# City of Jacksonville Beach

## Agenda

## City Council

11 North Third Street
Jacksonville Beach, Florida

**Monday, March 4, 2024** | **6:00 PM** | **Council Chambers**

**MEMORANDUM TO:**

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

Council Members:

The following Agenda of Business has been prepared for consideration and action at the Regular Meeting of the City Council.

**OPENING CEREMONIES: INVOCATION, FOLLOWED BY SALUTE TO THE FLAG**

**CALL TO ORDER**

**ROLL CALL**

**APPROVAL OF MINUTES**

A. Regular City Council Meeting held on February 20, 2024

**APPROVAL OF THE AGENDA**

**ANNOUNCEMENTS**

**COURTESY OF THE FLOOR TO VISITORS**

**CONSENT AGENDA**

A. Accept the Annual Comprehensive Financial Report and Community Redevelopment Agency Financial Statements for the Fiscal Year ending September 30, 2023

**MAYOR AND CITY COUNCIL**

**CITY CLERK**

**CITY MANAGER/NEW BUSINESS**

**RESOLUTIONS**

**ORDINANCES**

A. Adopt/Deny Ordinance No. 2024-8209 on the second reading to Rezone property located at 504 1st Avenue South owned by South Jax Rentals, LLC

B. Approve/Disapprove Ordinance No. 2024-8210 on the first reading, and schedule a second reading for March 18, 2024, adopting a Comprehensive Plan Text Amendment to add a Marina Mixed Use Future Land Use Category to the Adopted 2030 Comprehensive Plan

**ADJOURNMENT**

## NOTICE

*In accordance with Section 286.0105, Florida Statutes, any person desirous of appealing any decision reached at this meeting may need a record of the proceedings. Such person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.*

*The public is encouraged to speak on issues on this Agenda that concern them. Anyone who wishes to speak should submit the request to the City Clerk or to the recording secretary prior to the beginning of the meeting. These forms are available at the entrance of the City Council Chambers for your convenience.*

*In accordance with the Americans with Disabilities Act and Section 286.26, Florida Statutes, persons with disabilities needing a special accommodation to participate in this meeting should contact the City Clerk's Office at (904) 247-6299 no later than one business day before the meeting.*

**Minutes of Regular City Council Meeting**
**held Tuesday, February 20, 2024 at 6:00 P.M.**
**in the Council Chambers, 11 North 3rd Street,**
**Jacksonville Beach, Florida**

JAX EST. 1907 BEACH



**OPENING CEREMONIES: INVOCATION, FOLLOWED BY SALUTE TO THE FLAG**
Council Member Janson provided the invocation, followed by the Pledge of Allegiance.

City Clerk Sheri Gosselin administered the Oath of Office to new Council Member John Wagner.

**CALL TO ORDER:**
Mayor Hoffman called the meeting to order at 6:00 P.M.

**ROLL CALL:**

| | | | |
|---|---|---|---|
| Mayor: | Christine Hoffman | | |
| Council Members: | Sandy Golding | Bill Horn (absent) | Dan Janson |
| | Fernando Meza | Greg Sutton | John Wagner |

Also present were: City Manager Mike Staffopoulos, Police Commander Thomas Bingham, Senior Planner Christian Popoli, and City Clerk Sheri Gosselin.

**APPROVAL OF MINUTES:**
**Motion:** It was moved by Ms. Golding, seconded by Mr. Janson, and passed unanimously to approve the following minutes:

- Regular City Council Meeting held on February 5, 2024
- Council Briefing held on February 12, 2024

**APPROVAL OF THE AGENDA**
**Motion:** It was moved by Ms. Golding, seconded by Mr. Janson, and passed unanimously to approve the agenda.

**ANNOUNCEMENTS:**
Council Member Golding provided an update on Senate Bill (SB) 280 on vacation rentals, which is on the House Commerce Committee agenda. She also spoke about the House Joint Resolution (HJR) 7017 bill, which would increase the homestead exemption based on Consumer Price Index (CPI). Ms. Golding announced the hazardous and e-waste collection to be held on February 23, 2024. She congratulated Kevin Brown for being named the 2024 Friend of the Beaches by Beaches Watch.

Council Member Janson noted Sovereign Immunity was still in committee. He welcomed City of Jacksonville (COJ) Councilman Rory Diamond to the meeting.

City Manager Mike Staffopoulos announced City of Jacksonville Beach (COJB) linemen would be participating in the state competition for linemen rodeo.

Mayor Hoffman announced the Seawalk Music Festival would be held February 24-25, 2024.

**COURTESY OF THE FLOOR TO VISITORS:**

- Jacob Crenshaw, (no address provided), spoke about his concerns related to a property eviction.
- Sherry Chaney, 715 3rd Avenue North, Jacksonville Beach, spoke about the Gonzalez Park project.

- Justin Rawls, 403 12th Avenue South, Jacksonville Beach, spoke about semi-trucks parking on A1A (3rd Street South).
- Bob Benjamin, 854 13th Avenue South, Jacksonville Beach, spoke about a short term vacation rental.
- COJ Council Member Rory Diamond, 1515 Ocean Front, Neptune Beach, provided updates about the Penmen Road project, the new COJ Mayor and City Council, the COJ/COJB interlocal agreement, and the upcoming budget season.

**CONSENT AGENDA:**

**Item A** **Approve City Manager's Annual Performance Evaluation**

**Item B** **Approve the fuel pump and canopy replacement at the Operations and Maintenance Facility by Guardian Fueling Technologies for amount not to exceed $297,969**

**Motion:** It was moved by Ms. Golding, seconded by Mr. Janson, to approve the Consent Agenda.

**Voice Vote:** In a voice vote, the motion passed unanimously.

**MAYOR AND CITY COUNCIL:** None

**CITY CLERK:** None

**CITY MANAGER/NEW BUSINESS:**

**Item A** **1. Approve/Disapprove the appointment of Jennifer Williams to fill the vacant Regular Member term of Alexi Gonzalez on the Board of Adjustment expiring December 31, 2024; and**

Mayor Hoffman provided background on the item.

**Motion:** It was moved by Ms. Golding, seconded by Mr. Janson, to approve the appointment of Jennifer Williams to fill the vacant Regular Member term of Alexi Gonzalez on the Board of Adjustment expiring December 31, 2024.

City Clerk Sheri Gosselin noted an additional eligible board applicant was added for consideration.

**Discussion:** None

**Roll Call Vote:** Ayes – Golding, Janson, Meza, Sutton, Wagner, Mayor Hoffman

The motion passed unanimously.

