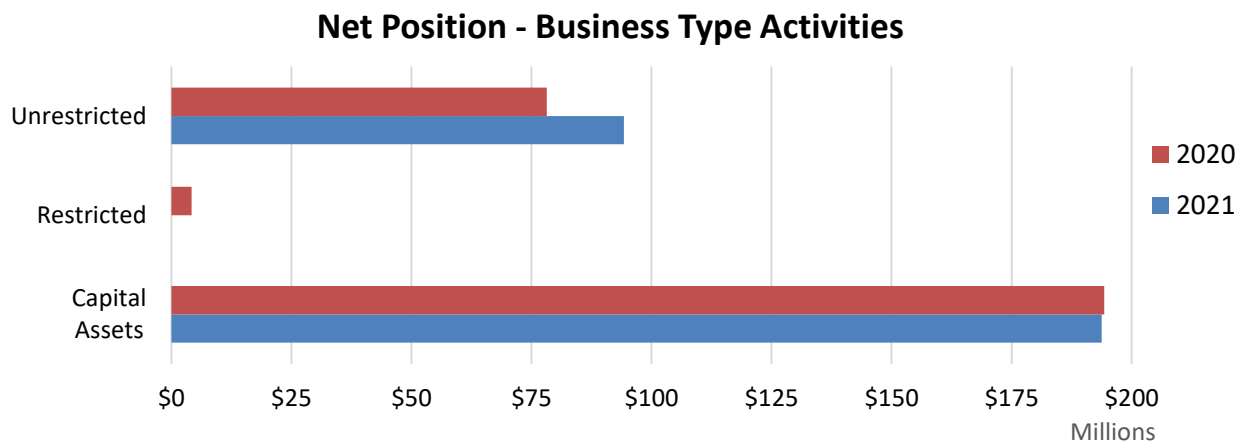
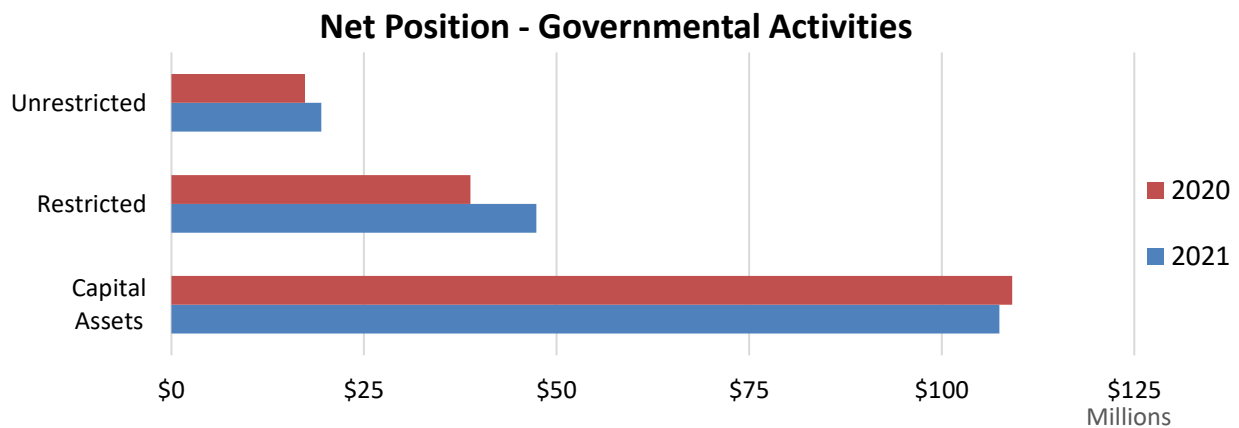
The following condensed comparison shows the City's net position for the two most recent fiscal years. The detailed statement of net position is presented on page 18 of this report. The 2020 Statement of Net Position and Statement of Activities have not been restated for the effects of the restatement described in Note 1.F.

City of Jacksonville Beach Statement of Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$87,712,202	\$75,357,166	\$152,291,394	\$142,841,830	\$240,003,596	\$218,198,996
Capital Assets, Net	107,483,303	109,163,923	193,783,121	196,455,179	301,266,424	305,619,102
Total Assets	195,195,505	184,521,089	346,074,515	339,297,009	541,270,020	523,818,098
Total Deferred Outflows of Resources	4,714,105	8,693,864	2,688,197	3,334,754	7,402,302	12,028,618
Current Liabilities	4,204,860	4,575,785	35,698,713	37,016,606	39,903,573	41,592,391
Non-Current Liabilities	18,671,232	21,160,440	10,455,382	13,958,414	29,126,614	35,118,854
Total Liabilities	22,876,092	25,736,225	46,154,095	50,975,020	69,030,187	76,711,245
Total Deferred Inflows of Resources	2,683,801	2,150,456	14,609,742	14,976,839	17,293,543	17,127,295
Net Position:						
Net Invested in						
Capital Assets	107,483,303	109,163,923	193,783,121	194,305,179	301,266,424	303,469,102
Restricted	47,141,320	38,810,100	-	4,193,000	47,141,320	43,003,100
Unrestricted	19,725,094	17,354,249	94,215,754	78,181,725	113,940,848	95,535,974
Total Net Position	\$174,349,717	\$165,328,272	\$287,998,875	\$276,679,904	\$462,348,592	\$442,008,176

- Current and Other Assets increased by \$21,804,600, which is mostly from increased equity in pooled cash and investments as the City builds up reserves as part of its pay-as-you-go strategy for future capital improvement projects.
- Deferred Outflows of resources include the recording of Other Post Employment Benefit related outflows and actuarial changes to pension related outflows and decreased as per the restatement described in Note 1.F of the financial statements.
- Current Liabilities decreased by \$1,688,818 or 4.1%, which mainly reflects a reduction in power costs recovered in advance.
- Non-current Liabilities decreased by \$5,992,240 or 17.1%, largely due to the retirement of the utility system bonds in October 2020.
- Deferred Inflows increased by 1% due to recording of other post-employment benefits and the actuarial changes to pension related inflows.

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

- The largest portion of the City's net position (65.3%) reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure, and equipment). The City uses these capital assets to provide services to citizens and customers; therefore, these assets are not available for future spending.
- An additional portion of the City's net position (10.2%) represents resources that are subject to external restrictions on how they may be used.
- The remaining balance of the City's net position (24.6%) may be used to meet the government's ongoing obligations to citizens, customers, and creditors.



- Net position was restricted in the Electric and Water/Sewer Funds for debt service. Now that this debt is retired, \$4,193,000 has been reclassified as unrestricted.

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
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.

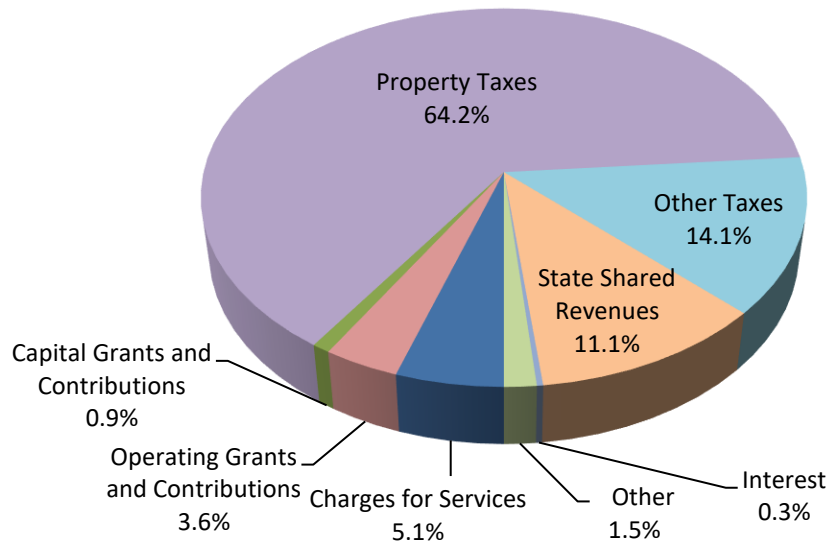
City of Jacksonville Beach Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program Revenues:						
Charges for Services	\$ 1,742,450	\$ 2,207,172	\$ 108,949,610	\$ 104,971,930	\$ 110,692,060	\$ 107,179,102
Operating Grants and Contributions	1,229,351	1,290,905	2,580	55,062	1,231,931	1,345,967
Capital Grants and Contributions	292,208	55,547	665,695	499,544	957,903	555,091
General Revenues:						
Property Taxes	22,048,764	20,971,159			22,048,764	20,971,159
Other Taxes	4,601,059	4,337,583			4,601,059	4,337,583
State Shared Revenues	3,809,465	3,298,598			3,809,465	3,298,598
Other Intergovernmental Revenues	12,074	31,429			12,074	31,429
Interest	99,731	2,090,225	155,103	3,570,132	254,834	5,660,357
Miscellaneous	509,738	118,521	13,719	1,000	523,457	119,521
Total Revenues	34,344,840	34,401,139	109,786,707	109,097,668	144,131,547	143,498,807
Program Expenses:						
General Government	4,974,593	3,911,667			4,974,593	3,911,667
Law Enforcement	11,033,893	11,300,694			11,033,893	11,300,694
Fire Control	2,758,059	4,342,859			2,758,059	4,342,859
Building Inspections	668,549	682,069			668,549	682,069
Physical Environment	491,317	465,506			491,317	465,506
Road and Street	3,051,233	2,514,183			3,051,233	2,514,183
Parks and Recreation	3,513,829	3,863,411			3,513,829	3,863,411
Electric			75,085,347	70,910,714	75,085,347	70,910,714
Water and Sewer			9,911,907	10,252,806	9,911,907	10,252,806
Stormwater			1,547,067	1,484,027	1,547,067	1,484,027
Sanitation			3,701,798	3,652,176	3,701,798	3,652,176
Golf Course			2,321,607	2,171,412	2,321,607	2,171,412
Leased Facilities			468,625	833,029	468,625	833,029
Natural Gas			1,461,999	1,293,532	1,461,999	1,293,532
Total Expenses	26,491,473	27,080,389	94,498,350	90,597,696	120,989,823	117,678,085
Change in Net Position Before Transfers	7,853,367	7,320,750	15,288,357	18,499,972	23,141,724	25,820,722
Net Transfers	3,969,386	2,758,724	(3,969,386)	(2,758,724)	-	-
Change in Net Position	11,822,753	10,079,474	11,318,971	15,741,248	23,141,724	25,820,722
Net Position-Beginning of Year	162,526,964	155,248,798	276,679,904	260,938,656	439,206,868	416,187,454
Restatement		(2,801,308)				(2,801,308)
Net Position-End of Year	\$ 174,349,717	\$ 162,526,964	\$ 287,998,875	\$ 276,679,904	\$ 462,348,592	\$ 439,206,868

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

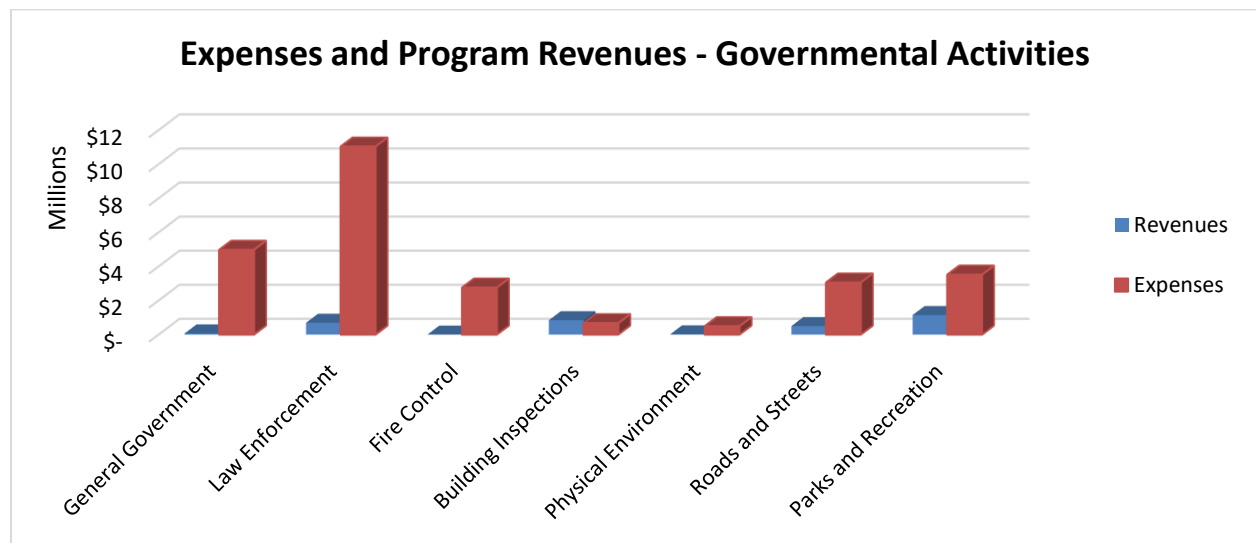
Governmental activities. Governmental activities for fiscal year 2021 increased the City's net position by \$7,853,367 (before transfers). For purposes of this discussion, interfund transfers from business-type funds to governmental funds are not included in revenues from activities.

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



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



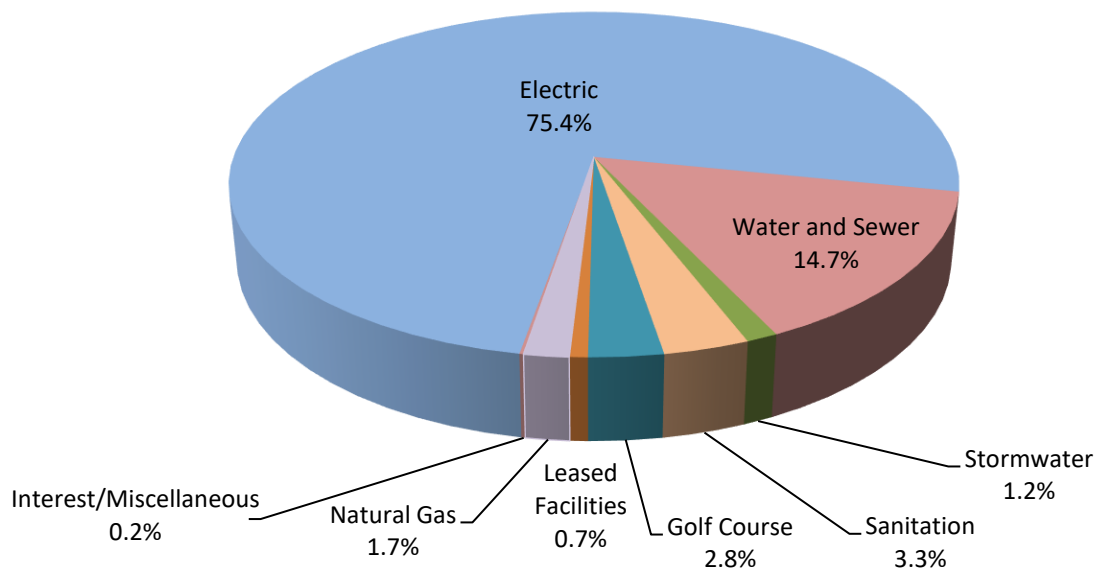
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

Key Elements of Governmental Activities Revenues and Expenditures:

- Property taxes, which provided 64.2% of governmental revenues, increased by \$1,077,605 or 5.1% in Fiscal year 2021 due to rising property values. 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 increased by \$263,476 or 6.1% as consumer spending and business operations recovered from the impact of COVID-19 in 2020.
- Interest revenues decreased by \$1,990,494 compared to the prior year 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 expenditures decreased by 2.2% to \$26,491,473 due largely to savings realized by contracting out fire control services to the City of Jacksonville.

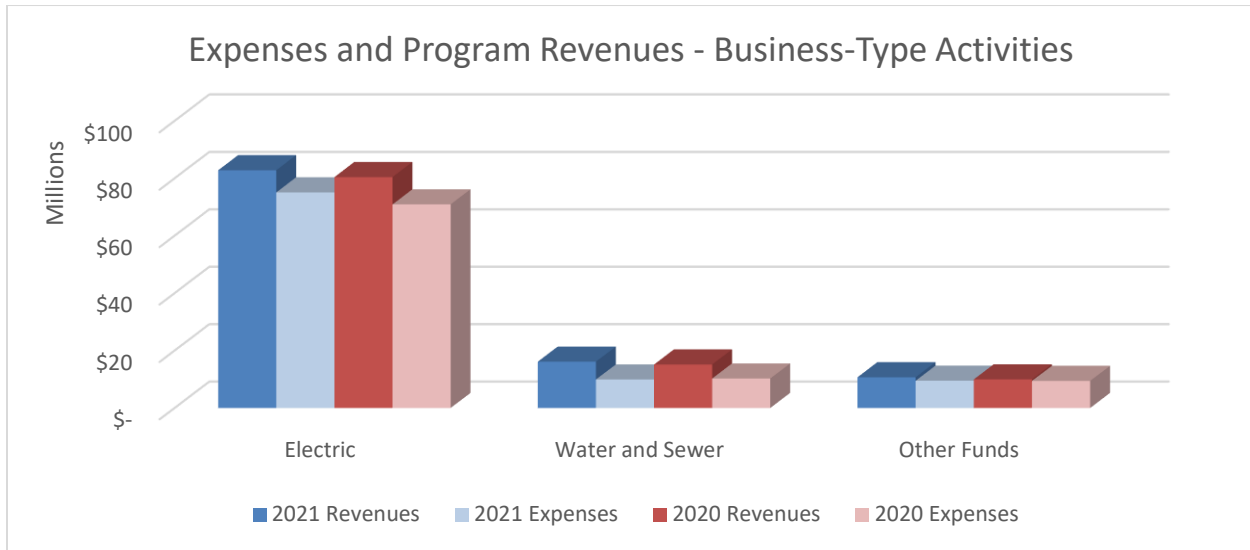
Business-type activities. Business-type activities for fiscal year 2021 increased the City's net position by \$15,288,357 (before transfers). On the statement of activities, net revenues are reduced by transfers to the governmental funds of \$3,969,386 to determine the change in net position. The following 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, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

The following chart compares the program revenues from the City's business-type activities to the related expenses for fiscal years 2021 and 2020. Business-type activities differ from governmental activities in that charges for services are designed specifically to recover the cost of providing those services, including capital costs such as depreciation or debt service.



Key Elements of Business-Type Revenues and Expenditures:

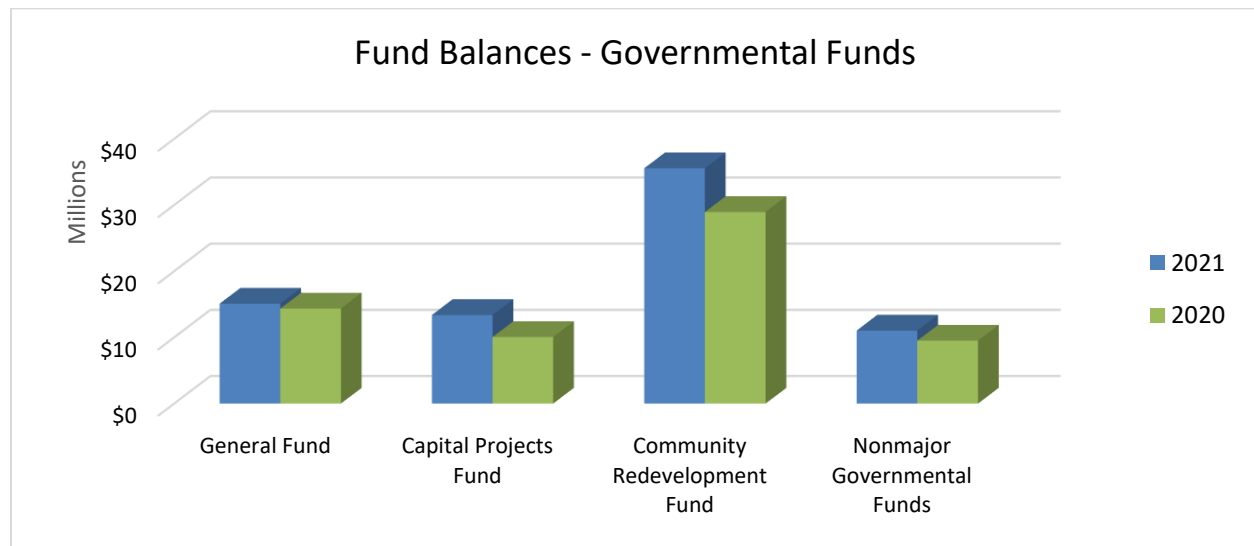
- Charges for services in the business-type activities increased by \$3,977,680 or 3.8% from the prior year. Of these program revenues, 75.4% comes from electric utility services and 13.4% from the water and sewer utility. Much of the increase is attributable to the City's COVID-19 financial relief programs offered in 2020 which suspended the power cost portion of customers' bills for three months. Additionally, rates for water and sewer services are adjusted annually in accordance with the Consumer Price Index (CPI). The increases in water and sewer rates are necessary to pay for needed maintenance and improvements to the system.
- Interest revenues decreased by \$3,415,029 compared to the prior year 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 the business-type activities increased by \$3,900,654, due in part to increases in the cost of purchased electricity.
- Significant transfers out in business-type activities included a \$3,635,350 transfer from the electric enterprise fund and \$120,207 transfer from the natural gas fund to governmental funds in accordance with the City's policies on electric and natural gas transfers.

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
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 2021 the City's governmental funds reported a combined ending fund balance of \$75,053,046, an increase of \$12,206,247 or 19.4% for the year. The growth in all funds is attributable to the City's pay-as-you-go funding strategy for capital improvements. In years where large capital projects take place, it is expected that fund balances will decrease. Of the total fund balance, \$46,734,037 is restricted for specific uses related to redevelopment, tourism, transportation improvements, capital projects, law enforcement, and building permits; \$6,609,860 is committed for revenue stabilization, cemetery improvements, and tree replacement; \$19,616,363 is assigned for capital projects and unanticipated events/emergencies; \$3,279 is non-spendable; and \$2,089,507 is unassigned.



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

At the end of the fiscal year, the fund balance of the general fund was \$15,091,901, of which \$6,603,601 was committed for revenue stabilization and cemetery improvements. An additional \$6,233,902 was assigned to an unanticipated events/emergencies reserve account and \$3,279 was reserved for prepaid expenditures. The remaining amount of \$2,089,507 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 73.6% of general fund expenditures for 2021.

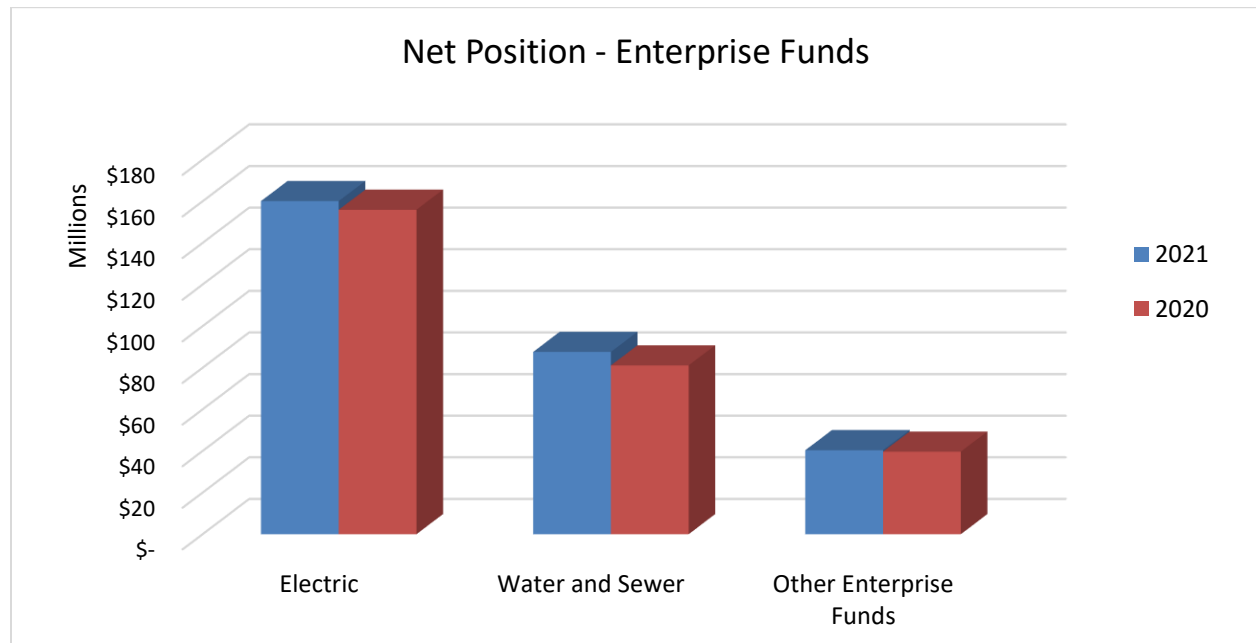
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

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 or grants. The fund balance at year-end in the capital projects fund was \$13,382,461. The increase of \$3,335,067, or 33.2%, from the prior year reflects the accumulation of funds to be used for approved capital improvement projects or major equipment replacements in future years.

The community redevelopment fund is used to account for expenses in the City's two redevelopment districts, which are funded by tax increment revenues. The ending fund balance in the redevelopment fund was \$35,550,984, an increase of \$6,606,996 for the year. The FY2022-2026 5-year Capital Improvement Plan for both the Downtown and Southend Districts anticipate spending over \$33 million for in infrastructure, parks, and beautification projects. A more detailed summary of the activities in this fund can be found in the notes to the financial statements.

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 2021, the City's enterprise funds reported a combined ending net position of \$287,998,875, an increase of \$11,318,971 or 3.9% for the year. The increase is attributable to savings realized with the retirement of the Electric and Water and Sewer revenue bond debt and the City's strategy to accumulate resources over a period of time to fund future capital improvements via pay-as-you-go financing.



MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget was a decrease in net appropriations of \$1,015,358 for expenditures and an increase of \$4,015,000 for transfers out. Budget amendments were adopted anticipating using available fund balance or revenues in excess of the original budget projections. Major amendments are summarized in Note 3 of the notes to the financial statements.

In 2021, the total fund balance of the City's general fund increased by \$740,528. Actual revenues were higher than final budgeted revenues by \$1,238,900. This variance is largely due to Intergovernmental revenues outperforming the conservative estimates budgeted as a result of COVID-19 impact on 2020 revenues. Actual expenditures were under budget by \$2,271,106 or 10%. This variance is attributable to personnel vacancies and the active management by departments of their individual budgets to ensure compliance with budgetary limits.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021, totaled \$301,266,424 (net of accumulated depreciation). Capital assets include land, buildings, equipment, infrastructure, and construction in progress. The City's total investment in capital assets decreased \$4,352,678 or 1.4% due to depreciation expense outpacing additions.

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 2021 and 2020:

City of Jacksonville Beach Capital Assets							
	Governmental Activities		Business-Type Activities		Total		
	2021	2020	2021	2020	2021	2020	
Land	\$ 29,656,509	\$ 29,656,509	\$ 4,388,198	\$ 4,388,198	\$ 34,044,707	\$ 34,044,707	
Buildings & Improvements	53,832,454	53,186,326	354,192,222	341,122,464	408,024,676	394,308,790	
Equipment	18,265,434	17,490,530	12,433,106	11,581,948	30,698,540	29,072,478	
Infrastructure	61,330,548	61,145,934	-	-	61,330,548	61,145,934	
Construction in Progress	14,807,492	14,378,510	17,831,766	24,634,305	32,639,258	39,012,815	
	177,892,437	175,857,809	388,845,292	381,726,915	566,737,729	557,584,724	
Less: Accumulated Depreciation	(70,409,134)	(66,693,886)	(195,062,171)	(185,271,736)	(265,471,305)	(251,965,622)	
Capital Assets, Net	\$ 107,483,303	\$ 109,163,923	\$ 193,783,121	\$ 196,455,179	\$ 301,266,424	\$ 305,619,102	

Long-Term Debt. At September 30, 2021, the City had no outstanding bonded debt. The last utility revenue bond payment was made on October 1, 2020. The City seeks to minimize the need for future debt through long-term planning and capital budgeting. Pay-as-you-go financing is the preferred financing method and is used where possible.

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

Outstanding Bonded Debt					
	Governmental Activities		Business-Type Activities		Total
	2021	2020	2021	2020	
Utility System Bonds				\$ 2,150,000	\$ - \$ 2,150,000
Total	\$ -	\$ -	\$ -	\$ 2,150,000	\$ - \$ 2,150,000

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Each year the City begins its annual budget process with an evaluation of its current financial position. This evaluation considers local and national economic trends, financial trend analysis, a five-year capital improvement plan, and a five-year cash flow analysis for major city operations. As the City prepared the budget for FY2022, there was a great deal of uncertainty due to the COVID-19 pandemic and its lingering effects. While the financial outlook has generally improved since the onset of the pandemic, the recovery remains mixed. While other governments had to implement reductions in the current fiscal year, we were able to maintain and provide a level of services that our citizens expect.

Factors considered in preparing the City's budget for the fiscal year 2022 included:

- Jacksonville Beach's property values increased by 5.9%, and the millage rate remains the same at 3.9947 mills. However this growth is expected to be offset by reductions in sales, fuel, tourist development taxes and building permit fees.
- The FY2022 budget allows the City to maintain its current service levels while also making significant investments in capital improvements. Through careful and forward-thinking planning, we were able set aside funds for longer-term projects such as facilities, park upgrades and improvements, and improvements to our electric and water sewer systems utilizing pay-as-you-go funds. This allows our City to maintain its debt free status attained in October 2020.
- The total adopted budget of \$179,058,353 is 8.6% higher than the prior year and continues to provide the same service level our community expects.
- The general fund budget is \$24,935,608, an increase of 4.8% from the prior year.
- As stewards of the taxpayer resources that make possible the services that are essential to our community, we will continue to manage these resources conservatively and responsibly.

MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

REQUESTS FOR INFORMATION

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

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

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

STATEMENT OF NET POSITION
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 83,566,611	\$ 92,469,180	\$ 176,035,791
Other Cash and Investments	5,425	1,300	6,725
Accounts Receivable, Net	631,275	16,116,286	16,747,561
Assessments Receivable, Net	24,969	1,079	26,048
Due from Other Governments	2,407,910	432,868	2,840,778
Inventories		2,931,282	2,931,282
Prepaid Items	1,076,012	77,135	1,153,147
Restricted Assets:			
Equity in Pooled Cash and Investments		40,262,264	40,262,264
Capital Assets:			
Non-Depreciable	44,464,001	22,219,964	66,683,965
Depreciable, Net	63,019,302	171,563,157	234,582,459
Total Assets	195,195,505	346,074,515	541,270,020
Deferred Outflows of Resources			
Pension Related	4,252,471	2,361,674	6,614,145
OPEB Related	461,634	326,523	788,157
Total Deferred Outflows of Resources	4,714,105	2,688,197	7,402,302
Liabilities			
Accounts Payable	848,748	6,868,720	7,717,468
Accrued Interest		3,735	3,735
Other Accrued Liabilities	714,629	747,642	1,462,271
Power Costs Recovered in Advance		22,071,317	22,071,317
Due to Other Governments	2,286,194	3,563	2,289,757
Deposits	31,849	5,965,446	5,997,295
Unearned Revenues	195,491	38,290	233,781
Self-Insurance Claims Payable	127,949		127,949
Non-Current Liabilities:			
Due Within One Year	1,139,064	387,383	1,526,447
Due in More Than One Year	17,532,168	10,067,999	27,600,167
Total Liabilities	22,876,092	46,154,095	69,030,187
Deferred Inflows of Resources			
Pension Related	1,973,103	1,227,794	3,200,897
OPEB Related	710,698	502,688	1,213,386
Rate Stabilization		12,879,260	12,879,260
Total Deferred Inflows of Resources	2,683,801	14,609,742	17,293,543
Net Position			
Investment in Capital Assets	107,483,303	193,783,121	301,266,424
Restricted for:			
Redevelopment	35,552,467		35,552,467
Tourism	1,846,803		1,846,803
Transportation Improvements	1,775,733		1,775,733
Capital Projects	7,301,605		7,301,605
Law Enforcement	503,100		503,100
Building Permits	161,612		161,612
Unrestricted	19,725,094	94,215,754	113,940,848
Total Net Position	\$ 174,349,717	\$ 287,998,875	\$ 462,348,592

See accompanying notes.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 4,974,593	\$ 68,662			\$ (4,905,931)		\$ (4,905,931)
Law Enforcement	11,033,893	279,504	\$ 307,042	\$ 106,930	(10,340,417)		(10,340,417)
Fire Control	2,758,059				(2,758,059)		(2,758,059)
Building Inspections	668,549	841,131			172,582		172,582
Physical Environment	491,317	17,007			(474,310)		(474,310)
Roads and Streets	3,051,233	311,036		185,278	(2,554,919)		(2,554,919)
Parks and Recreation	3,513,829	225,110	922,309		(2,366,410)		(2,366,410)
Total Governmental Activities	26,491,473	1,742,450	1,229,351	292,208	(23,227,464)	\$ -	(23,227,464)
Business-Type Activities							
Electric	75,085,347	82,519,625	1,500	278,741		7,714,519	7,714,519
Water and Sewer	9,911,907	15,786,840		336,322		6,211,255	6,211,255
Stormwater	1,547,067	1,311,274	1,080	15,386		(219,327)	(219,327)
Sanitation	3,701,798	3,600,138				(101,660)	(101,660)
Golf Course	2,321,607	3,125,375				803,768	803,768
Leased Facilities	468,625	761,049				292,424	292,424
Natural Gas	1,461,999	1,845,309		35,246		418,556	418,556
Total Business-Type Activities	94,498,350	108,949,610	2,580	665,695	-	15,119,535	15,119,535
Total Primary Government	\$ 120,989,823	\$ 110,692,060	\$ 1,231,931	\$ 957,903	(23,227,464)	15,119,535	(8,107,929)
General Revenues							
Taxes:							
Property Taxes					22,048,764		22,048,764
Franchise Taxes					5,280		5,280
Infrastructure Surtax					1,593,766		1,593,766
Communication Service Tax					1,101,550		1,101,550
Convention Development Tax					565,513		565,513
Fuel Taxes					780,852		780,852
Other Taxes					554,098		554,098
State-Shared Revenues (Unrestricted)					3,809,465		3,809,465
Other Intergovernmental Revenues (Unrestricted)					12,074		12,074
Interest					99,731	155,103	254,834
Miscellaneous					509,738	13,719	523,457
Net Transfers					3,969,386	(3,969,386)	-
Total General Revenues and Transfers					35,050,217	(3,800,564)	31,249,653
Change in Net Position					11,822,753	11,318,971	23,141,724
Net Position, Beginning of Year, As Restated					162,526,964	276,679,904	439,206,868
Net Position, End of Year					\$ 174,349,717	\$ 287,998,875	\$ 462,348,592

See accompanying notes.

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021
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	\$ 14,708,551	\$ 13,724,061	\$ 38,168,571	\$ 10,894,569	\$ 77,495,752
Other Cash and Investments	5,425				5,425
Receivables:					
Accounts, Net	628,701		871		629,572
Assessments, Net	29		1,483	23,457	24,969
Inter-Fund Receivables	58,895				58,895
Due from Other Governments	1,702,992			704,918	2,407,910
Prepaid Expenditures	3,279				3,279
Total Assets	<u>17,107,872</u>	<u>13,724,061</u>	<u>38,170,925</u>	<u>11,622,944</u>	<u>80,625,802</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts Payable	202,032	103,946	305,836	106,277	718,091
Other Accrued Liabilities	318,483	237,654	33,544	815	590,496
Due to Other Governments	7,116		2,279,078		2,286,194
Inter-Fund Payables				58,895	58,895
Deposits	31,849				31,849
Unearned Revenue	195,491				195,491
Total Liabilities	<u>754,971</u>	<u>341,600</u>	<u>2,618,458</u>	<u>165,987</u>	<u>3,881,016</u>
Deferred Inflows of Resources					
Unavailable Revenues	1,261,000		1,483	429,257	1,691,740
Fund Balances					
Non-Spendable:					
Prepaid Expenditures	3,279				3,279
Restricted for:					
Redevelopment			35,550,984		35,550,984
Tourism Expenditures				1,801,203	1,801,203
Transportation Improvements				1,645,533	1,645,533
Capital Projects				7,071,605	7,071,605
Law Enforcement				503,100	503,100
Building Permits	161,612				161,612
Committed for:					
Revenue Stabilization	6,233,902				6,233,902
Cemetery Improvements	369,699				369,699
Tree Replacement				6,259	6,259
Assigned for:					
Unanticipated Events/ Emergencies	6,233,902				6,233,902
Capital Projects		13,382,461			13,382,461
Unassigned	2,089,507				2,089,507
Total Fund Balances	<u>15,091,901</u>	<u>13,382,461</u>	<u>35,550,984</u>	<u>11,027,700</u>	<u>75,053,046</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 17,107,872</u>	<u>\$ 13,724,061</u>	<u>\$ 38,170,925</u>	<u>\$ 11,622,944</u>	<u>\$ 80,625,802</u>

See accompanying notes.