**2. Approve/Disapprove the appointment of Matt Metz to the 1st Alternate seat on the Board of Adjustment to fill the remainder of the 1st Alternate term expiring December 31, 2025; and**

**Motion:** It was moved by Ms. Golding, seconded by Mr. Janson, to approve the appointment of Matt Metz to the 1st Alternate seat on the Board of Adjustment to fill the remainder of the 1st Alternate term expiring December 31, 2025.

**Discussion:** None

**Roll Call Vote:** Ayes – Janson, Meza, Sutton, Wagner, Golding, Mayor Hoffman

The motion passed unanimously.

**3. Appoint a new 2nd Alternate to the Board of Adjustment to fill the remainder of the 2nd Alternate term expiring December 31, 2025**

Mayor Hoffman opened the floor for nominations.

Ms. Golding nominated Laura Tierney.

Hearing no other nominations, Mayor Hoffman closed the floor for nominations.

**Discussion:** None

**Roll Call Vote:** Janson – Tierney
Meza – Tierney
Sutton – Tierney
Wagner – Tierney
Golding – Tierney
Mayor Hoffman – Tierney

Laura Tierney was elected as the new 2nd Alternate to the Board of Adjustment.

**Item B** **Approve/Disapprove the purchase of six Police Department marked patrol vehicles outside of vehicles acquired through the regular Vehicle Replacement Plan that were previously totaled in crashes for an amount not to exceed $347,898**

Police Commander Thomas Bingham provided background on the item.

The following submitted a speaker card opposing the item but was not present when called:

- Jacob Crenshaw, (no address provided), Atlantic Beach

**Motion:** It was moved by Ms. Golding, seconded by Mr. Janson, to approve the purchase of six Police Department marked patrol vehicles outside of vehicles acquired through the regular Vehicle Replacement Plan that were previously totaled in crashes for an amount not to exceed $347,898.

**Discussion:** A discussion ensued about the crashed vehicles and the replacement vehicles.

**Roll Call Vote:** Ayes – Meza, Sutton, Wagner, Golding, Janson, Mayor Hoffman

The motion passed unanimously.

**<u>RESOLUTIONS:</u>** None

**ORDINANCES:**

**Item A Approve/Disapprove Ordinance No. 2024-8209 on the first reading to Rezone property located at 504 1st Avenue South owned by South Jax Rentals, LLC, and schedule a second reading for March 4, 2024**

Senior Planner Christian Popoli provided background on the item.

Mayor Hoffman requested the City Clerk read Ordinance No. 2024-8209 by title only, whereupon Ms. Gosselin read the following:

> **"AN ORDINANCE OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, ESTABLISHING A PLANNED UNIT DEVELOPMENT: PUD ZONING DISTRICT WITHIN THE CITY OF JACKSONVILLE BEACH, FLORIDA, AS PROVIDED UNDER CHAPTER 34 OF THE CODE OF ORDINANCES OF SAID CITY; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY,AND AN EFFECTIVE DATE."**

Mayor Hoffman read the following: "This ordinance for the rezoning of property is before this Council for a public hearing and adoption on its first reading.

Under the laws of the State of Florida, an application for the rezoning of a specific property or development site is handed as a 'quasi-judicial' proceeding.

A quasi-legislative proceeding means that the City Council is now functioning in a manner similar to a court with the Mayor and Council sitting as impartial decision makers hearing testimony and questioning presenters, who are to provide substantial and competent evidence to support their side of the issue. It is the duty of the Council to arrive at sound decisions regarding the use of property within the City. This includes receiving citizen input regarding the proposed use of the neighborhood, especially where the input is fact-based and not a simple expression of opinion.

In addition, the Council has received a copy of the application and the staff and Planning Commission's recommendations on this rezoning request.

I will now open the public hearing on Ordinance No. 2024-8209."

**Agent:** Brad Wester, 1 Independent Drive, Suite 1200, Jacksonville, provided additional background on the item.

**Public Hearing:** No one came forward to speak. Mayor Hoffman closed the public hearing.

Mayor Hoffman read the following: "Before requesting a motion on this ordinance, beginning with myself, each of the members is requested to indicate for the record whether the member has had any ex-parte communications on the matter, and if so, disclose both the names of persons and the substance of the ex-parte communications regarding this application. An ex-parte communication refers to any meeting or discussion with a person or citizen who may have an interest in this decision, which occurred outside of the public hearing process. Written ex-parte communications, whether send to one member or all members, do not have to be disclosed on the record, but must be made a part of the record by sending/forwarding them to the City Clerk."

**Ex-Parte Communications:**
No Council members had ex-parte communications.

**Motion:** It was moved by Ms. Golding, seconded by Mr. Janson, to approve Ordinance No. 2024-8209 on the first reading to Rezone property located at 504 1st Avenue South owned by South Jax Rentals, LLC, and schedule a second reading for March 4, 2024.

Mayor Hoffman read the following: "Before opening the floor for discussion or questions by the Council, please be reminded that our decision will be based on the criteria set forth in the Land Development Code, and the Council is required to approve a clear statement of specific findings of fact stating the basis upon which such facts were determined and the decision was made."

**Discussion:** A discussion ensued about lot coverage and commissary use.

**Motion to Amend:** It was moved by Ms. Golding, seconded by Mr. Sutton, to remove "on premises" from the commissary use defined in the narrative.

**Motion to Amend Roll Call Vote:** Ayes – Sutton, Wagner, Golding, Meza, and Mayor Hoffman
Nays - Janson

The motion passed 5-1.

**Amended Motion Roll Call Vote:** Ayes – Wagner, Golding, Janson, Meza, Sutton, and Mayor Hoffman

The motion passed unanimously.

**ADJOURNMENT:**
**Motion:** It was moved by Ms. Golding, seconded by Mr. Janson, to adjourn.

**Voice Vote:** Ayes: Golding, Janson, Meza, Sutton, Wagner, Mayor Hoffman
The motion passed unanimously.

There being no further business, the meeting adjourned at 6:44 P.M.