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

Fund Balance - Total Governmental Funds \$ 75,053,046

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

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

Capital Assets	\$ 176,592,787	
(Accumulated Depreciation)	<u>(69,434,238)</u>	107,158,549

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	3,810,832	
Deferred Inflows Related to Pensions and OPEB	<u>(2,247,637)</u>	1,563,195

Some revenues have been deferred on the balance sheet because they were not measurable and available at year-end.		1,691,740
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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	(1,658,012)	
Net Pension Liability	(6,408,582)	
Contractual Pension Liability	(4,521,397)	
Compensated Absences	<u>(2,604,685)</u>	(15,192,676)

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

4,075,863

Net Position of Governmental Activities		<u><u>\$ 174,349,717</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, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	General Fund	General Capital Projects Fund	Community Redevelopment Funds	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 14,066,868		\$ 9,651,025	\$ 2,900,130	\$ 26,618,023
Licenses and Permits	845,334				845,334
Intergovernmental	4,768,654			249,296	5,017,950
Charges for Services	594,556				594,556
Fines and Forfeitures	262,276			69,970	332,246
Interest and Other Revenue	304,429	\$ 20,520	43,948	17,291	386,188
Total Revenues	<u>20,842,117</u>	<u>20,520</u>	<u>9,694,973</u>	<u>3,236,687</u>	<u>33,794,297</u>
Expenditures					
Current:					
General Government	2,168,141	140,001	976,864	7,929	3,292,935
Public Safety	13,389,102		1,206,937	107,421	14,703,460
Physical Environment	74,338			5,926	80,264
Roads and Streets	1,625,021			707,989	2,333,010
Parks and Recreation	3,249,910			68,626	3,318,536
Capital Outlay		1,029,452	904,176	300,774	2,234,402
(Total Expenditures)	<u>(20,506,512)</u>	<u>(1,169,453)</u>	<u>(3,087,977)</u>	<u>(1,198,665)</u>	<u>(25,962,607)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>335,605</u>	<u>(1,148,933)</u>	<u>6,606,996</u>	<u>2,038,022</u>	<u>7,831,690</u>
Other Financing Sources (Uses)					
Transfers in	4,419,923	4,484,000			8,903,923
Transfers (out)	(4,015,000)			(514,366)	(4,529,366)
Total Other Financing Sources (Uses)	<u>404,923</u>	<u>4,484,000</u>	<u>-</u>	<u>(514,366)</u>	<u>4,374,557</u>
Net Change in Fund Balances	<u>740,528</u>	<u>3,335,067</u>	<u>6,606,996</u>	<u>1,523,656</u>	<u>12,206,247</u>
Fund Balances, Beginning 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>
Fund Balances, End of Year	<u>\$ 15,091,901</u>	<u>\$ 13,382,461</u>	<u>\$ 35,550,984</u>	<u>\$ 11,027,700</u>	<u>\$ 75,053,046</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, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

Net Change in Fund Balance - Total Governmental Funds \$ 12,206,247

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

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

Expenditures for Capital Assets	\$ 1,960,931	
Transfers of Capital Assets	335,171	
Contributions of Capital Assets	184,616	
Disposals of Capital Assets	(534)	
(Current Year Depreciation)	(4,268,934)	(1,788,750)

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

Payments related to the Contractual Pension Liability - Firefighters' Plan	411,861
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Some expenses reported in the statement of activities do not require
the use of current financial resources and, therefore, are not reported
as expenditures in the governmental funds:

Change in Accrued Compensated Absences	29,574	
Change in Net Pension Liability and Deferred Inflows and Outflows Related to Pensions	307,436	
Change in Other Postemployment Benefits and Deferred Inflows and Outflows Related to Pensions	63,511	400,521

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.	360,910
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Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	231,964
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Change in Net Position of Governmental Activities	\$ 11,822,753
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See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 14,244,279	\$ 14,244,279	\$ 14,066,868	\$ (177,411)
Licenses and Permits	511,605	514,905	845,334	330,429
Intergovernmental	3,848,023	3,848,023	4,768,654	920,631
Charges for Services	440,141	440,141	594,556	154,415
Fines and Forfeitures	151,271	156,054	262,276	106,222
Interest and Other Revenue	328,100	399,815	304,429	(95,386)
Total Revenues	19,523,419	19,603,217	20,842,117	1,238,900
Expenditures				
Executive and Legislative	1,067,170	1,067,170	927,281	139,889
Finance	421,833	424,588	379,107	45,481
Planning and Development	1,146,615	1,203,619	1,030,085	173,534
Parks and Recreation	3,669,675	3,699,464	3,320,756	378,708
Public Works	1,852,418	1,900,539	1,625,018	275,521
Police	10,086,180	10,284,516	9,552,065	732,451
Fire	3,247,495	3,254,028	3,198,357	55,671
Non-Departmental	936,291	943,694	473,843	469,851
(Total Expenditures)	(22,427,677)	(22,777,618)	(20,506,512)	2,271,106
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(2,904,258)	(3,174,401)	335,605	3,510,006
Other Financing Sources (Uses)				
Transfers in	4,269,557	4,419,557	4,419,923	366
Transfers (out)	(1,365,299)	(4,015,000)	(4,015,000)	-
Total Other Financing Sources (Uses)	2,904,258	404,557	404,923	366
Net Change in Fund Balance	\$ -	\$ (2,769,844)	\$ 740,528	\$ 3,510,372

See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 9,633,307	\$ 9,633,307	\$ 9,651,025	\$ 17,718
Interest and Other Revenue	253,850	254,661	43,948	(210,713)
Total Revenues	<u>9,887,157</u>	<u>9,887,968</u>	<u>9,694,973</u>	<u>(192,995)</u>
Expenditures				
Current:				
General Government	1,449,083	1,458,147	976,864	481,283
Public Safety	1,085,384	1,132,702	1,206,937	(74,235)
Capital Outlay	3,520,750	11,810,807	904,176	10,906,631
(Total Expenditures)	<u>(6,055,217)</u>	<u>(14,401,656)</u>	<u>(3,087,977)</u>	<u>11,313,679</u>
Net Change in Fund Balance	<u>\$ 3,831,940</u>	<u>\$ (4,513,688)</u>	<u>\$ 6,606,996</u>	<u>\$ 11,120,684</u>

See accompanying notes.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021
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	\$ 37,879,219	\$ 36,727,312	\$ 17,862,649	\$ 92,469,180	\$ 6,070,859
Other Operating Cash			1,300	1,300	
Receivables:					
Accounts, Net	13,325,513	1,959,364	831,409	16,116,286	1,703
Assessments, Net		1,079		1,079	
Due from Other Governments	432,868			432,868	
Inventories	2,870,394		60,888	2,931,282	
Prepaid Expenses	68,205		8,930	77,135	1,072,733
Restricted Assets:					
Equity in Pooled Cash and Investments	40,262,264			40,262,264	
Total Current Assets	94,838,463	38,687,755	18,765,176	152,291,394	7,145,295
Non-Current Assets:					
Capital Assets:					
Land	2,551,256	361,970	1,474,972	4,388,198	
Buildings and Improvements	220,115,489	96,745,311	37,331,422	354,192,222	149,937
Equipment	7,263,564	3,014,409	2,155,133	12,433,106	1,149,715
Construction in Progress	12,256,414	4,271,445	1,303,907	17,831,766	
	242,186,723	104,393,135	42,265,434	388,845,292	1,299,652
(Accumulated Depreciation)	(124,337,689)	(52,118,676)	(18,605,806)	(195,062,171)	(974,898)
Total Capital Assets, Net of Accumulated Depreciation	117,849,034	52,274,459	23,659,628	193,783,121	324,754
Total Non-Current Assets	117,849,034	52,274,459	23,659,628	193,783,121	324,754
Total Assets	212,687,497	90,962,214	42,424,804	346,074,515	7,470,049
Deferred Outflows of Resources					
Pension Related	1,458,292	716,935	186,447	2,361,674	903,273
OPEB Related	185,780	109,779	30,964	326,523	
Total Deferred Outflows of Resources	1,644,072	826,714	217,411	2,688,197	903,273

See accompanying notes.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021
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	\$ 5,928,512	\$ 580,866	\$ 359,342	\$ 6,868,720	\$ 130,657
Power Costs Recovered in Advance	21,417,558		653,759	22,071,317	
Other Accrued Liabilities	532,259	140,739	74,644	747,642	124,133
Due to Other Governments			3,563	3,563	
Unearned Revenue			38,290	38,290	
Estimated Liability for Self-Insured Losses				-	127,949
Current Portion of Long-Term Debt:					
Compensated Absences	269,018	95,100	23,265	387,383	177,436
Current Liabilities Payable from Restricted Assets:					
Accrued Interest	2,241	1,494		3,735	
Customer Deposits	5,965,446			5,965,446	
Total Current Liabilities	34,115,034	818,199	1,152,863	36,086,096	560,175
Non-Current Liabilities:					
Accrued Compensated Absences	1,076,072	380,400	93,060	1,549,532	692,442
Other Postemployment Benefits	667,248	394,283	111,208	1,172,739	
Net Pension Liability	4,518,502	2,120,340	706,886	7,345,728	2,608,678
Total Non-Current Liabilities	6,261,822	2,895,023	911,154	10,067,999	3,301,120
Total Liabilities	40,376,856	3,713,222	2,064,017	46,154,095	3,861,295
Deferred Inflows of Resources					
Pension Related	725,244	327,075	175,475	1,227,794	436,164
OPEB Related	286,012	169,007	47,669	502,688	
Rate Stabilization	12,879,260			12,879,260	
Total Deferred Inflows of Resources	13,890,516	496,082	223,144	14,609,742	436,164
Net Position					
Investment in Capital Assets	117,849,034	52,274,459	23,659,628	193,783,121	324,754
Unrestricted	42,215,163	35,305,165	16,695,426	94,215,754	3,751,109
Total Net Position	\$ 160,064,197	\$ 87,579,624	\$ 40,355,054	\$ 287,998,875	\$ 4,075,863

See accompanying notes.

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds	Totals	
Operating Revenues					
Charges for Services	\$ 82,097,815	\$ 15,728,228	\$ 9,881,454	\$ 107,707,497	\$ 12,270,455
Other	421,810	58,612	761,691	1,242,113	38,584
Total Operating Revenues	82,519,625	15,786,840	10,643,145	108,949,610	12,309,039
Operating Expenses					
Purchased Power	54,627,827		891,666	55,519,493	
Personal Services	6,058,537	3,252,630	1,608,206	10,919,373	4,577,576
Purchased Services	1,611,732	366,689	3,688,705	5,667,126	921,000
Repairs and Maintenance	495,579	683,763	629,279	1,808,621	350,237
Depreciation	6,101,815	3,041,185	1,383,400	10,526,400	87,025
Materials and Supplies	592,900	295,179	361,951	1,250,030	165,624
Other Expenses	5,012,518	2,272,461	937,889	8,222,868	5,910,630
(Total Operating Expenses)	(74,500,908)	(9,911,907)	(9,501,096)	(93,913,911)	(12,012,092)
Operating Income	8,018,717	5,874,933	1,142,049	15,035,699	296,947
Non-Operating Revenues (Expenses)					
Investment Earnings	94,147	39,871	21,085	155,103	5,017
Intergovernmental Revenue	1,500		1,080	2,580	
(Loss) Gain on Disposal of Capital Assets	(584,439)	6,768	6,951	(570,720)	
Total Non-Operating Revenues (Expenses)	(488,792)	46,639	29,116	(413,037)	5,017
Income Before Contributions and Transfers	7,529,925	5,921,572	1,171,165	14,622,662	301,964
Capital Contributions					
Connection Fees	95,419	74,965	35,246	205,630	
Contributions from Other Funds	-	335,171		335,171	
Developer Contributions	183,322	261,357	15,386	460,065	
Total Capital Contributions	278,741	671,493	50,632	1,000,866	-
Transfers					
Transfers in	162,097			162,097	
Transfers (out)	(3,818,350)	(126,000)	(522,304)	(4,466,654)	(70,000)
Total Transfers	(3,656,253)	(126,000)	(522,304)	(4,304,557)	(70,000)
Change in Net Position	4,152,413	6,467,065	699,493	11,318,971	231,964
Total Net Position, Beginning of Year	155,911,784	81,112,559	39,655,561	276,679,904	3,843,899
Total Net Position, End of Year	\$ 160,064,197	\$ 87,579,624	\$ 40,355,054	\$ 287,998,875	\$ 4,075,863

See accompanying notes.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds	Totals	
Cash Flows from Operating Activities					
Cash Received from Customers and Users	\$ 79,576,868	\$ 15,703,558	\$ 10,791,256	\$ 106,071,682	\$ 12,307,565
Cash Payments to Vendors for Goods and Services	(62,406,173)	(3,328,147)	(6,654,424)	(72,388,744)	(7,134,850)
Cash Payments to Employees for Services	(6,132,462)	(3,311,404)	(1,612,185)	(11,056,051)	(4,542,606)
Claims Paid				-	(294,883)
Net Cash Provided by (Used in) Operating Activities	11,038,233	9,064,007	2,524,647	22,626,887	335,226
Cash Flows from Non-Capital Financing Activities					
Transfers in	162,097			162,097	
Intergovernmental Revenue	2,024		1,080	3,104	
Transfers (out)	(3,818,350)	(126,000)	(522,304)	(4,466,654)	(70,000)
Net Cash Provided by (Used in) Non-Capital Financing Activities	(3,654,229)	(126,000)	(521,224)	(4,301,453)	(70,000)
Cash Flows from Capital and Related Financing Activities					
Acquisition of Capital Assets	(4,404,295)	(2,659,109)	(566,422)	(7,629,826)	(191,367)
Principal Paid on Revenue Bonds	(1,266,350)	(883,650)		(2,150,000)	
Interest Paid and Fiscal Charges	(25,327)	(17,673)		(43,000)	
Connection Fees	95,419	74,965	35,246	205,630	
Net Cash Provided by (Used in) Capital and Related Financing Activities	(5,600,553)	(3,485,467)	(531,176)	(9,617,196)	(191,367)
Cash Flows from Investing Activities					
Proceeds from maturities of investments	1,888,800	1,259,200		3,148,000	
Interest Received on Investments	94,147	39,871	21,085	155,103	5,017
Net Cash Provided by (Used in) Investing Activities	1,982,947	1,299,071	21,085	3,303,103	5,017
Net Increase (Decrease) in Cash and Cash Equivalents	3,766,398	6,751,611	1,493,332	12,011,341	78,876
Cash and Cash Equivalents, Beginning of Year	74,375,085	29,975,701	16,370,617	120,721,403	5,991,983
Cash and Cash Equivalents, End of Year	\$ 78,141,483	\$ 36,727,312	\$ 17,863,949	\$ 132,732,744	\$ 6,070,859

See accompanying notes.

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water and Sewer	Other Funds	Totals	
Included on the Accompanying Balance Sheet Under the Following Captions					
Current Assets					
Equity in Pooled Cash and Investments	\$ 37,879,219	\$ 36,727,312	\$ 17,862,649	\$ 92,469,180	\$ 6,070,859
Other Operating Cash			1,300	1,300	
Restricted Assets					
Equity in Pooled Cash and Investments	40,262,264	-		40,262,264	
Total	<u>\$ 78,141,483</u>	<u>\$ 36,727,312</u>	<u>\$ 17,863,949</u>	<u>\$ 132,732,744</u>	<u>\$ 6,070,859</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	\$ 8,018,717	\$ 5,874,933	\$ 1,142,049	\$ 15,035,699	\$ 296,947
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	6,101,815	3,041,185	1,383,400	10,526,400	83,237
Power Costs Recovered in Advance (Returned)	(3,040,551)		80,501	(2,960,050)	
Change in Estimated Liability for Self-Insured Losses				-	(749)
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):					
Accounts Receivable and Unbilled Revenue	(173,640)	(83,249)	52,709	(204,180)	(1,474)
Assessments Receivable		(33)		(33)	
Inventories	(370,426)		(17,378)	(387,804)	
Prepaid Expenses	7,419		(2,149)	5,270	(95,322)
Accounts Payable and Other Accrued Liabilities	297,390	289,945	(125,407)	461,928	17,617
Unearned Revenues			14,901	14,901	
Customer Deposits	271,434			271,434	
Accrued Compensated Absences	(43,266)	(103,983)	17,115	(130,134)	47,448
Other Postemployment Benefits and Related Deferred Inflows and Outflows	(11,864)	52,717	(16,823)	24,030	
Net Pension Liability and Pension Related Deferred Inflows and Outflows	(18,795)	(7,508)	(4,271)	(30,574)	(12,478)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 11,038,233</u>	<u>\$ 9,064,007</u>	<u>\$ 2,524,647</u>	<u>\$ 22,626,887</u>	<u>\$ 335,226</u>
Supplemental Disclosure of Non-Cash Activities					
Transfer of Capital Assets		\$ 335,171		\$ 335,171	
Contributed Assets	\$ 183,322	261,357	\$ 15,386	460,065	

See accompanying notes.

STATEMENT OF FIDUCIARY NET POSITION
ALL FIDUCIARY FUNDS - PENSION TRUST FUNDS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

Assets

Cash and Cash Equivalents	\$ 7,408,825
Accrued Interest	70,410
Due from Other Funds	90,000
Investments:	
Equities, Including Mutual Funds	80,305,826
Corporate Bonds	6,684,765
U.S. Government Obligations/Agencies	19,819,410
Real Estate	5,782,110
Total Investments	<u>112,592,111</u>
Total Assets	<u><u>120,161,346</u></u>

Liabilities

Other Accrued Liabilities	1,636
Due to Other Funds	90,000
Total Liabilities	<u><u>91,636</u></u>

Net Position

Restricted for Pensions	<u><u>\$ 120,069,710</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, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

Additions

Contributions:	
Employee	\$ 1,799,111
Employer:	
City of Jacksonville Beach	3,872,043
City of Jacksonville	133,840
State of Florida	303,569
Total Contributions	<u>6,108,563</u>
Investment Income:	
Investment Earnings	19,269,142
(Investment Expenses)	(204,475)
Net Investment Income	<u>19,064,667</u>
Total Additions	<u>25,173,230</u>
Deductions	
Benefits	7,255,078
Refunds of Contributions	290,160
Administrative Expense	<u>260,984</u>
(Total Deductions)	<u>(7,806,222)</u>
Change in Net Position	17,367,008
Net Position, Beginning of Year	<u>102,702,702</u>
Net Position, End of Year	<u><u>\$ 120,069,710</u></u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
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, 2021
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, 2021
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, 2021
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, 2021
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, 2021, is \$175,020. 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, 2021, are unbilled amounts totaling \$7,371,076. 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, 2021, 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 2021.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
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, 2021
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.

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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

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, 2021.

■ **Flow Assumption**

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

F. Restatement

Beginning of year net position in the governmental activities has been restated to properly reflect the transition of the City's obligation related to the Firefighters' Pension Plan which was previously reported under the provisions of GASB 68, *Accounting and Financial Reporting for Pensions*, using a one year prior measurement date to measure the net pension liability and related deferred inflows and outflows. As more fully described in Note 11, the City entered into an agreement with the City of Jacksonville effective November 19, 2019, which fixed the City's unfunded pension obligation to the plan at \$5.3m plus interest. As such, the City's net pension liability, deferred inflows and outflows related to the Firefighters' Plan have been removed from the financial statements and replaced with a fixed contractual obligation. The impact of this restatement was to decrease net position in the governmental activities by \$2,801,308.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

Note 2 - Property Tax Calendar

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

Details of the tax calendar are presented below:

Lien Date	January 1, 2020
Levy Date	October 1, 2020
Installment Payments	
First Installment	No Later Than June 30, 2020
Second Installment	No Later Than September 30, 2020
Third Installment	No Later Than December 31, 2020
Fourth Installment	No Later Than March 31, 2021
Regular Payments	
Discount Periods	November 2020 Through February 2021
No Discount Period	After March 1, 2021
Delinquent Date	April 1, 2021

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.

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

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

	<u>Original Budget</u>	<u>Encumbrances Rolled Forward</u>	<u>Supplemental Appropriations</u>	<u>Amended Budget</u>
General Fund	\$ 23,792,976	\$ 191,404	\$ 2,808,238	\$ 26,792,618
Special Revenue Funds	8,018,929	1,635,270	7,919,593	17,573,792

Supplementary budgetary appropriations for the general fund include the following:

- \$7,104 for City website design and development with CivicPlus.
- \$500,000 in transfers to the General Capital Projects Fund for the City-wide parks maintenance and improvement reserve.
- \$52,464 for leave payout for the retired Planning Director.
- \$4,540 for host compliance software used for short-term vacation rentals.
- \$2,015 for the purchase of a display case in the Carver Center.
- \$22,131 for overtime costs incurred for mutual aid Police services provided to the City of Atlantic Beach for October to December of 2020. Revenue collected to offset this expense.
- \$18,670 for insurance proceeds used to offset cost of Police vehicle repairs.
- \$2,150,000 in transfers to the General Capital Projects Fund for the following reserve programs: Police vehicle replacement, building physical security improvements, building renovations resulting from space needs analysis, information services improvements, and replacement of Police RMS and CAD systems.
- \$420 for purchase of supplies for pantry at Carver Center.
- \$20,400 for the installation of a handicap access ramp and new handicap parking spaces adjacent to the City Hall North entrance.
- \$25,165 replacement of a totaled Public Works vehicle.
- \$5,329 for insurance proceeds used to offset the cost of Police vehicle repairs.

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

- \$631,263 for asphaltic concrete milling, paving and overlaying of roadways.
- \$54,912 for design of Penman Road septic tank phase-out improvements.
- \$96,104 for the radio system upgrade agreement II.
- \$17,487 for leave payout for retired Planning Director.
- \$30,800 for final design and bid services for Downtown site furnishing and bike parking.
- \$91,440 for consulting services for Urban Trails and Connectivity Corridors Master Plan.
- \$27,842 for replacing traffic lane delineators with reinforced concrete median barriers on Osceola Avenue.
- \$41,682 for upgrades to the radio tower.
- \$811 for insurance proceeds used to offset the cost of Police vehicle repairs.
- \$108,289 for dune walkover construction.
- \$1,052,416 for portions of Downtown Phase 3C and 3D infrastructure improvements.
- \$211,547 for infrastructure improvements.
- \$61,800 for consulting services for Urban Trails and Connectivity Corridors Master Plan.

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- \$67,436 for replacing traffic lane delineators, with reinforced concrete median barriers on Southbeach Parkway.
- \$3,754,066 for Ocean Terrace drainage improvements.
- \$60,753 for shade shelters for splash pads.
- \$131,460 for basketball and pickleball courts and fencing and landscaping.
- \$1,379,292 for Sunshine playground equipment design furnish and installation.
- \$50,385 in JAGC 2020 funds for purchase of an ATV and recording equipment.
- \$49,808 in JAGC 2021 funds for purchase of a marked police vehicle.

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 \$216,298,055 in governmental and business-type funds and \$1,431,359 in the pension funds and petty cash of \$6,725.

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, 2021, the carrying amount of the City's deposits held in QPDs was \$33,974,437 and the bank balance was \$34,986,948.

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 \$4,269,878 and the amount of deposits held in the pension trust funds was \$5,977,467.

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	\$ 33,974,437
Petty Cash	6,725
Investments	179,485,099
Deposits Held in Trust	4,269,878
Less Pooled Cash Held in Pension Trust Funds	<u>(1,431,359)</u>
Total	<u>\$ 216,304,780</u>

As presented in the accompanying Statement of Net Position:

Equity in Pooled Cash and Investments	\$ 176,035,791
Other Cash and Investments	6,725
Restricted Equity in Pooled Cash and Investments	<u>40,262,264</u>
Total	<u>\$ 216,304,780</u>

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CITY OF JACKSONVILLE BEACH, FLORIDA

Investments

Following are the investments held in the pooled cash fund, credit ratings, and maturities of the City's governmental and business-type activities at September 30, 2021:

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+	\$ 57,843,737	\$ 5,405,941	\$ 52,391,894	\$ 45,902	
Federal Agency Securities:						
Federal Agencies	N/A	7,979,111	7,979,111			
Federal Home Loan Bank	AA+	4,950,389	4,950,389			
Federal Home Loan Mortgage Corporation	AA+	1,859,905		151,735	158,042	\$ 1,550,128
Federal National Mortgage Association	AA+	3,585,118		1,305,041	284,081	1,995,996
Government National Mortgage Association	AA+	29,200	84			29,116
Corporate ABSs	AAA	7,348,470	834	6,806,013	505,279	36,344
Corporate ABSs	AA+	137,427				137,427
Corporate ABSs	Aaa (Moody's)	1,939,588		1,793,130	79,984	66,474
Corporate Bonds	AAA	-				
Corporate Bonds	AA+	4,750,347	308,303	4,442,044		
Corporate Bonds	AA	1,346,187		1,346,187		
Corporate Bonds	AA-	2,557,082	468,660	2,088,422		
Corporate Bonds	A+	3,101,640	569,880	2,531,760		
Corporate Bonds	A	8,553,195	2,611,483	5,941,712		
Corporate Bonds	A-	8,192,511	2,107,665	6,084,846		
Corporate Bonds	BBB+	9,386,822	2,769,267	6,617,555		
Corporate Bonds	Aaa (Moody's)	-				
Corporate Bonds	A2 (Moody's)					
Municipal Bonds	AAA	765,601	368,176	397,425		
Municipal Bonds	AA+	275,683	102,169	173,514		
Municipal Bonds	AA	248,643	228,352	20,291		
Municipal Bonds	AA-	207,096	103,310	103,786		
Municipal Bonds	A	126,446		126,446		
Municipal Bonds	Aaa (Moody's)	217,595		217,595		
Municipal Bonds	Aa1 (Moody's)	108,363	76,806			31,557
Municipal Bonds	Aa2 (Moody's)	50,803	50,803			
Florida State Board of Administration:						
Florida PRIME	AAAm	22,151,012	22,151,012			
Florida Trust - Day to Day Fund	AAAmf (Fitch)	19,091,550	19,091,550			
Florida Municipal Investment Trust:						
Short-Term Bond Portfolio (0-2 Years)	AAA (Fitch)	12,681,578	12,681,578			
Total		<u>\$ 179,485,099</u>	<u>\$ 82,025,373</u>	<u>\$ 92,539,396</u>	<u>\$ 1,073,288</u>	<u>\$ 3,847,042</u>

Listed below are the investments and maturities in the City's pension trust funds at September 30, 2021:

Investment Type	Fair Value	Investment Maturities			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Equities	\$ 80,305,826	\$ 80,305,826			
U.S. Government Securities	14,508,410	2,166,068	\$ 799,459	\$ 9,652,415	\$ 1,890,468
Federal Agency Securities:					
Federal Home Loan Bank	631,317		631,317		
Federal Home Loan Mortgage Corporation	748,218		2,888		745,330
Federal National Mortgage Association	3,931,465	2,532	83,112	481,153	3,364,668
Corporate Bonds	6,684,765		1,307,221	4,840,801	536,743
Real Estate	<u>5,782,110</u>	<u>5,782,110</u>			
Total	<u>\$ 112,592,111</u>	<u>\$ 88,256,536</u>	<u>\$ 2,823,997</u>	<u>\$ 14,974,369</u>	<u>\$ 6,537,209</u>

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

<u>Investment Type</u>	<u>Moody's Credit Rating</u>	<u>Percent of Total</u>
U.S. Government Securities	Aaa	12.89%
Federal Agency Securities	Aaa	4.72%
Corporate Bonds	A1	1.56%
Corporate Bonds	A2	2.38%
Corporate Bonds	A3	0.89%
Corporate Bonds	Baa1	1.11%

Authorized Investments

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS
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Risk Disclosure

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

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

Fair Value Measurements

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

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

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The City's investments are measured at fair value on a recurring basis. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value in the hierarchy described above. The fair value measurements for the City's operating investments are as follows at September 30, 2021:

		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)
Investments by Fair Value Level	Amount			
U.S. Government Obligations	\$ 57,843,737	\$ 15,039,294	\$ 42,804,443	
Federal Agency Securities:				
Federal Agencies	7,979,111		7,979,111	
Federal Home Loan Mortgage Corporation	1,859,905		1,859,905	
Federal Home Loan Bank	4,950,389		4,950,389	
Federal National Mortgage Association	3,585,118		3,585,118	
Government National Mortgage Association	29,200		29,200	
Corporate ABSs	9,425,485		9,425,485	
Corporate Bonds	37,887,784		37,887,784	
Municipal Bonds	2,000,230		2,000,230	
Total Investments by Fair Value Level	\$ 125,560,959	\$ 15,039,294	\$ 110,521,665	\$ -

Investments Measured at Amortized Cost	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Florida State Board of Administration:				
Florida PRIME	\$ 22,151,012		None	Daily
Florida Trust - Day to Day Fund	19,091,550		None	Daily
Florida Municipal Investment Trust:				
Short-Term Bond Portfolio (0-2 Years)	12,681,578		None	Daily
Total Investments Measured at Amortized Cost	\$ 53,924,140			
Total Investments	\$ 179,485,099			

The fair value measurements for the City's pension trust fund investments are as follows at September 30, 2021:

		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)
Investments by Fair Value Level	Amount			
Equities	\$ 80,305,826	\$ 80,305,826		
U.S. Government Securities	14,508,409	2,705,122	\$ 11,803,287	
Federal Agency Securities:				
Federal Home Loan Bank	631,317	631,317		
Federal Home Loan Mortgage Corporation	748,218		748,218	
Federal National Mortgage Association	3,931,466		3,931,466	
Corporate Bonds	6,684,765		6,684,765	
Total Investments Measured at Fair Value	106,810,001	\$ 83,642,265	\$ 23,167,736	\$ -

Investments Measured at the Net Asset Value (NAV)	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real Estate Fund	\$ 5,782,110		Quarterly	45 days
Total Investments	\$ 112,592,111			

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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, 2021, the balance in these accounts consists of the following:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 58,895	
General Employees' Pension	90,000	
Community Development Block Grant		\$ 2,329
Firefighters Pension		90,000
J.A.G. Grant		56,566
Total Restricted Assets	<u>\$ 148,895</u>	<u>\$ 148,895</u>

Interfund transfers during the year ended September 30, 2021, consisted of the following:

	<u>Transfers In</u>				
	<u>General Fund</u>	<u>General Capital Projects</u>	<u>Electric</u>	<u>Governmental Activities</u>	<u>Total</u>
Transfers Out					
General Fund		\$ 4,015,000 (1)			\$ 4,015,000
Other Governmental	\$ 514,366 (2)				514,366
Electric Fund	3,635,350 (3)	183,000 (1)			3,818,350
Water and Sewer		126,000 (1)		\$ 335,171 (5)	461,171
Other Enterprise	270,207 (2),(3)	90,000 (1)	\$ 162,097 (4)		522,304
Internal Service		70,000 (1)			70,000
Total Transfers Out	<u>\$ 4,419,923</u>	<u>\$ 4,484,000</u>	<u>\$ 162,097</u>	<u>\$ 335,171</u>	<u>\$ 9,401,191</u>

Transfer Purpose

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

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Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2021, 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>14,378,510</u>	\$ 764,154	\$ (335,172)	<u>14,807,492</u>
Total Capital Assets Not Being Depreciated	<u>44,035,019</u>	<u>764,154</u>	<u>(335,172)</u>	<u>44,464,001</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	53,186,326	646,128		53,832,454
Equipment	17,490,530	1,416,148	(641,244)	18,265,434
Road Network	32,881,354	184,614		33,065,968
Other Infrastructure Networks	<u>28,264,580</u>			<u>28,264,580</u>
Total Capital Assets Being Depreciated	<u>131,822,790</u>	<u>2,246,890</u>	<u>(641,244)</u>	<u>133,428,436</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(19,952,228)	(1,766,035)		(21,718,263)
Equipment	(12,372,495)	(1,491,280)	640,710	(13,223,065)
Road Network	(12,791,187)	(417,293)		(13,208,480)
Other Infrastructure Networks	<u>(21,577,976)</u>	<u>(681,350)</u>		<u>(22,259,326)</u>
Total Accumulated Depreciation	<u>(66,693,886)</u>	<u>(4,355,958)</u>	<u>640,710</u>	<u>(70,409,134)</u>
Total Being Depreciated, Net	<u>65,128,904</u>	<u>(2,109,068)</u>	<u>(534)</u>	<u>63,019,302</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 109,163,923</u></u>	<u><u>\$ (1,344,914)</u></u>	<u><u>\$ (335,706)</u></u>	<u><u>\$ 107,483,303</u></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>24,634,305</u>	\$ 3,124,434	\$ (9,926,973)	<u>17,831,766</u>
Total Capital Assets Not Being Depreciated	<u>29,022,503</u>	<u>3,124,434</u>	<u>(9,926,973)</u>	<u>22,219,964</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	341,122,465	13,316,998	(247,239)	354,192,224
Equipment	<u>11,581,948</u>	<u>1,064,031</u>	<u>(212,875)</u>	<u>12,433,104</u>
Total Capital Assets Being Depreciated	<u>352,704,413</u>	<u>14,381,029</u>	<u>(460,114)</u>	<u>366,625,328</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(177,103,742)	(9,618,989)	523,091	(186,199,640)
Equipment	<u>(8,167,995)</u>	<u>(907,411)</u>	<u>212,875</u>	<u>(8,862,531)</u>
Total Accumulated Depreciation	<u>(185,271,737)</u>	<u>(10,526,400)</u>	<u>735,966</u>	<u>(195,062,171)</u>
Total Being Depreciated, Net	<u>167,432,676</u>	<u>3,854,629</u>	<u>275,852</u>	<u>171,563,157</u>
Business-Type Activities Capital Assets, Net	<u><u>\$ 196,455,179</u></u>	<u><u>\$ 6,979,063</u></u>	<u><u>\$ (9,651,121)</u></u>	<u><u>\$ 193,783,121</u></u>

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

Governmental Activities	
General Government	\$ 2,115,459
Law Enforcement	602,316
Physical Environment	410,864
Roads and Streets	785,026
Parks and Recreation	355,269
Internal Service Funds	87,024
Total Depreciation Expense - Governmental Activities	\$ 4,355,958
Business-Type Activities	
Electric	\$ 6,101,815
Water and Sewer	3,041,185
Stormwater	912,095
Sanitation	60,754
Golf Course	238,988
Leased Facilities	17,222
Natural Gas	154,341
Total Depreciation Expense - Business-Type Activities	\$ 10,526,400

Note 7 - Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2021:

	Balance September 30, 2020	Additions	Other Reductions	Balance September 30, 2021	Due Within One Year
Governmental Activities					
Accrued Compensated Absences	\$ 3,456,689	\$ 1,248,856	\$ (1,230,982)	\$ 3,474,563	\$ 698,373
Accrued Other Postemployment Benefits	1,574,381	83,631		1,658,012	
Net Pension Liability*	10,753,349		(1,736,089)	9,017,260	
Other Contractual Pension Obligation - Fire*	4,933,258		(411,861)	4,521,397	440,691
Total Governmental Activities	20,717,677	1,332,487	(3,378,932)	18,671,232	1,139,064
Business-Type Activities					
Revenue Bonds - Par	2,150,000		(2,150,000)	-	
Revenue Bonds, Net	2,150,000	-	(2,150,000)	-	-
Accrued Compensated Absences	2,067,049	845,124	(975,259)	1,936,914	387,383
Accrued Other Postemployment Benefits	1,058,495	131,203	(16,959)	1,172,739	
Net Pension Liability	8,682,870		(1,334,141)	7,348,729	
Total Business-Type Activities	13,958,414	976,327	(4,476,359)	10,458,382	387,383
Total Long-Term Obligations	\$ 34,676,091	\$ 2,308,814	\$ (7,855,291)	\$ 29,129,614	\$ 1,526,447

*Restated beginning balances as described in Note 1.