Submitted by: Sheri Gosselin
City Clerk

Approval:

______________________________
Christine H. Hoffman, MAYOR

Date: __________________________

City of Jacksonville Beach ● 11 North Third Street ● Jacksonville Beach, FL 32250

| CITY COUNCIL AGENDA ITEM | |
|---|---|
| TO: | Michael J. Staffopoulos, City Manager |
| FROM: | Ashlie Gossett, Chief Financial Officer |
| DATE: | 01/18/2024 |
| SUBJECT: | Annual Comprehensive Financial Report and Community Redevelopment Agency Financial Statements for the Fiscal Year ending September 30, 2023 |

BACKGROUND

The City is required by state law to have an annual audit of our financial records by an independent Certified Public Accountant. The independent auditing firm, Purvis Gray and Company, has completed the FY2023 audit and will present an overview and financial highlights at the Council briefing preceding the regular meeting. The City once again received an unqualified audit opinion on our financial reports. In addition, the auditors found no major deficiencies in internal controls.

In advance of the meeting, the City Council was provided a copy of the City's Fiscal Year 2023 Annual Comprehensive Financial Report (ACFR). The ACFR was prepared at the conclusion of the audit, and includes the basic financial statements, management discussion and analysis, other financial and compliance reports, as well as reports by the independent auditor. The financial information for the Community Redevelopment Agency (CRA) is presented within the City's ACFR because the CRA is a dependent special district of the City. However, Florida Statutes also require separate audit reports for CRAs. Therefore, the City Council has also been provided with a copy of the FY2023 CRA Financial Statements and Independent Audit Report.

The Government Finance Officers' Association (GFOA) recently awarded a Certificate of Achievement Award for Excellence in Financial Reporting to the City for its FY2022 ACFR. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The City has received this award every year for the last 30 years. Staff believes that the FY2023 ACFR continues to meet the Certificate of Achievement Program's requirements and will submit it to the GFOA to determine its eligibility for another certificate.

FINANCIAL IMPACT

For informational purposes only.

REQUESTED ACTION

Accept the Annual Comprehensive Financial Report and Community Redevelopment Agency Financial Statements for the Fiscal Year ending September 30, 2023

ATTACHMENTS

1. FY2023 Annual Comprehensive Financial Report
2. FY2023 CRA Financial Statements and Audit Report



| | |
|---|---|
| AGENDA ITEM: | A. |
| MEETING DATE: | March 4, 2024 |

# Annual Comprehensive Financial Report



## City of Jacksonville Beach, Florida

*Fiscal Year Ended September 30, 2023*

# INTRODUCTORY SECTION

**CITY OF JACKSONVILLE BEACH, FLORIDA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Prepared by
Finance Department

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

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

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT**
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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February 14, 2024

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

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

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

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

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

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

**Profile of the City of Jacksonville Beach, Florida**

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

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

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

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

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

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

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

**Factors Affecting Financial Condition**

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

### Local Economy

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

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

### Long-Term Financial Planning

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

## Awards and Acknowledgements

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

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

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

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

Respectfully submitted,

Michael J Staffopoulos

Michael Staffopoulos
City Manager

Ashlie Gossett

Ashlie Gossett
Chief Financial Officer

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Jacksonville Beach**
**Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

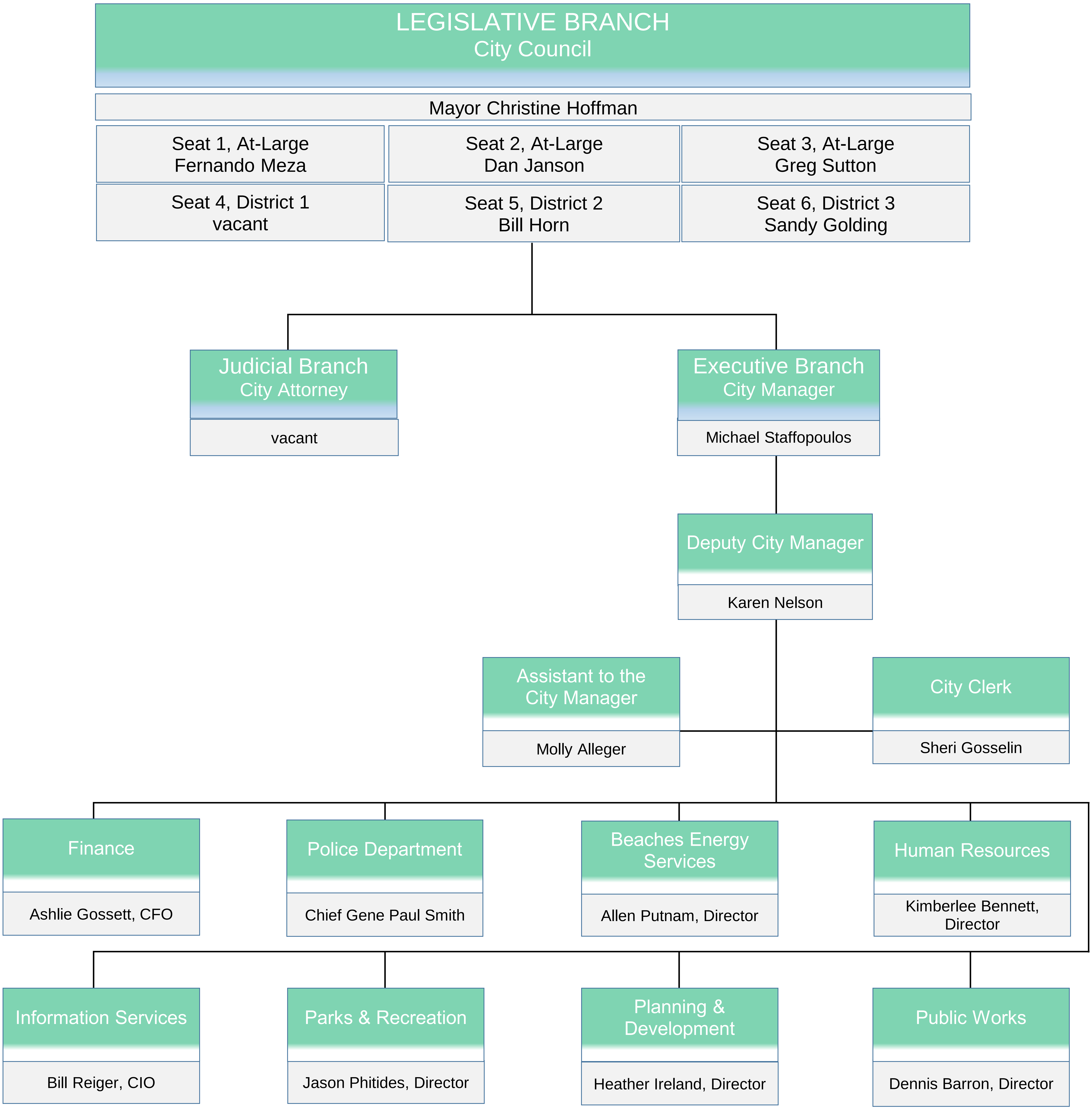
September 30, 2022

Christopher P. Morrill

Executive Director/CEO

# CITY OF JACKSONVILLE BEACH

## Government Organization



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

LEGISLATIVE BRANCH

City Council:

| | |
|---|---|
| Mayor | Christine Hoffman |
| Seat 1, At-Large | Fernando Meza |
| Seat 2, At-Large | Dan Janson |
| Seat 3, At-Large | Greg Sutton |
| Seat 4, District 1 | vacant |
| Seat 5, District 2 | Bill Horn |
| Seat 6, District 3 | Sandy Golding |

| | |
|---|---|
| City Attorney | vacant |
| City Auditors | Purvis, Gray and Company, LLP |

EXECUTIVE BRANCH

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

AGENCY, BOARDS, AND COMMISSION

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

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Audit of the Financial Statements**

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

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT**

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

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

***Supplementary Information***

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

***Other Information***

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

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

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

**INDEPENDENT AUDITOR'S REPORT**

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Purvis Gray

February 14, 2024
Tallahassee, Florida

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

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

## FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by $526,336,937 (net position). Of this amount, $144,383,672 (unrestricted net position) is available to meet the City's obligations to provide ongoing services to our citizens and customers, to make payments to creditors, to pay for the projects in our capital improvement plan, or to establish reserves for emergencies or catastrophic events.

- The City's total net position increased by $34,497,478 or 7.0% over the prior year. The governmental net position increased by $21,835,200 (11.4%) and the business-type net position increased by $12,662,278 (4.2%). The increase in the governmental activities is due primarily planned savings for upcoming capital improvement projects as well as increased property tax revenues as property values continue to grow. The increase in the business-type activities is due to the continued positive business performance of the City's various services.

- Revenues and net transfers-in for the governmental activities totaled $53,291,034, an increase of $10,937,313 or 25.8% for the year. Total expenses were $31,455,834, an increase of $5,480,535 or 21.1% for the year. Both revenue and expense increases are primarily due to projects undertaken utilizing ARPA grant proceeds.

- Revenues in the business-type activities totaled $131,431,081, a decrease of $3,426,052 or 2.5% from the prior year. The decrease is largely due to lowering the bulk power cost adjustment which is the pass-through cost of power from the City's provider. Total expenses and transfers out were $118,768,803, a decrease of $2,975,885 or 2.46% for the year. Again, the decrease in expenses is largely driven by the falling cost of power and natural gas in both the electric and natural gas utilities.

- The City's total financed debt as of September 30, 2023, is zero.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

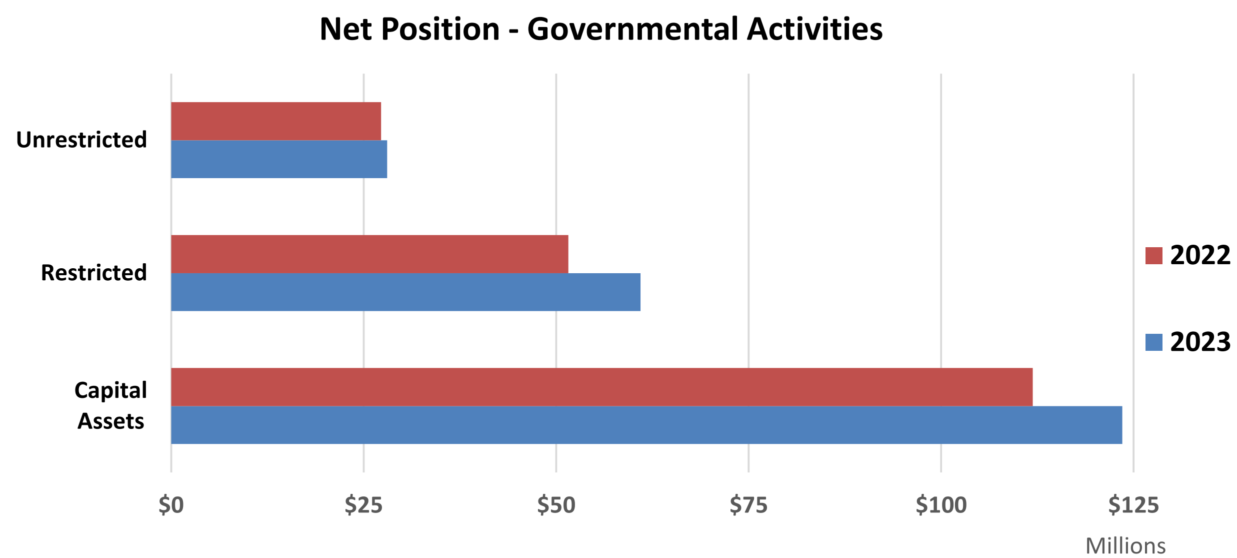
The following condensed comparison shows the City's net position for the two most recent fiscal years. The detailed statement of net position is presented on page 19 of this report.

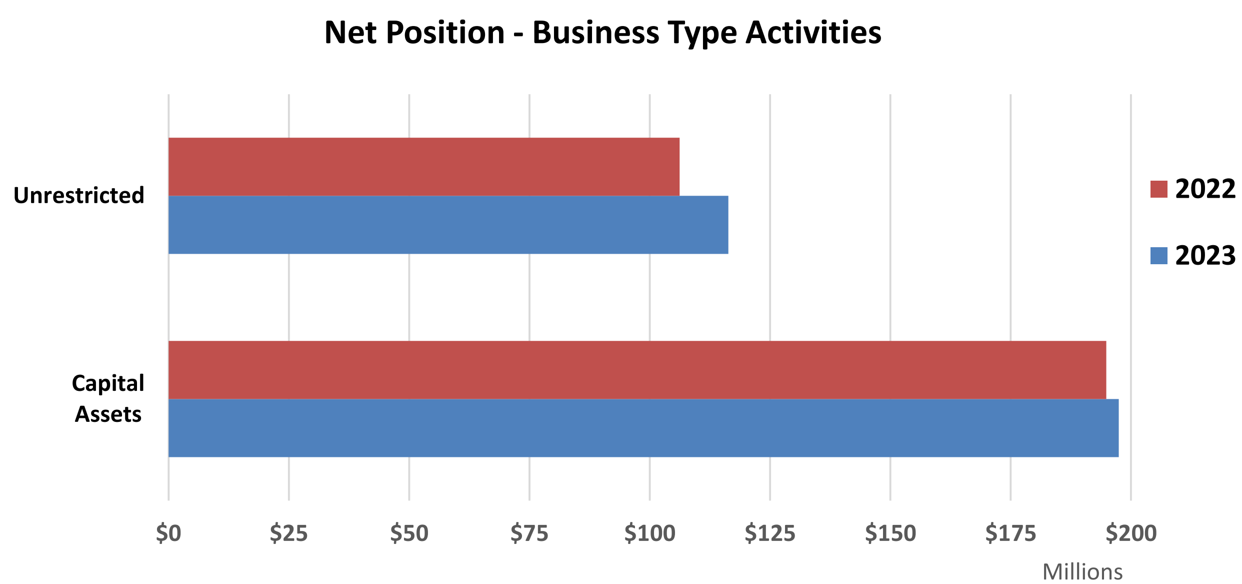
**City of Jacksonville Beach**
**Statement of Net Position**