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Note 8 - Restricted Assets

The following table indicates the balances at September 30, 2021, for all restricted assets in the proprietary fund types:

	<u>Electric Fund</u>
Power Costs Recovered In Advance	21,417,558
Rate Stabilization	12,879,260
Customer Deposits	<u>5,965,446</u>
Total Restricted Assets	<u><u>\$ 40,262,264</u></u>

Note 9 - Florida Municipal Power Affiliation

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

The St. Lucie Project

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

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

Total expense for 2021 under this contract was \$3,083,920. 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.

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

The electric system's load in excess of that served from the St. Lucie Project is provided for by FMPA under the All Requirements Project. The City's highest system peak load for fiscal 2021 was in February 2021, at 165.280 MW. Total expense to the City under the All Requirements Project for 2021 was \$51,470,923.

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

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

The Florida Municipal Solar Project

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

Interconnect Services

The City also has a contract for backup interconnection and electric service with Jacksonville Electric Authority (JEA) through an interconnection point at the Neptune Beach Substation. Total expense for 2021, under this contract was \$0.

Note 10 - Power Costs Recovered in Advance

The City uses a power true-up recomputed monthly in its electric rates. At September 30, 2021, the City was over-recovered from customers by \$21,417,558. 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, 2021, the rate stabilization reserve totaled \$12,879,260. This amount is included as a Deferred Inflow of Resources in the accompanying financial statements.

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The City also uses a cost of gas true-up recomputed monthly in its natural gas rates. At September 30, 2021, the City was over-recovered from customers by \$653,759. This amount will be returned to customers in future years.

Note 11 - Retirement Systems

Plan Descriptions

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

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

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

Each plan is considered a single-employer, defined benefit pension plan. Each of the plans present separate financial statements and are included as 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, 2020, 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)	193	39	24	256
Inactive Plan Members Entitled to Benefits, But Not Yet Receiving Them	11	4	1	16
Active Plan Members	<u>238</u>	<u>67</u>	<u>25</u>	<u>330</u>
Total	<u>442</u>	<u>110</u>	<u>50</u>	<u>602</u>

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

The City will continue to be the plan administrator and is responsible for the unfunded actuarial accrued liability as determined by the plan actuary as of November 22, 2019. The City agreed to pay the unfunded liability (representing a fixed contractual obligation) at that time totaling \$5,318,174 into the Plan over a 10 year period. Annual contributions towards the unfunded liability are \$707,653 including interest. The City of Jacksonville is responsible for paying the total required contribution to the Jacksonville Beach Firefighters' Pension Plan and estimated annual employee contributions attributable to services rendered after November 23, 2019. As such, the City is no longer subject to the provisions of GASB 68, *Accounting and Financial Reporting for Pensions*, as it relates to the Firefighters' Pension Plan, as the City is no longer considered the Plan employer. The City's contractual pension obligation totaled \$4,521,397 as of September 30, 2021.

Benefits

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

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

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

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

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

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

Contributions

For the year ended September 30, 2021, 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.

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For the GERS and the PORS, the City makes periodic contributions totaling a minimum of 100% of the annual actuarially determined amount to the pension plan. For the FFRS, the City makes contractually agreed to fixed annual contributions to the pension plan as previously described. In addition to the employer contribution, the Police Officers' pension plan receives a distribution of casualty premium tax monies from the State of Florida pursuant to Chapter 185, Florida Statutes. The on-behalf payments received from the State of Florida totaling \$303,569 were received for the period ending September 30, 2021 and were recognized as revenues and expenses in the General Fund and were used to reduce the City's contribution to the Police Officers' pension plan.

For the period ended September 30, 2021, the actuarially determined contribution amount for the City was to be \$4,055,487, including estimated contributions from the State of Florida. The City's actual contribution was \$4,175,313, including actual contributions from the State of Florida. These contributions were determined pursuant to an actuarial valuation dated October 1, 2019.

There were no contributions due to the plans by the City at September 30, 2021.

Investment Policy

The following are the three Boards' adopted asset allocation policy as of September 30, 2021:

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

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, 2021 and 2020, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 18.94% and 10.02%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investment Values

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

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	General Employees	Police Officers	Firefighters	Totals
Assets				
Cash and Cash Equivalents	\$ 3,528,525	\$ 2,531,331	\$ 1,348,969	\$ 7,408,825
Due from Other Funds			90,000	90,000
Accrued Interest	41,864	18,194	10,352	70,410
Investments:				
Equities, Including Mutual Funds	47,367,473	20,993,532	11,944,821	80,305,826
Corporate Bonds	3,942,932	1,747,530	994,303	6,684,765
U.S. Government Obligations/Agencies	11,690,252	5,181,186	2,947,972	19,819,410
Real Estate Fund	3,410,511	1,511,558	860,041	5,782,110
Total Investments	66,411,168	29,433,806	16,747,137	112,592,111
Total Assets	69,981,557	31,983,331	18,196,458	120,161,346
Liabilities				
Other Accrued Liabilities	1,030	366	240	1,636
Due to Other Funds	90,000			90,000
Total Liabilities	91,030	366	240	91,636
Net Position Restricted for Pensions	\$ 69,890,527	\$ 31,982,965	\$ 18,196,218	\$ 120,069,710

Schedule of the Change in Pension Plan Net Position as of September 30, 2021

	General Employees	Police Officers	Firefighters	Totals
Additions				
Contributions				
Employee	\$ 1,147,477	\$ 493,053	\$ 158,581	\$ 1,799,111
Employer:				
City of Jacksonville Beach	2,443,559	720,532	707,952	3,872,043
City of Jacksonville			133,840	133,840
State of Florida		303,569		303,569
Total Contributions	3,591,036	1,517,154	1,000,373	6,108,563
Investment Income				
Investment Earnings	11,364,766	5,037,125	2,867,251	19,269,142
(Investment Expenses)	(118,963)	(53,459)	(32,053)	(204,475)
Net Investment Income	11,245,803	4,983,666	2,835,198	19,064,667
Total Additions	14,836,839	6,500,820	3,835,571	25,173,230
Deductions				
Benefits	5,149,912	1,265,218	839,948	7,255,078
Refunds of Contributions	272,998	17,162		290,160
Administrative Expense	101,416	83,994	75,574	260,984
(Total Deductions)	(5,524,326)	(1,366,374)	(915,522)	(7,806,222)
Change in Net Position	9,312,513	5,134,446	2,920,049	17,367,008
Net Position, Beginning of Year	60,578,014	26,848,519	15,276,169	102,702,702
Net Position, End of Year	\$ 69,890,527	\$ 31,982,965	\$ 18,196,218	\$ 120,069,710

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

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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, 2020, one year prior to the reporting date.

Net Pension Liability

The components of the net pension liability for the General Employees' Plan and Police Officers' Plan as of September 30, 2020, (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	\$ 73,255,661	\$ 57,101,628	\$ 16,154,033
Service Cost	1,598,849		1,598,849
Interest	5,349,162		5,349,162
Differences Between Expected and Actual Experience	(533,465)		(533,465)
Contributions - Employer		2,324,624	(2,324,624)
Contributions - Employee		1,110,267	(1,110,267)
Net Investment Income		5,610,039	(5,610,039)
Benefit Payments Including Refunds of Employee Contributions	(5,465,840)	(5,465,840)	-
Administrative Expenses		(102,704)	102,704
Net Changes	948,706	3,476,386	(2,527,680)
Balance, End of Year	<u>\$ 74,204,367</u>	<u>\$ 60,578,014</u>	<u>\$ 13,626,353</u>

Police Officers' Pension Plan

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Balance, Beginning of Year	\$ 27,783,358	\$ 24,501,172	\$ 3,282,186
Service Cost	750,964		750,964
Interest	2,066,473		2,066,473
Differences Between Expected and Actual Experience	279,135		279,135
Contributions - Employer and State		909,449	(909,449)
Contributions - Employee		399,342	(399,342)
Net Investment Income		2,411,239	(2,411,239)
Benefit Payments Including Refunds of Employee Contributions	(1,291,775)	(1,291,775)	-
Administrative Expenses		(80,908)	80,908
Net Changes	1,804,797	2,347,347	(542,550)
Balance, End of Year	<u>\$ 29,588,155</u>	<u>\$ 26,848,519</u>	<u>\$ 2,739,636</u>

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Actuarial Assumptions

The total pension liability was based on an actuarial valuation as of October 1, 2019, and a measurement date of September 30, 2020, using the following actuarial assumptions applied to all measurement periods. The rationale for the actuarial assumptions were developed using an experience study last updated in 2002.

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

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

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

<u>Asset Class</u>	<u>Long-term Expected Rate of Return (Excluding Inflation)</u>
Domestic Equity	10.0%
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 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.

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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 6.50%		Current Discount Rate 7.50%	1% Increase 8.50%
General Employees' Pension Plan:	\$ 22,016,133	\$	13,626,353	\$ 6,543,959
Police Officers' Pension Plan:	\$ 6,306,153	\$	2,739,636	\$ (249,189)

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

For the year ended September 30, 2021, the City recognized pension expense as follows:

General Employees' Pension Plan	\$ 2,385,763
Police Officers' Pension Plan	731,409
Total	<u>\$ 3,117,172</u>

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources

	General Employees'	Police Officers'	Total
Contributions Made After the Measurement Date	\$ 2,443,559	\$ 1,024,101	\$ 3,467,660
Differences Between Expected and Actual Experience	515,577	310,584	826,161
Changes in Assumptions	1,430,518	889,806	2,320,324
Total	<u>\$ 4,389,654</u>	<u>\$ 2,224,491</u>	<u>\$ 6,614,145</u>

Deferred Inflows of Resources

	General Employees'	Police Officers'	Total
Differences Between Expected and Actual Experience	\$ 1,065,796	\$ 521,783	\$ 1,587,579
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,159,109	454,212	1,613,321
Total	<u>\$ 2,224,905</u>	<u>\$ 975,995</u>	<u>\$ 3,200,900</u>

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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:

Year Ending September 30,	General Employees'	Police Officers'	Total
2022	\$ 268,537	\$ 70,695	\$ 339,232
2023	189,473	149,209	338,682
2024	(368,034)	76,195	(291,839)
2025	(368,786)	(95,964)	(464,750)
2026		24,260	24,260
Thereafter			-
Total	\$ (278,810)	\$ 224,395	\$ (54,415)

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 2021. As of September 30, 2021, 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.

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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, 2021, the City had the following commitments related to significant unfinished capital projects:

<u>Project</u>	<u>Expended as of September 30, 2021</u>	<u>Remaining Commitment</u>
Downtown Site Furnishing & Bike	\$ 11,076	\$ 416,924
Design of Downtown Phase 3C (4 & 5) 4 th Ave. South to 11 th Ave. South	129,673	343,689
Design of Downtown Phase 3C Projects 4 & 5	166,017	1,264,087
Sunshine Playground	14,800	1,663,899
Butler – Transformer & Bus Relay Upgrades	21,939	150,861
Ft. Diego Line 803 Upgrade (Transmission Line Protective Relay Upgrade)	6,865	70,853
Natural Gas Distribution System	63,969	76,031
Lift Station #07	2,511	396,961
Lift Station #2 Rehabilitation	500,176	1,447,982
Total	<u>\$ 917,026</u>	<u>\$ 5,831,287</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		\$ 122,143
General Capital Projects Fund	\$ 1,633,086	
Community Redevelopment Fund	8,840,610	
Other Governmental Funds	885,045	
Total	<u>\$ 11,358,741</u>	<u>\$ 122,143</u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

Note 14 - Risk Management

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

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

During 2021, 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 \$4,039,246 in 2021, and \$3,666,972 in 2020.

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

The internal service fund is charging other funds of the City for risk management services based on costs incurred of the program. For 2021, actual costs exceeded interdepartmental charges and other earnings by \$415,631. For 2020, interdepartmental charges and other earnings exceeded actual costs by \$466,019. The self-insurance fund has unrestricted net position of \$3,734,163 at September 30, 2021.

There were no significant reductions in insurance coverage from 2020 to 2021.

The estimated liability for self-insured losses of \$127,949 accrued in the self-insurance fund at September 30, 2021, 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

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

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:

	<u>2021</u>	<u>2020</u>
Beginning Balance	\$ 128,698	\$ 246,172
Current Year Claims and Changes in Estimates	294,134	(55,324)
(Claim Payments)	<u>(294,883)</u>	<u>(62,150)</u>
Ending Balance	<u>\$ 127,949</u>	<u>\$ 128,698</u>

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 for the purpose of carrying out a community redevelopment program for the City. The program consists of a variety of redevelopment activities in two districts: Downtown and Southend, or "South Beach".

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 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 nearing completion, with a construction cost of approximately \$11 million. In 2020, two consultants were selected for the design and construction document production for the remaining Phase III-C infrastructure and roadway work (Projects 4-6), and for downstream stormwater discharge channel improvements (Project 3). Construction of those projects is started in FY2021.

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. This year, the CRA board approved the final selections for the Bike Parking and site furnishings plan(s). These plans included basic bike racks, decorative bike racks, trashcans, seating, and bollards throughout the downtown district. CRA has also approved staff to begin the process of developing bids for the wayfinding signage plan.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

The implementation/installation/construction of these elements, with the exception of the Pier Entryway Enhancement project, is programmed for later in FY2022. The Pier Entryway Enhancement project will take place once a County-funded Pier Reconstruction Project is completed. At this time, the City of Jacksonville anticipates the pier will be completed in late spring/early summer 2022.

In FY2021, the CRA approved additional funding for the remaining ADA compliant dune walkovers. Construction of those walkovers will take place throughout the fall/winter of 2021 once turtle season is over.

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.

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. Funding was allocated and construction began in September 2021. The CRA also approved funding for new median barriers in the Southend that are safer for roadways, and more aesthetically pleasing than the current barriers.

In FY2021, the CRA approved numerous renovation projects in South Beach Park including new drinking fountain stations, new sand and walls at the volleyball courts, upgraded basketball courts, new pickle ball courts, and additional shade structures over the splash pad. The redesign and reconstruction of the popular Sunshine Park Playground was approved in September and is anticipated to complete in March 2022.

The FY2021 budget anticipated a reduction in the Southend Tax Increment Funding collection rate from 95% to 50%. Accordingly, the Southend Redevelopment District FY2021 yearend fund balance appropriation adopted by the CRA on October 25, 2021 (CRA Res. No. 2021-18) identified \$2,279,078 to be returned to the taxing authorities; The City of Jacksonville (\$1,529,505) and The City of Jacksonville Beach (\$749,573).

The following schedule summarizes revenue and expenditure activity for the two districts in 2021:

	Downtown	Southend	Total
Revenues and Transfers in			
Ad Valorem Taxes	\$ 7,118,716	\$ 4,811,387	\$ 11,930,103
Ad Valorem Taxes to Return to Taxing Authorities		(2,279,078)	(2,279,078)
Interest and Other	26,261	17,687	43,948
Total Revenues and Transfers in	7,144,977	2,549,996	9,694,973
Expenditures			
General Government	587,760	389,104	976,864
Public Safety	1,206,937		1,206,937
Capital Projects:			
Downtown Infrastructure Improvements	532,148		532,148
Southend Infrastructure Improvements		372,028	372,028
(Total Expenditures)	(2,326,845)	(761,132)	(3,087,977)
Excess (Deficiency) of Revenues and Transfers in Over (Under) Expenditures	\$ 4,818,132	\$ 1,788,864	\$ 6,606,996

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

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 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:

	Cost	Accumulated Depreciation	Carrying Amount
Buildings	\$ 632,274	\$ (496,782)	\$ 135,492
Improvements	34,216	(32,315)	1,901
Total	<u>\$ 666,490</u>	<u>\$ (529,097)</u>	<u>\$ 137,393</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, 2020 (the latest actuarial valuation):

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	21
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>280</u>
Total Plan Members	<u><u>301</u></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, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

Total OPEB Liability

The City's total OPEB liability of \$2,830,751 was measured as of September 30, 2020, which is one year prior to the reporting date. The actuarial valuation date was September 30, 2020.

Changes in the Total OPEB Liability

Total OPEB Liability, Beginning of Year	<u>\$ 2,632,876</u>
Service Cost	136,800
Interest on Total OPEB Liability	74,815
Differences Between Expected and Actual Experience	476,887
Changes of Assumptions and Other Inputs	(392,386)
Benefit Payments	<u>(98,241)</u>
Net change in Total OPEB Liability	<u>197,875</u>
Total OPEB Obligation, End of Year	<u><u>\$ 2,830,751</u></u>

Changes of assumptions and other inputs include a decrease of the discount rate from 2.75% as of the beginning of the measurement period to 2.41% 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>Current Discount Rate</u>	<u>1% Increase</u>
	<u>1.41%</u>	<u>2.41%</u>	<u>3.41%</u>
Total OPEB Liability	\$ 3,163,291	\$ 2,830,751	\$ 2,547,695

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 Healthcare cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 2,503,291	\$ 2,830,751	\$ 3,227,701

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

For the fiscal year ended September 30, 2021, the City recognized OPEB expense of \$106,909. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Benefits Paid after Measurement Date	\$ 146,390	
Differences between Expected and Actual Experience	423,900	\$ 174,943
Changes in Assumptions and Other Inputs	<u>217,867</u>	<u>1,038,443</u>
Total	<u><u>\$ 788,157</u></u>	<u><u>\$ 1,213,386</u></u>

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

Of the total amount reported as deferred outflows of resources related to OPEB, \$146,390 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the year ended September 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2022	\$ (104,706)
2023	(104,706)
2024	(104,706)
2025	(104,706)
2026	(103,159)
Thereafter	(49,636)
Total	<u><u>\$ (571,619)</u></u>

Actuarial Methods and Assumptions

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

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	September 30, 2020
Measurement Date:	September 30, 2020
Reporting Date:	September 30, 2021
Actuarial Cost Method:	Entry Age Normal Cost
Inflation Rate:	2.25%
Discount Rate:	2.41%
Projected Salary Increases:	Salary increase rates used for General Employees and Police Officers in the applicable pension actuarial valuation: 2.7% - 6.3% including inflation.
Retirement Age:	Retirement rates are based on the applicable pension actuarial valuation.
Mortality:	Mortality tables used for Regular Class and Special Risk Class members in the July 1, 2020 actuarial valuation of the Florida Retirement System. Rates were taken from adjusted Pub-2010 mortality tables published by the SOA with generational mortality improvements using Scale MP-2018. They are based on the results of a statewide experience study covering period 2013 through 2018.
Healthcare Cost Trend Rate:	Based on the Getzen Model, with trend starting at 6.25% for 2021, followed by 6.0% for 2022 and gradually trending to an ultimate trend rate of 3.99%
Aging Factors:	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
Expenses:	Administrative expenses are included in the per capita health costs.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

Note 18 - Subsequent Event

On October 7, 2021, the City received advance funding from the federal government related to the American Rescue Plan Coronavirus Local Fiscal Recovery Fund Agreement totaling \$5,917,085. The City was awarded grant funds totaling \$11,834,170 from the federal government and \$3,000,000 from the City of Jacksonville. Eligible uses of funds are expected to fall into four categories including: public health and economic impacts, premium pay for essential workers, revenue loss, or investments in infrastructure. Funds must be used by December 31, 2024.