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

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

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



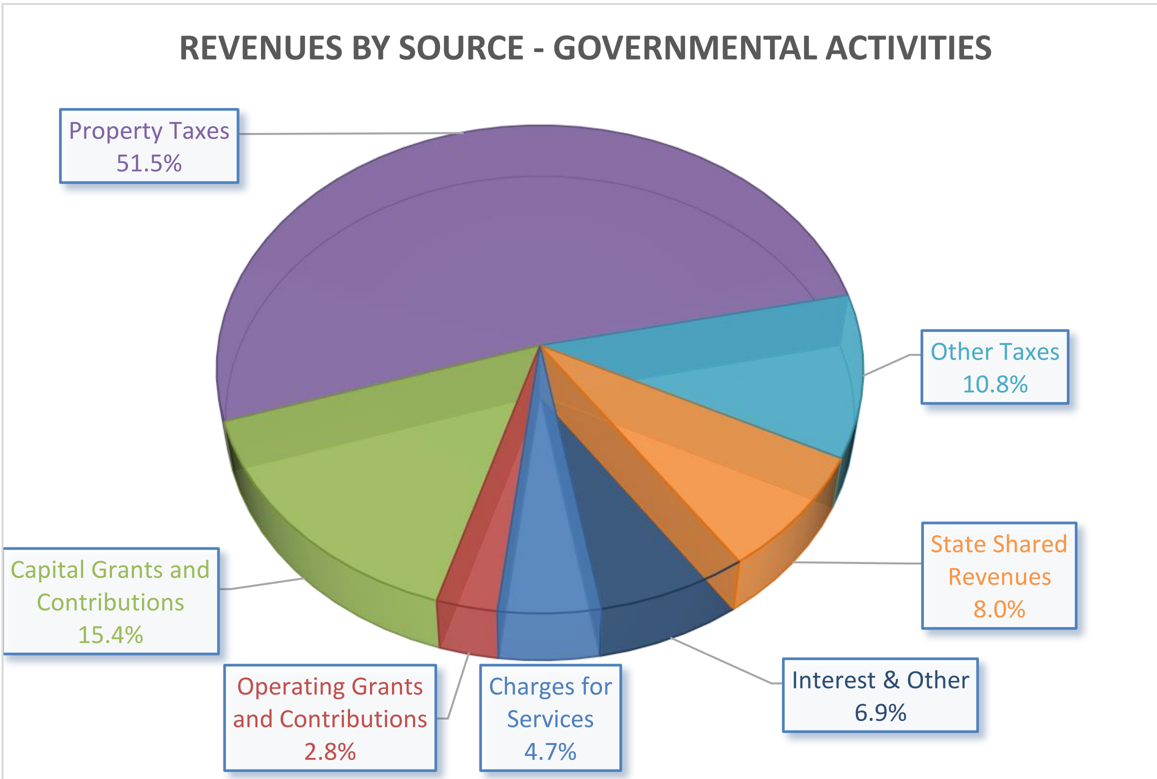
**Statement of Activities.** The following table illustrates the condensed statement of activities for the most recent fiscal year as compared to the prior year. The detailed statement of activities is presented on page 20 of this report.

**City of Jacksonville Beach**
**Changes in Net Position**

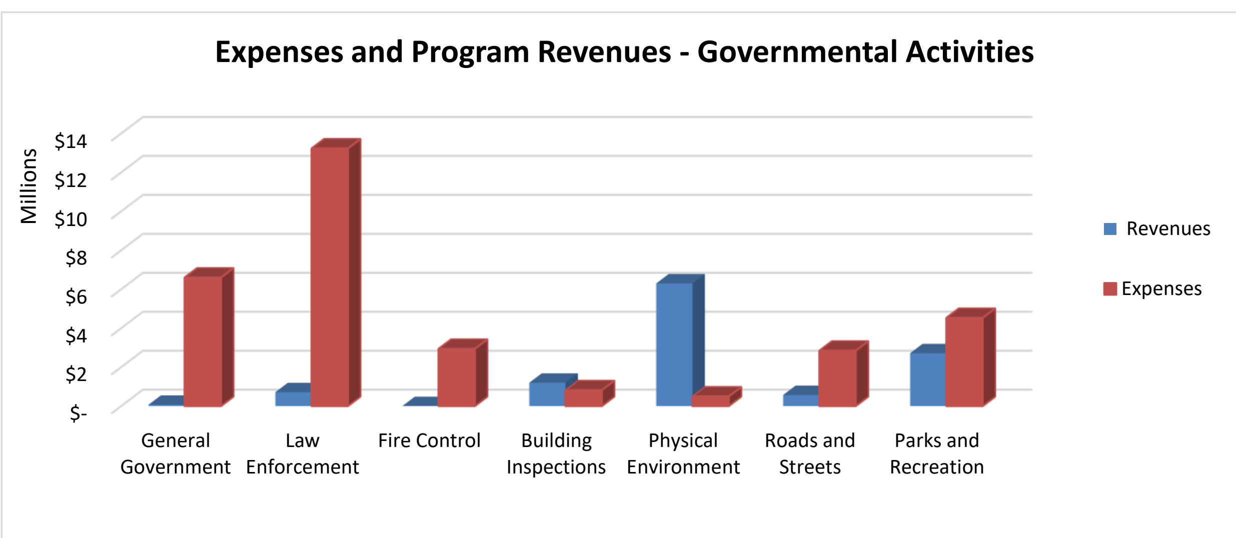
| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** |
| **Program Revenues:** | | | | | | |
| Charges for Services | $2,374,412 | $1,939,622 | $126,515,489 | $135,409,454 | $128,889,901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

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

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




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



Key Elements of Governmental Activities Revenues and Expenses:

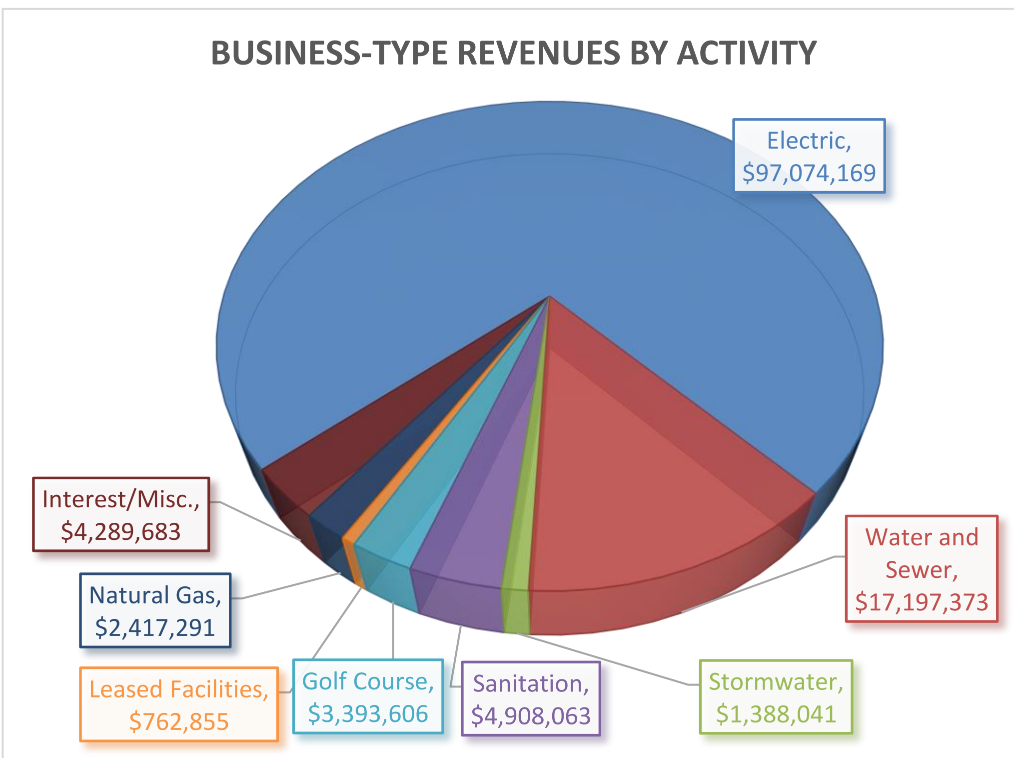
- Property taxes, which provided 51.5% of governmental revenues, increased by $2,964,021 or 12.8% in Fiscal year 2023 due to rising property values and new construction.

- Capital grants and contributions increased by $6,065,356, due in large part to the revenue recognition of ARPA grant proceeds utilized in capital projects during the year.

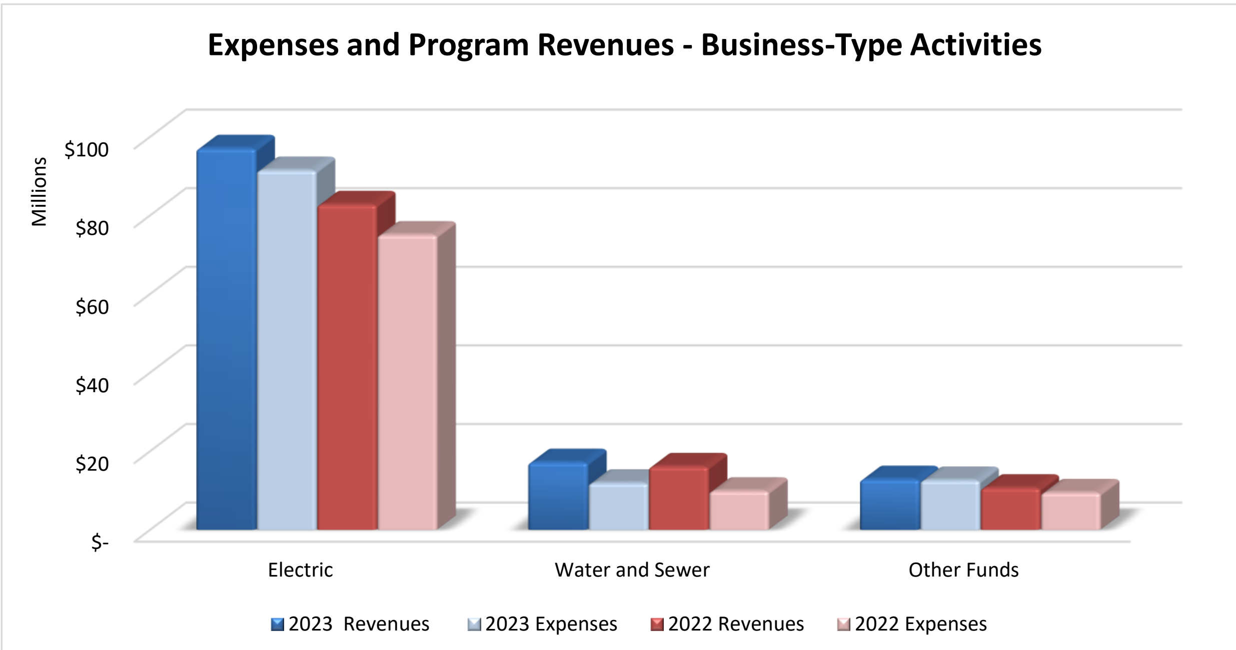
- Interest revenues increased by $5,590,788 compared to the prior year as a result of market performance. The investment portfolio is managed by professional investment firms hired pursuant to the City's investment policy and monitored by an independent professional investment advisor.

- Total expenses increased by 21.1% to $31,455,834 due largely to the timing of capital projects undertaken with ARPA grant funding in the current year.

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



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




Key Elements of Business-Type Revenues and Expenditures:

- Charges for services in the business-type activities decreased by $8,893,965 or 6.6% from the prior year. Of these program revenues, 73.9% comes from electric utility services and 13.1% from the water and sewer utility. Much of the decrease is attributable to the bulk power cost adjustment, which is the pass-through cost of power to our customers. Water and sewer rates are adjusted annually in accordance with the Consumer Price Index (CPI) which is necessary to pay for needed maintenance and improvements to the system. Sanitation rates were also increased during the year to recover the cost of the new solid waste and recycling contract.