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

Notes to Schedule:

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

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

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

Notes to Schedule:

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

(1) - Benefit terms were modified for the Police Officers' Plan during 2014 to include longer vesting periods, changes in the benefit formula, and changes in what is considered pensionable compensation.

(2) - Assumption changes for the 9/30/16 measurement date include adding a 3% load on the present value of future benefits as a margin for future mortality improvements.

(3) - Assumption changes for the 9/30/17 measurement date include lowering the investment return and wage inflation assumptions from 8.0% to 7.9% and 3.5% to 2.5%, respectively, and the use of the HB mandated FRS mortality tables.

(4) - Assumption changes for the 9/30/18 measurement date include lowering the investment return from 7.9% to 7.5%.

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

September 30:	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 2,442,960	\$ 2,322,790	\$ 2,097,788	\$ 1,892,707	\$ 1,591,545	\$ 1,321,320	\$ 1,387,165	\$ 1,205,756
Contributions in Relation to the Actuarially Determined Contribution	<u>2,443,559</u>	<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>\$ (599)</u>	<u>\$ (1,834)</u>	<u>\$ (2,317)</u>	<u>\$ (5,982)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,238)</u>
Covered Payroll	\$ 14,312,286	\$ 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	17.07%	16.71%	16.10%	14.66%	12.42%	11.33%	12.93%	11.46%

Notes to Schedule of Contributions

Valuation Date	October 1, 2019 for period ended September 30, 2021
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:	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 917,954	\$ 844,401	\$ 770,582	\$ 691,323	\$ 678,304	\$ 633,555	\$ 511,049	\$ 490,666
Contributions in Relation to the Actuarially Determined Contribution	1,024,101	909,449	802,241	691,323	705,983	662,694	562,835	530,453
Contribution Deficiency (Excess)	<u>\$ (106,147)</u>	<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	\$ 5,395,032	\$ 5,023,170	\$ 4,827,950	\$ 4,555,220	\$ 4,443,736	\$ 4,315,874	\$ 4,134,151	\$ 3,945,943
Contributions as a Percentage of Covered Payroll	18.98%	18.11%	16.62%	15.18%	15.89%	15.35%	13.61%	13.44%

Notes to Schedule of Contributions

Valuation Date	October 1, 2019 for period ended September 30, 2021
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 INVESTMENT RETURNS
CITY OF JACKSONVILLE BEACH, FLORIDA
PENSION TRUST FUNDS**

Fiscal Year Ended September 30,	Annual Money-Weighted Rate of Return Net of Investment Expense	
	General Employees	Police Officers
2021	18.94%	18.94%
2020	10.02%	10.02%
2019	5.61%	5.61%
2018	9.22%	9.22%
2017	12.11%	12.11%
2016	8.15%	8.15%
2015	-0.35%	-0.35%
2014	10.22%	10.22%
2013	11.97%	11.97%
2012	16.52%	16.52%

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

Reporting Date:	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date:	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Total OPEB Liability				
Service Cost	\$ 136,800	\$ 119,289	\$ 178,369	\$ 173,214
Interest on the Total OPEB Liability	74,815	89,149	119,333	106,001
Difference between Expected and Actual Experience of the Total OPEB Liability	476,887		(260,980)	
Changes in Assumptions and Other Inputs	(392,386)	279,237	(915,785)	(137,638)
Benefit Payments	(98,241)	(126,309)	(161,121)	(152,098)
Net Change in Total OPEB Liability	197,875	361,366	(1,040,184)	(10,521)
Total OPEB Liability - Beginning of Year	2,632,876	2,271,510	3,311,694	3,322,215
Total OPEB Liability - End of Year	\$ 2,830,751	\$ 2,632,876	\$ 2,271,510	\$ 3,311,694
Estimated Covered-Employee Payroll	\$ 17,562,406	\$ 20,116,441	\$ 17,880,928	\$ 14,491,777
Total OPEB Liability as a percentage of Covered-Employee Payroll	16.12%	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
- change in discount rate from 2.75% to 2.41% for the 9/30/20 measurement date

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

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021
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	\$ 1,584,487	\$ 6,949	\$ 1,658,948	\$ 4,381,537
Special Assessments Receivable			23,457	
Due from Other Governments	285,823		130,200	230,000
Total Assets	<u>1,870,310</u>	<u>6,949</u>	<u>1,812,605</u>	<u>4,611,537</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	23,507		12,600	6,538
Other Accrued Liabilities			815	
Interfund Payables				
Total Liabilities	<u>23,507</u>	<u>-</u>	<u>13,415</u>	<u>6,538</u>
Deferred Inflows of Resources				
Unavailable Revenues	45,600		153,657	230,000
Fund Balances				
Restricted for:				
Tourism Expenditures	1,801,203			
Transportation Improvements			1,645,533	
Capital Projects				4,374,999
Law Enforcement		6,949		
Committed for:				
Tree Replacement				
Total Fund Balances	<u>1,801,203</u>	<u>6,949</u>	<u>1,645,533</u>	<u>4,374,999</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,870,310</u>	<u>\$ 6,949</u>	<u>\$ 1,812,605</u>	<u>\$ 4,611,537</u>

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021
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		\$ 207,108		\$ 6,259
Special Assessments Receivable				
Due from Other Governments	\$ 2,329		\$ 56,566	
Total Assets	<u>\$ 2,329</u>	<u>207,108</u>	<u>56,566</u>	<u>6,259</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable				
Other Accrued Liabilities				
Interfund Payables	2,329		56,566	
Total Liabilities	<u>2,329</u>	<u>-</u>	<u>56,566</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable Revenues				
Fund Balances				
Restricted for:				
Tourism Expenditures				
Transportation Improvements				
Capital Projects				
Law Enforcement		207,108		
Committed for:				
Tree Replacement				6,259
Total Fund Balances	<u>-</u>	<u>207,108</u>	<u>-</u>	<u>6,259</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,329</u>	<u>\$ 207,108</u>	<u>\$ 56,566</u>	<u>\$ 6,259</u>

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA
(Concluded)**

	Special Revenue Funds		Capital Projects Fund	
	Law Enforcement Trust Fund	Equitable Sharing Trust Fund	Infrastructure Tax Capital Projects Fund	Total Non-Major Governmental Funds
Assets				
Equity in Pooled Cash and Investments	\$ 13,644	\$ 275,399	\$ 2,760,238	\$ 10,894,569
Special Assessments Receivable				23,457
Due from Other Governments				704,918
Total Assets	13,644	275,399	2,760,238	11,622,944
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable			63,632	106,277
Other Accrued Liabilities				815
Interfund Payables				58,895
Total Liabilities	-	-	63,632	165,987
Deferred Inflows of Resources				
Unavailable Revenues				429,257
Fund Balances				
Restricted for:				
Tourism Expenditures				1,801,203
Transportation Improvements				1,645,533
Capital Projects			2,696,606	7,071,605
Law Enforcement	13,644	275,399		503,100
Committed for:				
Tree Replacement				6,259
Total Fund Balances	13,644	275,399	2,696,606	11,027,700
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,644	\$ 275,399	\$ 2,760,238	\$ 11,622,944

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
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	\$ 547,313		\$ 781,251	\$ 1,571,566
Intergovernmental				
Fines and Forfeitures		\$ 8,859		
Other Revenue	3,801	8	1,808	5,012
Total Revenues	<u>551,114</u>	<u>8,867</u>	<u>783,059</u>	<u>1,576,578</u>
Expenditures				
Current:				
General Government				7,929
Public Safety		4,403		
Physical Environment				
Roads and Streets			134,113	573,876
Parks and Recreation	68,626			
Capital Outlay	22,739			39,886
(Total Expenditures)	<u>(91,365)</u>	<u>(4,403)</u>	<u>(134,113)</u>	<u>(621,691)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>459,749</u>	<u>4,464</u>	<u>648,946</u>	<u>954,887</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	459,749	4,464	276,946	954,887
Fund Balances, Beginning of Year	<u>1,341,454</u>	<u>2,485</u>	<u>1,368,587</u>	<u>3,420,112</u>
Fund Balances, End of Year	<u>\$ 1,801,203</u>	<u>\$ 6,949</u>	<u>\$ 1,645,533</u>	<u>\$ 4,374,999</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
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		\$ 106,930		\$ 142,366
Fines and Forfeitures	\$ 31,425			
Other Revenue	378		\$ 1,107	
Total Revenues	<u>31,803</u>	<u>106,930</u>	<u>1,107</u>	<u>142,366</u>
Expenditures				
Current:				
General Government				
Public Safety	97,407			
Physical Environment			12	
Roads and Streets				
Parks and Recreation				
Capital Outlay	17,306	106,930		
(Total Expenditures)	<u>(114,713)</u>	<u>(106,930)</u>	<u>(12)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(82,910)</u>	<u>-</u>	<u>1,095</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	<u>(82,910)</u>	<u>-</u>	<u>1,095</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>290,018</u>	<u>-</u>	<u>5,164</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 207,108</u>	<u>\$ -</u>	<u>\$ 6,259</u>	<u>\$ -</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
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				\$ 2,900,130
Intergovernmental				249,296
Fines and Forfeitures	\$ 1,336	\$ 28,350		69,970
Other Revenue	1,354	308	\$ 3,515	17,291
Total Revenues	2,690	28,658	3,515	3,236,687
Expenditures				
Current:				
General Government				7,929
Public Safety	5,070	541		107,421
Physical Environment			5,914	5,926
Roads and Streets				707,989
Parks and Recreation				68,626
Capital Outlay			113,913	300,774
(Total Expenditures)	(5,070)	(541)	(119,827)	(1,198,665)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,380)	28,117	(116,312)	2,038,022
Other Financing Sources (Uses)				
Transfers (out)				(514,366)
Total Other Financing Sources (Uses)	-	-	-	(514,366)
Net Change in Fund Balance	(2,380)	28,117	(116,312)	1,523,656
Fund Balances, Beginning of Year	16,024	247,282	2,812,918	9,504,044
Fund Balances, End of Year	\$ 13,644	\$ 275,399	\$ 2,696,606	\$ 11,027,700

**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, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 400,942	\$ 400,942	\$ 547,313	\$ 146,371
Other Revenue	6,094	6,094	3,801	(2,293)
Total Revenues	<u>407,036</u>	<u>407,036</u>	<u>551,114</u>	<u>144,078</u>
Expenditures				
Current:				
Parks and Recreation	196,493	121,493	68,626	52,867
Capital Outlay	-	166,441	22,739	143,702
(Total Expenditures)	<u>(196,493)</u>	<u>(287,934)</u>	<u>(91,365)</u>	<u>196,569</u>
Net Change in Fund Balance	<u>\$ 210,543</u>	<u>\$ 119,102</u>	<u>\$ 459,749</u>	<u>\$ 340,647</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
COURT COSTS TRAINING FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Fines and Forfeitures	\$ 9,407	\$ 9,407	\$ 8,859	\$ (548)
Other Revenue			8	8
Total Revenues	<u>9,407</u>	<u>9,407</u>	<u>8,867</u>	<u>(540)</u>
Expenditures				
Current:				
Public Safety	<u>9,407</u>	<u>9,407</u>	<u>4,403</u>	<u>5,004</u>
(Total Expenditures)	<u>(9,407)</u>	<u>(9,407)</u>	<u>(4,403)</u>	<u>5,004</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,464</u>	<u>\$ 4,464</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, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 804,172	\$ 804,172	\$ 781,251	\$ (22,921)
Other Revenue	12,026	12,026	1,808	(10,218)
Total Revenues	<u>816,198</u>	<u>816,198</u>	<u>783,059</u>	<u>(33,139)</u>
Expenditures				
Current:				
Roads and Streets	358,132	449,281	134,113	315,168
(Total Expenditures)	<u>(358,132)</u>	<u>(449,281)</u>	<u>(134,113)</u>	<u>315,168</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	458,066	366,917	648,946	282,029
Other Financing Sources (Uses)				
Transfers (out)	<u>(372,000)</u>	<u>(372,000)</u>	<u>(372,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 86,066</u>	<u>\$ (5,083)</u>	<u>\$ 276,946</u>	<u>\$ 282,029</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
INFRASTRUCTURE SURTAX FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 1,365,685	\$ 1,365,685	\$ 1,571,566	\$ 205,881
Other Revenue	14,688	14,688	5,012	(9,676)
Total Revenues	<u>1,380,373</u>	<u>1,380,373</u>	<u>1,576,578</u>	<u>196,205</u>
Expenditures				
Current:				
General Government	1,500	1,500	7,929	(6,429)
Roads and Streets	820,000	1,381,263	573,876	807,387
Capital Outlay		205,718	39,886	165,832
(Total Expenditures)	<u>(821,500)</u>	<u>(1,588,481)</u>	<u>(621,691)</u>	<u>966,790</u>
Net Change in Fund Balance	<u>\$ 558,873</u>	<u>\$ (208,108)</u>	<u>\$ 954,887</u>	<u>\$ 1,162,995</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, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

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

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
RADIO COMMUNICATION FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Fines and Forfeitures	\$ 25,000	\$ 25,000	\$ 31,425	\$ 6,425
Other Revenue	2,614	2,614	378	(2,236)
Total Revenues	<u>27,614</u>	<u>27,614</u>	<u>31,803</u>	<u>4,189</u>
Expenditures				
Current:				
Public Safety	10,000	106,104	97,407	8,697
Capital Outlay		41,682	17,306	24,376
(Total Expenditures)	<u>(10,000)</u>	<u>(147,786)</u>	<u>(114,713)</u>	<u>33,073</u>
Net Change in Fund Balance	<u>\$ 17,614</u>	<u>\$ (120,172)</u>	<u>\$ (82,910)</u>	<u>\$ 37,262</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
J.A.G. GRANT FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental		\$ 100,193	\$ 106,930	\$ 6,737
Total Revenues	\$ -	100,193	106,930	6,737
Expenditures				
Capital Outlay		115,987	106,930	9,057
(Total Expenditures)	-	(115,987)	(106,930)	9,057
Net Change in Fund Balance	\$ -	\$ (15,794)	\$ -	\$ 15,794

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
TREE PROTECTION FUND
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Other Revenue	\$ 100	\$ 100	\$ 1,107	\$ 1,007
Total Revenues	<u>100</u>	<u>100</u>	<u>1,107</u>	<u>1,007</u>
Expenditures				
Current:				
Physical Environment	<u>3,000</u>	<u>3,000</u>	<u>12</u>	<u>2,988</u>
(Total Expenditures)	<u>(3,000)</u>	<u>(3,000)</u>	<u>(12)</u>	<u>2,988</u>
Net Change in Fund Balance	<u>\$ (2,900)</u>	<u>\$ (2,900)</u>	<u>\$ 1,095</u>	<u>\$ 3,995</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, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Fines and Forfeitures	\$ 4,540	\$ 4,540	\$ 1,336	\$ (3,204)
Other Revenue	3,692	3,692	1,354	(2,338)
Total Revenues	<u>8,232</u>	<u>8,232</u>	<u>2,690</u>	<u>(5,542)</u>
Expenditures				
Current:				
Public Safety	<u>20,100</u>	<u>20,100</u>	<u>5,070</u>	<u>15,030</u>
(Total Expenditures)	<u>(20,100)</u>	<u>(20,100)</u>	<u>(5,070)</u>	<u>15,030</u>
Net Change in Fund Balance	<u>\$ (11,868)</u>	<u>\$ (11,868)</u>	<u>\$ (2,380)</u>	<u>\$ 9,488</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, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental Revenue	\$ 25,000	\$ 25,000		\$ (25,000)
Fines and Forfeitures			\$ 28,350	28,350
Other Revenue	2,252	2,252	308	(1,944)
Total Revenues	<u>27,252</u>	<u>27,252</u>	<u>28,658</u>	<u>1,406</u>
Expenditures				
Current:				
Public Safety	31,080	31,080	541	30,539
Capital Outlay		5,080		5,080
(Total Expenditures)	<u>(31,080)</u>	<u>(36,160)</u>	<u>(541)</u>	<u>35,619</u>
Net Change in Fund Balance	<u>\$ (3,828)</u>	<u>\$ (8,908)</u>	<u>\$ 28,117</u>	<u>\$ 37,025</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL CAPITAL PROJECTS FUND
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Other Revenues	\$ 70,000	\$ 70,000	\$ 20,520	\$ (49,480)
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>20,520</u>	<u>(49,480)</u>
Expenditures				
Current:				
General Government	157,000	104,187	140,001	(35,814)
Capital Outlay	<u>1,386,400</u>	<u>3,274,249</u>	<u>1,029,452</u>	<u>2,244,797</u>
(Total Expenditures)	<u>(1,543,400)</u>	<u>(3,378,436)</u>	<u>(1,169,453)</u>	<u>2,208,983</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,473,400)	(3,308,436)	(1,148,933)	2,159,503
Other Financing Sources (Uses)				
Transfers in	<u>1,834,000</u>	<u>4,484,000</u>	<u>4,484,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 360,600</u>	<u>\$ 1,175,564</u>	<u>\$ 3,335,067</u>	<u>\$ 2,159,503</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, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Other Revenues	\$ 29,144	\$ 29,144	\$ 3,515	\$ (25,629)
Total Revenues	<u>29,144</u>	<u>29,144</u>	<u>3,515</u>	<u>(25,629)</u>
Expenditures				
Current:				
Physical Environment			5,914	(5,914)
Capital Outlay	<u>450,000</u>	<u>656,023</u>	<u>113,913</u>	<u>542,110</u>
(Total Expenditures)	<u>(450,000)</u>	<u>(656,023)</u>	<u>(119,827)</u>	<u>536,196</u>
Net Change in Fund Balance	<u>\$ (420,856)</u>	<u>\$ (626,879)</u>	<u>\$ (116,312)</u>	<u>\$ 510,567</u>

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2021
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	\$ 6,578,000	\$ 4,577,854	\$ 1,936,737	\$ 1,142,390	\$ 3,627,668	\$ 17,862,649
Other Operating Cash			1,300			1,300
Receivables:						
Accounts, Net	167,771	431,590	14,972	23,891	193,185	831,409
Inventory			60,888			60,888
Prepaid Expenses			7,938	992		8,930
Total Current Assets	<u>6,745,771</u>	<u>5,009,444</u>	<u>2,021,835</u>	<u>1,167,273</u>	<u>3,820,853</u>	<u>18,765,176</u>
Non-Current Assets:						
Capital Assets:						
Land	1,057,992		388,980	28,000		1,474,972
Buildings and Improvements	26,727,707		4,341,800	813,838	5,448,077	37,331,422
Equipment	351,606	617,110	419,756	766,661		2,155,133
Construction in Progress	467,157				836,750	1,303,907
	<u>28,604,462</u>	<u>617,110</u>	<u>5,150,536</u>	<u>1,608,499</u>	<u>6,284,827</u>	<u>42,265,434</u>
(Accumulated Depreciation)	<u>(13,438,589)</u>	<u>(391,099)</u>	<u>(2,086,778)</u>	<u>(1,355,986)</u>	<u>(1,333,354)</u>	<u>(18,605,806)</u>
Total Non-Current Assets	<u>15,165,873</u>	<u>226,011</u>	<u>3,063,758</u>	<u>252,513</u>	<u>4,951,473</u>	<u>23,659,628</u>
Total Assets	<u>21,911,644</u>	<u>5,235,455</u>	<u>5,085,593</u>	<u>1,419,786</u>	<u>8,772,326</u>	<u>42,424,804</u>
Deferred Outflows of Resources						
Pension Related		42,467	143,980			186,447
OPEB Related	8,445		22,519			30,964
Total Deferred Outflows of Resources	<u>8,445</u>	<u>42,467</u>	<u>166,499</u>	<u>-</u>	<u>-</u>	<u>217,411</u>

COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2021
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	\$ 20,356	\$ 202,338	\$ 28,385		\$ 108,263	\$ 359,342
Power Costs Recovered in Advance					653,759	653,759
Other Accrued Liabilities	5,140	9,625	47,332	\$ 1,675	10,872	74,644
Due to Other Governments		3,563				3,563
Unearned Revenues			38,290			38,290
Current Portion of Long-Term Debt:						
Compensated Absences		6,421	16,844			23,265
Total Current Liabilities	<u>25,496</u>	<u>221,947</u>	<u>130,851</u>	<u>1,675</u>	<u>772,894</u>	<u>1,152,863</u>
Non-Current Liabilities:						
Accrued Compensated Absences		25,684	67,376			93,060
Other Postemployment Benefits	30,329		80,879			111,208
Net Pension Liability	68,656	167,381	470,849			706,886
Total Non-Current Liabilities	<u>98,985</u>	<u>193,065</u>	<u>619,104</u>	<u>-</u>	<u>-</u>	<u>911,154</u>
Total Liabilities	<u>124,481</u>	<u>415,012</u>	<u>749,955</u>	<u>1,675</u>	<u>772,894</u>	<u>2,064,017</u>
Deferred Inflows of Resources						
Pension Related	77,449	27,145	70,881			175,475
OPEB Related	13,001		34,668			47,669
Total Deferred Inflows of Resources	<u>90,450</u>	<u>27,145</u>	<u>105,549</u>	<u>-</u>	<u>-</u>	<u>223,144</u>
Net Position						
Investment in Capital Assets	15,165,873	226,011	3,063,758	252,513	4,951,473	23,659,628
Unrestricted	6,539,285	4,609,754	1,332,830	1,165,598	3,047,959	16,695,426
Total Net Position	<u>\$ 21,705,158</u>	<u>\$ 4,835,765</u>	<u>\$ 4,396,588</u>	<u>\$ 1,418,111</u>	<u>\$ 7,999,432</u>	<u>\$ 40,355,054</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
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	\$ 1,310,954	\$ 3,600,138	\$ 3,125,053		\$ 1,845,309	\$ 9,881,454
Other	320		322	\$ 761,049		761,691
Total Operating Revenues	<u>1,311,274</u>	<u>3,600,138</u>	<u>3,125,375</u>	<u>761,049</u>	<u>1,845,309</u>	<u>10,643,145</u>
Operating Expenses						
Purchased Power					891,666	891,666
Personal Services	268,715	358,763	979,194	1,534		1,608,206
Purchased Services	120,495	3,093,669	165,534	3,831	305,176	3,688,705
Repairs and Maintenance	56,438	12,590	104,449	455,802		629,279
Depreciation	912,095	60,754	238,988	17,222	154,341	1,383,400
Materials and Supplies	6,114	16,658	336,194		2,985	361,951
Other Expenses	183,210	159,364	497,248	(9,764)	107,831	937,889
(Total Operating Expenses)	<u>(1,547,067)</u>	<u>(3,701,798)</u>	<u>(2,321,607)</u>	<u>(468,625)</u>	<u>(1,461,999)</u>	<u>(9,501,096)</u>
Operating Income (Loss)	<u>(235,793)</u>	<u>(101,660)</u>	<u>803,768</u>	<u>292,424</u>	<u>383,310</u>	<u>1,142,049</u>
Non-Operating Revenues (Expenses)						
Investment Earnings	7,956	5,719	2,090	950	4,370	21,085
Intergovernmental Revenue	1,080					1,080
Gain (Loss) on Disposal of Capital Assets			6,951			6,951
Total Non-Operating Revenues (Expense)	<u>9,036</u>	<u>5,719</u>	<u>9,041</u>	<u>950</u>	<u>4,370</u>	<u>29,116</u>
Income (Loss) Before Contributions and Transfers	<u>(226,757)</u>	<u>(95,941)</u>	<u>812,809</u>	<u>293,374</u>	<u>387,680</u>	<u>1,171,165</u>
Capital Contributions						
Connection Fees					35,246	35,246
Developer Contributions	15,386					15,386
Total Capital Contributions	<u>15,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,246</u>	<u>50,632</u>
Transfers						
Transfers (out)			(150,000)	(90,000)	(282,304)	(522,304)
Total Transfers	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>(90,000)</u>	<u>(282,304)</u>	<u>(522,304)</u>
Change in Net Position	<u>(211,371)</u>	<u>(95,941)</u>	<u>662,809</u>	<u>203,374</u>	<u>140,622</u>	<u>699,493</u>
Total Net Position, Beginning 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>
Total Net Position, End of Year	<u>\$ 21,705,158</u>	<u>\$ 4,835,765</u>	<u>\$ 4,396,588</u>	<u>\$ 1,418,111</u>	<u>\$ 7,999,432</u>	<u>\$ 40,355,054</u>

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

	Stormwater	Sanitation	Golf Course	Leased Facilities	Natural Gas	Totals
Cash Flows from Operating Activities						
Cash Received from Customers and Users	\$ 1,346,236	\$ 3,596,725	\$ 3,129,460	\$ 791,205	\$ 1,927,630	\$ 10,791,256
Cash Payments to Vendors for Goods and Services	(360,020)	(3,309,459)	(1,106,561)	(551,429)	(1,326,955)	(6,654,424)
Cash Payments to Employees for Services	(258,026)	(354,910)	(997,715)	(1,534)		(1,612,185)
Net Cash Provided by (Used in) Operating Activities	<u>728,190</u>	<u>(67,644)</u>	<u>1,025,184</u>	<u>238,242</u>	<u>600,675</u>	<u>2,524,647</u>
Cash Flows from Non-Capital Financing Activities						
Intergovernmental Revenue	1,080					1,080
Transfers (out)			(150,000)	(90,000)	(282,304)	(522,304)
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>1,080</u>	<u>-</u>	<u>(150,000)</u>	<u>(90,000)</u>	<u>(282,304)</u>	<u>(521,224)</u>
Cash Flows from Capital and Related Financing Activities						
Acquisition of Capital Assets	(370,328)		(94,143)		(101,951)	(566,422)
Connection Fees					35,246	35,246
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(370,328)</u>	<u>-</u>	<u>(94,143)</u>	<u>-</u>	<u>(66,705)</u>	<u>(531,176)</u>
Cash Flows from Investing Activities						
Interest Received on Investments	<u>7,956</u>	<u>5,719</u>	<u>2,090</u>	<u>950</u>	<u>4,370</u>	<u>21,085</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>366,898</u>	<u>(61,925)</u>	<u>783,131</u>	<u>149,192</u>	<u>256,036</u>	<u>1,493,332</u>
Cash and Cash Equivalents, Beginning 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>
Cash and Cash Equivalents, End of Year	<u><u>\$ 6,578,000</u></u>	<u><u>\$ 4,577,854</u></u>	<u><u>\$ 1,938,037</u></u>	<u><u>\$ 1,142,390</u></u>	<u><u>\$ 3,627,668</u></u>	<u><u>\$ 17,863,949</u></u>

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
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	\$ 6,578,000	\$ 4,577,854	\$ 1,936,737	\$ 1,142,390	\$ 3,627,668	\$ 17,862,649
Other Operating Cash			1,300			1,300
Total	<u><u>\$ 6,578,000</u></u>	<u><u>\$ 4,577,854</u></u>	<u><u>\$ 1,938,037</u></u>	<u><u>\$ 1,142,390</u></u>	<u><u>\$ 3,627,668</u></u>	<u><u>\$ 17,863,949</u></u>
<u>Reconciliation of Operating Income (Loss) to Net</u> <u>Cash Provided by (Used in) Operating Activities</u>						
Operating Income (Loss)	\$ (235,793)	\$ (101,660)	\$ 803,768	\$ 292,424	\$ 383,310	\$ 1,142,049
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Depreciation	912,095	60,754	238,988	17,222	154,341	1,383,400
Power Costs Recovered in Advance (Returned)					80,501	80,501
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):						
Accounts Receivable and Unbilled Revenue	34,962	(3,413)	(10,816)	30,156	1,820	52,709
Inventories			(17,378)			(17,378)
Prepaid Expenses			(2,464)	315		(2,149)
Accounts Payable and Other Accrued Liabilities	6,237	(27,178)	16,706	(101,875)	(19,297)	(125,407)
Unearned Revenues			14,901			14,901
Accrued Compensated Absences		4,379	12,736			17,115
Other Postemployment Benefits	12,608		(29,431)			(16,823)
Net Pension Liability and Pension Related Deferred Inflows and Outflows	(1,919)	(526)	(1,826)			(4,271)
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 728,190</u></u>	<u><u>\$ (67,644)</u></u>	<u><u>\$ 1,025,184</u></u>	<u><u>\$ 238,242</u></u>	<u><u>\$ 600,675</u></u>	<u><u>\$ 2,524,647</u></u>

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

	Self-Insurance Funds	Other Internal Service Funds	Totals
Assets			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 2,808,671	\$ 3,262,188	\$ 6,070,859
Accounts Receivable, Net	229	1,474	1,703
Prepaid Expenses	1,059,786	12,947	1,072,733
Total Current Assets	<u>3,868,686</u>	<u>3,276,609</u>	<u>7,145,295</u>
Non-Current Assets:			
Capital Assets:			
Buildings and Improvements	113,743	36,194	149,937
Equipment	<u>113,743</u>	<u>1,149,715</u>	<u>1,149,715</u>
	113,743	1,185,909	1,299,652
(Accumulated Depreciation)	<u>(3,788)</u>	<u>(971,110)</u>	<u>(974,898)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>109,955</u>	<u>214,799</u>	<u>324,754</u>
Total Assets	<u>3,978,641</u>	<u>3,491,408</u>	<u>7,470,049</u>
Deferred Outflows of Resources			
Pension-Related		<u>903,273</u>	<u>903,273</u>
Liabilities			
Current Liabilities:			
Accounts Payable	6,120	124,537	130,657
Other Accrued Liabilities	454	123,679	124,133
Estimated Liability for Self-Insured Losses	127,949		127,949
Current Portion of Long-Term Debt:			
Compensated Absences		<u>177,436</u>	<u>177,436</u>
Total Current Liabilities	<u>134,523</u>	<u>425,652</u>	<u>560,175</u>
Non-Current Liabilities:			
Accrued Compensated Absences		692,442	692,442
Net Pension Liability		<u>2,608,678</u>	<u>2,608,678</u>
Total Non-Current Liabilities	<u>-</u>	<u>3,301,120</u>	<u>3,301,120</u>
Total Liabilities	<u>134,523</u>	<u>3,726,772</u>	<u>3,861,295</u>
Deferred Inflows of Resources			
Pension-Related		<u>436,164</u>	<u>436,164</u>
Net Position			
Net Investment in Capital Assets	109,955	214,799	324,754
Unrestricted	<u>3,734,163</u>	<u>16,946</u>	<u>3,751,109</u>
Total Net Position (Deficit)	<u>\$ 3,844,118</u>	<u>\$ 231,745</u>	<u>\$ 4,075,863</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Self-Insurance Funds	Other Internal Service Funds	Totals
Operating Revenues			
Charges for Services	\$ 3,586,267	\$ 8,684,188	\$ 12,270,455
Other Revenue	37,348	1,236	38,584
Total Operating Revenues	<u>3,623,615</u>	<u>8,685,424</u>	<u>12,309,039</u>
Operating Expenses			
Personal Services	22,435	4,555,141	4,577,576
Purchased Services	104,903	816,097	921,000
Repairs and Maintenance		350,237	350,237
Depreciation	3,788	83,237	87,025
Materials and Supplies		165,624	165,624
Other Expenses	3,908,120	2,002,510	5,910,630
(Total Operating Expenses)	<u>(4,039,246)</u>	<u>(7,972,846)</u>	<u>(12,012,092)</u>
Operating Income (Loss)	<u>(415,631)</u>	<u>712,578</u>	<u>296,947</u>
Non-Operating Income (Expense)			
Investment Earnings	5,017		5,017
Total Non-Operating Income (Expense)	<u>5,017</u>	<u>-</u>	<u>5,017</u>
Income Before Transfers	<u>(410,614)</u>	<u>712,578</u>	<u>301,964</u>
Transfers			
Transfers (out)		(70,000)	(70,000)
Total Transfers	<u>-</u>	<u>(70,000)</u>	<u>(70,000)</u>
Change in Net Position	(410,614)	642,578	231,964
Total Net Position (Deficit), Beginning of Year	<u>4,254,732</u>	<u>(410,833)</u>	<u>3,843,899</u>
Total Net Position (Deficit), End of Year	<u>\$ 3,844,118</u>	<u>\$ 231,745</u>	<u>\$ 4,075,863</u>

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

	Self-Insurance Funds	Other Internal Service Funds	Totals
Cash Flows from Operating Activities			
Cash Received from Customers and Users	\$ 3,623,615	\$ 8,683,950	\$ 12,307,565
Cash Payments to Vendors for Goods and Services	(3,841,322)	(3,293,528)	(7,134,850)
Cash Payments to Employees for Services	(22,435)	(4,520,171)	(4,542,606)
Claims Paid	(294,883)		(294,883)
Net Cash Provided by (Used in) Operating Activities	<u>(535,025)</u>	<u>870,251</u>	<u>335,226</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	(109,955)	(81,412)	(191,367)
Cash Flows from Investing Activities			
Interest Received on Investments	5,017		5,017
Net Increase (Decrease) in Cash and Cash Equivalents	(639,963)	718,839	78,876
Cash and Cash Equivalents, Beginning of Year	3,448,634	2,543,349	5,991,983
Cash and Cash Equivalents, End of Year	<u>\$ 2,808,671</u>	<u>\$ 3,262,188</u>	<u>\$ 6,070,859</u>
<u>Included on the Accompanying Balance Sheet Under the Following Captions</u>			
Current Assets			
Equity in Pooled Cash and Investments	<u>\$ 2,808,671</u>	<u>\$ 3,262,188</u>	<u>\$ 6,070,859</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>			
Operating Income (Loss)	\$ (415,631)	\$ 712,578	\$ 296,947
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Depreciation		83,237	83,237
Change in Estimated Liability for Self-Insured Losses	(749)		(749)
Changes in Assets - Decrease (Increase) and Liabilities - Increase (Decrease):			
Accounts Receivable and Unbilled Revenue		(1,474)	(1,474)
Prepaid Expenses	(117,290)	21,968	(95,322)
Accounts Payable and Other Accrued Liabilities	(1,355)	18,972	17,617
Accrued Compensated Absences		47,448	47,448
Net Pension Liability and Pension Related Deferred Inflows and Outflows		(12,478)	(12,478)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (535,025)</u>	<u>\$ 870,251</u>	<u>\$ 335,226</u>

SCHEDULE OF COMBINING BALANCE SHEET
COMMUNITY REDEVELOPMENT FUNDS
SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA

	Downtown Redevelopment District Fund	Southend Redevelopment District Fund	Totals
Assets			
Equity in Pooled Cash and Investments	\$ 22,917,846	\$ 15,250,725	\$ 38,168,571
Accounts Receivable	871		871
Assessments Receivable		1,483	1,483
Total Assets	<u>22,918,717</u>	<u>15,252,208</u>	<u>38,170,925</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts Payable	131,369	174,467	305,836
Other Accrued Liabilities	31,400	2,144	33,544
Due to Other Governments		2,279,078	2,279,078
Total Liabilities	<u>162,769</u>	<u>2,455,689</u>	<u>2,618,458</u>
Deferred Inflows of Resources:			
Unavailable Revenues		1,483	1,483
Fund Balances:			
Restricted for:			
Redevelopment	22,755,948	12,795,036	35,550,984
Total Fund Balances	<u>22,755,948</u>	<u>12,795,036</u>	<u>35,550,984</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,918,717</u>	<u>\$ 15,252,208</u>	<u>\$ 38,170,925</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - COMMUNITY REDEVELOPMENT FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
CITY OF JACKSONVILLE BEACH, FLORIDA**