- Interest revenues increased by $7,408,403 compared to the prior year as a result of market performance. Investments are reported at fair value. The investment portfolio is managed by professional investment firms hired pursuant to the City's investment policy and monitored by an independent professional investment advisor.

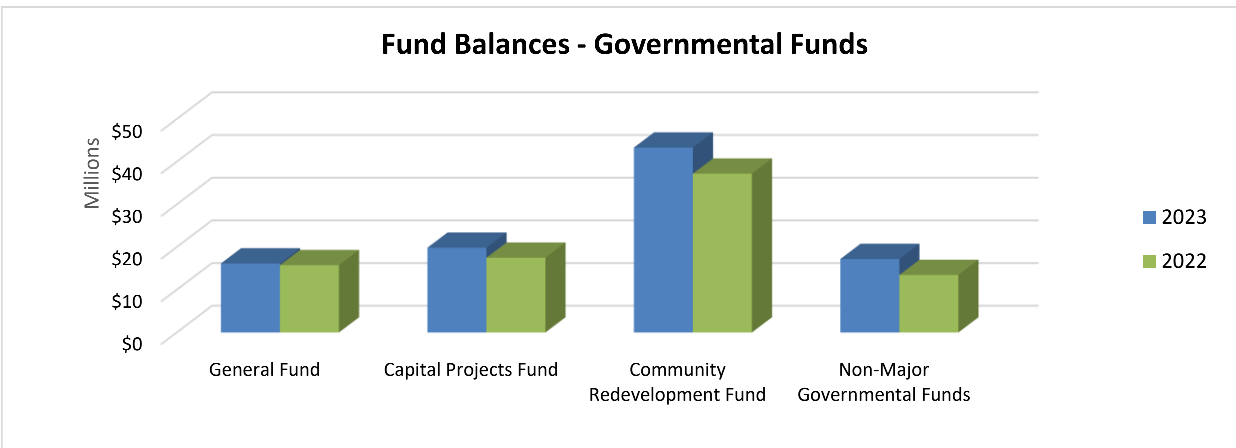
- Total expenses for the business-type activities decreased by $1,439,656 due in large part to a reduction in the cost of purchased electricity and natural gas from the City's providers.

- Significant transfers out in business-type activities included a $3,680,146 transfer from the electric enterprise fund and $115,249 transfer from the natural gas fund to governmental funds in accordance with the City's policies on electric and natural gas transfers.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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




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

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

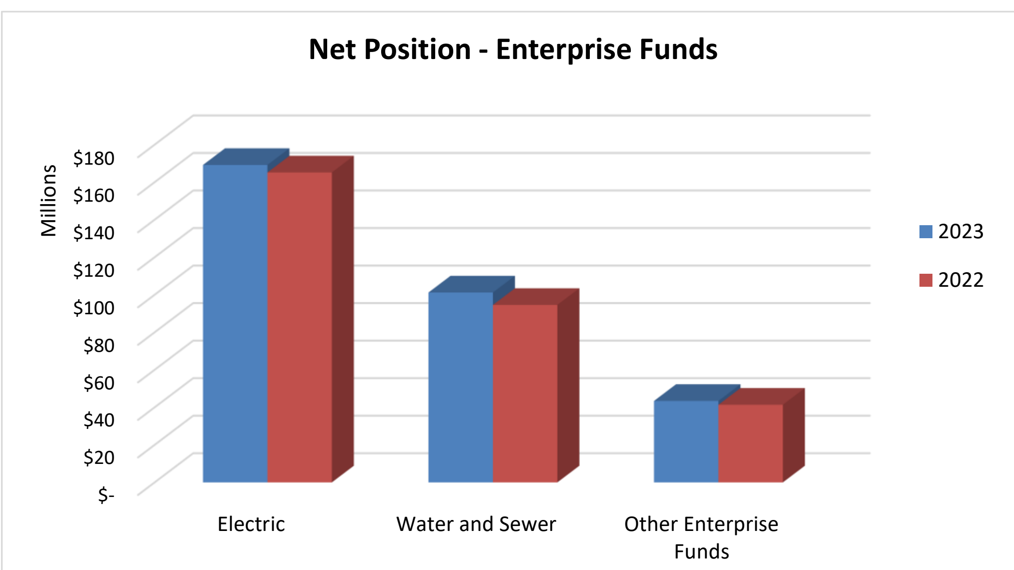
***Other major governmental funds.*** Other major governmental funds include the capital projects fund, the community redevelopment fund, and the ARPA Grant fund. The capital projects fund is used to account for various capital projects, major equipment purchases, and major repairs and renovations. These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

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

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

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

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



## GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

## CAPITAL ASSETS AND DEBT ADMINISTRATION

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

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

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

**City of Jacksonville Beach**
**Capital Assets**

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

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

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

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

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

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

- The City Council adopted a new Vision statement for the community and Mission statement for the organization, while employees developed a set of core values. These three efforts were the foundational pillars for the Strategic Plan adopted during FY2022. Capital improvement projects and departmental service levels proposed during the budget process were evaluated based on their alignment with the strategic plan.

- Jacksonville Beach's property values increased by 10.5%, and the millage rate remains the same at 3.9947 mills. However, this growth is expected to be offset by the escalating labor, operating, and capital outlay costs.

- A turbulent labor market coupled with the challenges of rapid inflation necessitated a city-wide cost of living adjustment during FY2022. New union contracts were negotiated for FY2023 through FY2025 which include 3% annual escalators in addition to merit increases.

- As stewards of the taxpayer resources that make possible the services that are essential to our community, we will continue to manage these resources conservatively and responsibly.

**REQUESTS FOR INFORMATION**

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

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

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

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

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

See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.

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

| | | |
|---|---|---|
| **Fund Balance - Total Governmental Funds** | | $ 96,554,957 |
| **Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:** | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds: | | |
| Capital Assets | $ 200,341,124 | |
| (Accumulated Depreciation) | (76,986,603) | 123,354,521 |
| Deferred outflows and inflows of resources are not available in the current period and, therefore, are not reported in the governmental funds. Deferred outflows and inflows of resources at year-end consist of: | | |
| Deferred Outflows Related to Pensions | 8,256,838 | |
| Deferred Inflows Related to Pensions | (1,400,119) | |
| Deferred Outflows Related to OPEB | 509,321 | |
| Deferred Inflows Related to OPEB | (946,920) | 6,419,120 |
| Some revenues have been deferred on the governmental funds balance sheet because they were not measurable and available at year-end. | | 396,674 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds: | | |
| Net Pension Liability | (10,455,409) | |
| Total OPEB Liability | (1,434,414) | |
| Contractual Pension Liability | (3,609,167) | |
| Compensated Absences | (3,117,073) | (18,616,063) |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows and liabilities, and deferred inflows of the internal service funds are reported with governmental activities. | | 4,454,130 |
| **Net Position of Governmental Activities** | | $ 212,563,339 |

See accompanying notes.