	Downtown Redevelopment District Fund	Southend Redevelopment District Fund	Totals
Revenues			
Taxes	\$ 7,118,716	\$ 2,532,309	\$ 9,651,025
Interest and Other Revenue	26,261	17,687	43,948
Total Revenues	<u>7,144,977</u>	<u>2,549,996</u>	<u>9,694,973</u>
Expenditures			
Current:			
General Government	587,760	389,104	976,864
Public Safety	1,206,937		1,206,937
Capital Outlay	532,148	372,028	904,176
(Total Expenditures)	<u>(2,326,845)</u>	<u>(761,132)</u>	<u>(3,087,977)</u>
Net Change in Fund Balances	4,818,132	1,788,864	6,606,996
Fund Balances, Beginning of Year	<u>17,937,816</u>	<u>11,006,172</u>	<u>28,943,988</u>
Fund Balances, End of Year	<u><u>\$ 22,755,948</u></u>	<u><u>\$ 12,795,036</u></u>	<u><u>\$ 35,550,984</u></u>

STATISTICAL SECTION (UNAUDITED)

Statistical Section (Unaudited)

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

Contents	Pages
Financial Trends Information These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	104
Revenue Capacity Information These schedules contain information to help the reader assess the City's local revenue source.	109
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.	113
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.	118
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.	120

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

FINANCIAL TRENDS INFORMATION

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 107,483,303
Restricted	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	47,141,320
Unrestricted	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	19,725,094
Total Governmental Activities Net Position	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	174,349,717
Business-type Activities										
Net Investment in Capital Assets	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	193,783,121
Restricted	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	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	94,215,754
Total Business-type Activities Net Position	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	287,998,875
Primary Government										
Net Investment in Capital Assets	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	301,266,424
Restricted	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	47,141,320
Unrestricted	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	113,940,848
Total Primary Government Net Position	\$ 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	\$ 462,348,592

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General Government	\$ 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	4,974,593
Law Enforcement	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	11,033,893
Fire Control	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	2,758,059
Building Inspections	427,941	440,927	436,897	498,870	510,092	531,696	574,436	631,896	682,069	668,549
Physical Environment	380,328	355,032	356,947	356,095	356,268	446,496	506,348	482,877	465,506	491,317
Roads and Streets	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	3,051,233
Human Services	20,000	10,296	-	-	-	-	-	-	-	-
Parks and Recreation	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	3,513,829
Interest on Long-term Debt	393,170	224,307	167,258	116,801	74,599	38,722	21,773	4,310	-	-
Total Governmental Activities Expenses	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	26,491,473
Business-type Activities:										
Electric	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	75,085,347
Water and Sewer	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	9,911,907
Stormwater	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	1,547,067
Sanitation	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	3,701,798
Golf Course	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	2,321,607
Leased Facilities	271,007	280,629	267,406	265,349	278,923	424,898	541,874	383,286	833,029	468,625
Natural Gas	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	1,461,999
Total Business-type Activities Expenses	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	94,498,350
Total Primary Government Expenses	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	120,989,823
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	53,182	66,802	74,677	77,737	73,132	65,947	64,540	67,387	66,255	68,662
Law Enforcement	156,311	163,486	169,424	187,102	187,762	131,667	127,957	203,998	139,910	279,504
Building Inspections	267,879	372,025	563,934	656,045	683,556	604,421	666,973	938,103	917,441	841,131
Physical Environment	14,791	8,619	3,758	15,238	12,371	15,185	11,260	29,169	24,120	17,007
Roads and Streets	229,084	217,998	177,144	200,975	170,746	163,799	175,360	275,640	898,622	311,036
Parks and Recreation	107,867	107,199	126,804	125,443	121,342	160,132	213,789	211,172	160,824	225,110
Operating Grants and Contributions	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	1,229,351
Capital Grants and Contributions	1,344,895	142,918	863,473	328,049	53,564	52,233	28,223	58,070	55,547	292,208
Total Governmental Activities Program Revenues	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	3,264,009

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues (Concluded)										
Business-type Activities:										
Charges for Services:										
Electric	\$ 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	82,519,625
Water and Sewer	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	15,786,840
Stormwater	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	1,311,274
Sanitation	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	3,600,138
Golf Course	1,388,195	1,314,521	1,271,338	1,140,725	984,317	954,162	278,686	2,013,103	2,516,520	3,125,375
Leased Facilities	551,647	611,679	621,022	476,548	528,391	588,606	653,191	664,195	767,195	761,049
Natural Gas	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	1,845,309
Operating Grants and Contributions	196,737	6,713	-	-	-	1,518,177	1,459,055	23,204	55,062	2,580
Capital Grants and Contributions	996,393	620,087	3,154,807	861,845	489,894	661,152	349,628	458,010	499,544	665,695
Total Business-type Activities										
Program Revenues	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	109,617,885
Total Primary Government Program Revenues	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	112,881,894
Net (Expense) Revenue										
Governmental Activities	(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)	(23,227,464)
Business-type Activities	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	15,119,535
Total Primary Government Net Expense	(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)	(8,107,929)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	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	22,048,764
Franchise Taxes	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280	5,280
Infrastructure Surtax	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	1,593,766
Communication Service Tax	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	1,101,550
Convention Development Tax	224,402	283,358	298,019	344,940	363,370	372,921	414,030	423,275	320,451	565,513
Fuel Taxes	708,396	709,816	719,143	765,325	797,149	806,576	837,087	853,266	772,754	780,852
Other Taxes	611,181	628,673	718,854	702,174	728,276	653,051	618,215	632,425	682,804	554,098
State-shared Revenues	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	3,809,465
Other Intergovernmental Revenues	33,504	-	64,142	32,343	31,883	41,756	38,603	33,258	31,429	12,074
Interest	656,852	152,872	511,269	947,694	1,344,885	805,131	363,329	2,405,402	2,090,225	99,731
Miscellaneous	254,892	217,694	148,707	245,617	146,118	326,364	363,393	423,946	118,521	509,738
Net Transfers	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	3,969,386
Total Governmental Activities	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	35,050,217
Business-type Activities:										
Interest	758,841	55,453	487,702	1,019,905	1,275,320	591,422	828,004	4,413,572	3,570,132	155,103
Miscellaneous	-	-	-	-	-	-	68,325	21,042	1,000	13,719
Net Transfers	(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)	(3,969,386)
Total Business-type Activities	(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	(3,800,564)
Total Primary Government	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	31,249,653
Change in Net Position										
Governmental Activities	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	11,822,753
Business-type Activities	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	11,318,971
Total Primary Government	\$ 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	\$ 23,141,724

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 41,640	\$ 41,640	\$ -	\$ -	\$ 1,807	\$ 77	\$ 1,193	\$ 2,291	\$ 4,714	\$ 3,279
Restricted									79,020	161,612
Committed	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	6,603,601
Assigned	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	6,233,902
Total General Fund	<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>	<u>\$ 13,002,394</u>
All Other Governmental Funds										
Restricted	\$ 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	\$ 46,572,425
Committed	6,548	6,549	5,955	6,066	6,194	7,994	6,007	3,121	5,164	6,259
Assigned	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	13,382,461
Total All Other Governmental Funds	<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>	<u>\$ 59,961,145</u>

Schedule 4

City of Jacksonville Beach, Florida

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 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	\$ 26,618,023
Licenses and Permits	367,855	559,485	568,985	682,161	679,820	592,151	650,985	942,091	1,556,531	845,334
Intergovernmental	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	5,017,950
Charges for Services	696,313	465,176	388,582	356,036	351,926	382,336	444,799	559,815	414,576	594,556
Fines and Forfeitures	701,853	277,193	305,076	332,099	259,869	239,465	201,815	250,244	301,027	332,246
Interest and Other Revenue	891,669	411,091	717,985	1,173,919	1,450,768	1,126,585	760,051	2,644,066	2,312,513	386,188
Total Revenues	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	33,794,297
Expenditures										
Current:										
General Government	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	3,292,935
Public Safety	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	14,703,460
Physical Environment	36,651	11,355	13,270	11,417	9,651	81,029	114,600	98,436	70,743	80,264
Roads and Streets	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	2,333,010
Human Services	20,000	10,296	-	-	-	-	-	-	-	-
Parks and Recreation	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	3,318,536
Debt Service:										
Principal	2,484,674	2,243,579	1,865,466	1,545,800	1,581,880	955,000	980,000	490,000	-	-
Interest	393,170	224,307	167,258	116,801	74,599	38,722	21,773	4,310	-	-
Capital Outlay	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	2,234,402
(Total Expenditures)	(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)	(25,962,607)
(Deficiency) of Revenues										
(Under) Expenditures	(2,777,145)	(3,603,570)	(90,675)	1,143,897	1,956,461	(2,167,899)	789,008	(597,178)	3,824,708	7,831,690
Other Financing Sources (Uses)										
Proceeds from Borrowing	6,495,000	-	-	-	-	-	-	-	-	-
Principal - Current Refundings	(6,495,000)	-	-	-	-	-	-	-	-	-
Transfers in	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	8,903,923
Transfers (out)	(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)	(4,529,366)
Total Other Financing Sources (Uses)	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	4,374,557
Net Change in Fund Balance	\$ 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	\$ 12,206,247
Debt Service as a % of Noncapital Expenditures*	13.0%	11.9%	9.9%	7.5%	7.8%	4.6%	4.6%	2.1%	0.0%	0.0%

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

REVENUE CAPACITY INFORMATION

Schedule 5

City of Jacksonville Beach, Florida

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

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				
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%
2021	3,925,727,019	112,031,838	4,037,758,857	1,940,839,379	5,978,598,236	3.9947	67.54%

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

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

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

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

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

Fiscal Year September 30,	Direct Rates (1)	Overlapping Rates				Total Millage Rate
	City of Jacksonville Beach	Florida Inland Navigation	Water Management District	School District	Duval County	
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
2021	3.9947	0.0320	0.2287	5.9050	8.1512	18.3116

Source: Duval County Property Appraiser

(1) Direct rate consists of operating millage only.

Schedule 7
City of Jacksonville Beach, Florida
Principal Property Tax Payers
Fiscal Year 2021 and Nine Years Ago

	2021			2012		
	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	\$ 44,361,100	1	1.13%	\$ 21,939,280	1	0.89%
Ocean Park (Apartments)Partnership, Ltd.	34,099,327	2	0.87%	17,122,710	2	0.69%
South Beach Regional Shopping Center	31,096,000	3	0.79%	14,601,800	4	0.59%
Courtyard Marriott- Beachfront	28,353,400	4	0.72%	14,111,587	5	0.57%
Hampton Inn Oceanfront	26,737,500	5	0.68%	9,936,214	7	0.40%
Pablo Plaza	20,274,600	6	0.52%	15,010,000	3	0.61%
Beach Marine	17,644,400	7	0.45%	11,503,800	6	0.47%
Four Points by Sheraton-Jax Beachfront	12,672,225	8	0.32%			
Marsh Landing Plaza	12,573,200	9	0.32%			
South Beach Parkway Shopping Center	12,356,400	10	0.31%	16,303,300	2	0.66%
Gordon Bank				9,479,300	8	0.38%
Adventure Landing				9,443,358	9	0.38%
Target				9,070,759	10	0.37%
Total	<u><u>\$ 240,168,152</u></u>		<u><u>6.11%</u></u>	<u><u>\$ 148,522,108</u></u>		<u><u>6.01%</u></u>
 Total Assessed Real Property Valuation from Schedule 5	 <u><u>\$ 3,925,727,019</u></u>			 <u><u>\$ 2,466,653,081</u></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>
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%
2021	12,068,826	11,306,880	93.69%	341,287	11,648,167	96.51%

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)
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	-	-
2021	-	-	-	-	-	-	-	-	-	-

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)
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	0.18%	92
2021	-	-		

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
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%	-	-	-	-	-	-
2021	-	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, 2021
(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	
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
2021			-	-	-	-

(1) Excludes depreciation expense.

Bonds were paid off in FY 2021.

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Fiscal Year	Population (1)	Duval County Unemployment Rate (2)	Duval County Per Capita Income (3)	Personal Income
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%	51,131	1,196,158,614
2021	23,830	4.6%	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 2021 and Nine Years Ago

Employer	2021			2012		
	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
Baptist Medical Center - Beaches	800	2	N/A	800	2	N/A
PGA Tour, Inc.	700	3	N/A	620	4	N/A
Ponte Vedra Inn and Club	525	4	N/A	650	3	N/A
Sawgrass Marriott Golf resort	450	5	N/A	450	6	N/A
City of Jacksonville Beach (1)	400	6	N/A	400	7	N/A
Optimum Healthcare IT	385	7	N/A			
TPC Sawgrass	320	8	N/A	320	10	N/A
Vicars's Landing	320	9	N/A	320	9	N/A
U.S. Coast Guard	300	10	N/A	320	8	N/A
Honeywell			N/A	570	5	N/A

Source: Jacksonville Chamber of Commerce

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

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

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

OPERATING INFORMATION

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	14	13	13	14	14	14	14	14	16	25
Finance*	33	33	33	38	39	42	41	44	45	40
Planning and Development	8	8	8	9	10	10	10	10	10	10
Electric	78	77	75	75	75	75	75	72	72	72
Central Services	4	4	4	0	0	0	0	0	0	0
Redevelopment**	0	0	0	1	1	1	0	0	0	1
Public Works	65	65	65	66	66	67	67	68	70	70
Human Resources	8	7	7	7	6	6	6	6	6	6
Parks and Recreation	99	98	98	98	100	100	100	100	99	101
Grounds and Maintenance	8	8	7	7	7	7	7	9	9	9
Golf Course	26	26	25	25	25	25	24	27	27	30
Police	95	95	96	100	100	102	102	103	103	103
Fire Fighters	31	31	31	31	31	31	31	31	31	0
Total	469	465	462	471	474	480	477	484	488	467

Source: City of Jacksonville Beach Annual Budget.

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

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

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

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Physical Arrests	1,573	1,398	1,568	1,582	1,470	1,992	1,932	1,980	1,452	1,409
Parking Violations	3,267	2,331	2,200	2,640	2,016	1,833	1,501	1,231	1,231	987
Law Violations	2,292	3,152	5,004	2,322	1,845	3,143	3,536	3,092	2,325	2,316
Fire										
Emergency Incidents*	3,063	3,104	3,040	3,195	3,401	3,643	3,298	3,399	0	0
Inspections (Total)	2,275	1,839	1,580	1,852	1,797	1,857	2,442	2,154	1,668	1,794
Other Public Works										
Street Resurfacing (Miles)	8.10	0.00	0.00	7.36	0.00	1.57	1.17	2.82	1.07	4.33
Electric										
Number of Active										
Electric Customers	33,303	33,535	33,966	34,433	34,711	34,738	34,815	34,900	35,171	35,437
Average Residential										
Monthly Consumption										
(Kilowatt Hours)	1,232	1,209	1,239	1,253	1,246	1,178	1,219	1,231	1,233	1,230
Water										
Number of Active										
Water Customers	9,711	9,865	10,029	10,204	10,369	10,398	10,405	10,399	10,520	10,678
Average Residential Monthly										
Consumption (Gallons)	4,029	4,014	4,038	3,083	3,926	4,146	4,255	4,389	4,191	4,195
Wastewater										
Number of Active Wastewater										
Customers	9,569	9,691	9,872	10,036	10,217	10,246	10,261	10,254	10,375	10,522
Storm Mains Cleaned (Feet)	33,010	23,821	23,530	33,153	34,733	33,791	22,543	17,584	8,078	26,030

Source: City of Jacksonville Beach Annual Budget & Department Directors

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

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Stations (Including Satellite Stations)	2	2	2	1	1	1	1	1	1	1
Patrol Units	51	51	51	76	76	79	80	80	83	83
Fire Stations	2	2	2	2	2	2	2	2	0	0
Other Public Works										
Paved Roads (Miles)	77	77	77	89	89	90	90	90	90	93
Streetlights	5,659	5,659	5,659	5,493	5,538	5,909	5,582	5,613	5,643	5,649
Water										
Water Mains (Miles)	105	105	105	109	109	109	109	109	109	126
Production Wells	6	6	6	6	6	6	6	6	6	6
Fire Hydrants	858	870	873	895	895	900	909	909	909	951
Wastewater										
Sanitary Sewer Mains (Gravity, in Miles)	83	83	83	85	85	85	85	85	85	85
Sanitary Sewer Mains (Force, in Miles)	16	16	16	18	18	18	18	18	18	18
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Lift Stations	34	34	34	38	38	38	38	38	38	38
Treatment Capacity (Millions of Gallons)	5	5	5	5	5	5	5	5	5	5
Parks and Recreation										
Acreage*	84	84	86	86	86	86	210	210	210	210
Parks	11	11	11	11	11	11	16	15	15	15
Golf Course	1	1	1	1	1	1	1	1	1	1
Tennis Courts	8	8	8	8	8	8	8	8	8	8

Source: City of Jacksonville Beach Annual Budget & Department Directors

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

SINGLE AUDIT SECTION

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
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 Housing and Urban Development				
Passed Through City of Jacksonville				
Community Development Block Grant	14.218	70748-21	<u>\$ 142,366</u>	<u>\$ 142,366</u>
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	50,364	50,364
Edward Byrne Memorial Justice Assistance Grant	16.738	2020-JAGC-DUVA-1-5R-154	48,223	48,223
U.S. Department of Justice				
Edward Byrne Memorial Justice Assistance Grant	16.738	2021-JAGD-DUVA-4R-012	<u>8,343</u>	<u>8,343</u>
Subtotal CFDA #16.738			<u>106,930</u>	<u>106,930</u>
Total Federal Awards			<u><u>\$ 249,296</u></u>	<u><u>\$ 249,296</u></u>

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

Note 1 - General

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the City of Jacksonville Beach, Florida (the City). For the fiscal year ended September 30, 2021, 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, 2021. 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, 2021
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 2020 - 2021 Grant No. 70748-21 - \$142,366

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

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 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, 2021, 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 25, 2022.

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.

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

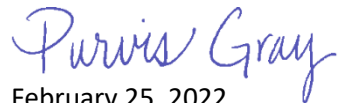
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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 25, 2022
Tallahassee, Florida

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

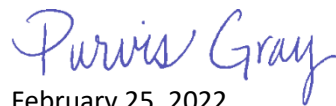
The Honorable Mayor and Members of the City Council
City of Jacksonville Beach
Jacksonville Beach, Florida

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, 2021, 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, 2021.

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 25, 2022
Tallahassee, Florida

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Jacksonville Beach, Florida, (the City), as of and for the year ended September 30, 2021, and have issued our report thereon dated February 25, 2022.

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 25, 2022, 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 findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

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

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

MANAGEMENT LETTER

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.

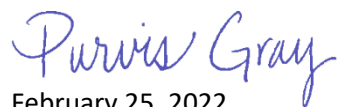
Additional Matters

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.

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.



February 25, 2022
Tallahassee, Florida