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

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

See accompanying notes.

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

| | | |
|---|---|---|
| **Net Change in Fund Balance - Total Governmental Funds** | | $ 12,602,018 |
| **Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:** | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense: | | |
| Expenditures for Capital Assets | $ 16,148,877 | |
| Transfers of Capital Assets | (1,516,431) | |
| Contributions of Capital Assets | 1,446,998 | |
| Disposals of Capital Assets | (36,237) | |
| (Current Year Depreciation) | (4,351,968) | 11,691,239 |
| Repayments of Debt are recorded as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position: | | |
| Payments related to the Contractual Pension Liability - Firefighters' Plan | | 471,539 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds: | | |
| Change in Accrued Compensated Absences | (305,690) | |
| Change in Net Pension Liability and Deferred Inflows and Outflows Related to Pensions | (497,478) | |
| Change in Other Postemployment Benefits and Deferred Inflows and Outflows Related to OPEB | 2,249 | (800,919) |
| Some revenues have been deferred in the governmental funds because they were not available at year-end, but have been recognized in the statement of activities. | | (1,646,115) |
| Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. | | (482,562) |
| **Change in Net Position of Governmental Activities** | | $ 21,835,200 |

See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.

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

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

See accompanying notes.

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

| | |
|---|---|
| **Assets** | |
| Cash and Cash Equivalents | $ 4,875,135 |
| Accrued Interest | 124,050 |
| Investments: | |
| Equities, Including Mutual Funds | 71,583,907 |
| Corporate Bonds | 6,118,904 |
| U.S. Government Obligations/Agencies | 17,340,169 |
| Real Estate | 5,933,969 |
| Total Investments | 100,976,949 |
| **Total Assets** | 105,976,134 |
| | |
| **Liabilities** | |
| Accounts Payable | 10,836 |
| Other Accrued Liabilities | 2,469 |
| **Total Liabilities** | 13,305 |
| | |
| **Net Position** | |
| Restricted for Pensions | $ 105,962,829 |

See accompanying notes.

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

| | | |
|---|---|---|
| **Additions** | | |
| Contributions: | | |
| Employee | $ | 2,047,881 |
| Employer: | | |
| City of Jacksonville Beach | | 3,528,377 |
| City of Jacksonville | | 289,465 |
| State of Florida | | 278,268 |
| Total Contributions | | 6,143,991 |
| Investment Income: | | |
| Investment Earnings | | 9,534,170 |
| (Investment Expenses) | | (151,134) |
| Net Investment Income | | 9,383,036 |
| **Total Additions** | | 15,527,027 |
| **Deductions** | | |
| Benefits | | 7,902,382 |
| Refunds of Contributions | | 318,804 |
| Administrative Expense | | 358,825 |
| **(Total Deductions)** | | (8,580,011) |
| **Change in Net Position** | | 6,947,016 |
| **Net Position, Beginning of Year** | | 99,015,813 |
| **Net Position, End of Year** | $ | 105,962,829 |

See accompanying notes.

**Note 1 - Summary of Significant Accounting Policies**

**A. Reporting Entity**

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

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

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

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

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

**B. Government-Wide and Fund Financial Statements**

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

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

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

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

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

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

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

- **General Capital Projects Fund—**is the City's primary capital projects fund. It accounts for the costs of various capital projects, major equipment purchases, and major repairs and renovations.

- **Community Redevelopment Fund—**accounts for the activities of the City's Community Redevelopment Agency, including the Downtown and Southend redevelopment districts. The primary revenue source is ad valorem tax increment funds, which are restricted for expenditures benefiting the redevelopment districts.

- **ARPA Grant Fund—**accounts for grant revenues received under the *American Rescue Plan Act* and related expenditures.

The City reports the following major enterprise funds:

- **Electric Fund—**accounts for the activities associated with providing electric service to its customers inside the City, as well as to its service territories in Neptune Beach and Ponte Vedra Beach. The electric fund is a distribution utility, with no significant power generation assets.

- **Water and Sewer Fund—**accounts for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including the capital and operating costs associated with water supply, treatment and distribution, wastewater collection, treatment and disposal, and utility billing and collection.

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

In addition, the City reports the following fund types:

- **Internal Service Funds—**account for services provided to other departments within the City on a cost reimbursement basis. These services include: city manager, accounting, utility billing, information systems, human resources, fleet maintenance, purchasing administration, maintenance facility, and insurance. The internal service funds are included in governmental activities for government-wide reporting purposes, and the excess revenue or expenses for the funds are allocated to the appropriate functional activity.

- **Pension Trust Funds—**account for the activities of the general employees' pension, police officers' pension and firefighters' pension plans, which accumulate resources for defined benefit payments to qualified employees.

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

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

**D. Assets and Liabilities**

■ **Cash and Investments**

- **Cash and Cash Equivalents—**for purposes of the statement of cash flows for the proprietary fund types, cash and cash equivalents include demand deposits, certificates of deposit, repurchase agreements with financial institutions, petty cash, state pool investments, mutual funds, and equity in pooled cash and investments. Equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less. Cash equivalents may exclude certain liquid assets held in restricted investment accounts.

- **Equity in Pooled Cash and Investments—**the City maintains an accounting system in which substantially all cash and investments are recorded and are reflected as pooled cash and investments, except for the pension trust fund investments. Investment earnings are distributed monthly in accordance with the participating funds' relative percentage of investments.

- **Restricted Cash and Investments—**represent equity in pooled cash and investments and separately identified investments which are restricted as to use.

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

■ **Receivables—**All receivables are reported at their gross value, and where appropriate are reduced by the estimated portion that is expected to be uncollectible. The allowance for doubtful accounts at September 30, 2023, is $182,128. Estimated unbilled revenues from the electric, water and sewer, stormwater, sanitation, and natural gas funds are recognized at the end of each fiscal year on a pro rata basis. Included in accounts receivable at September 30, 2023, are unbilled amounts totaling $8,382,769. The estimated amount is based on billings during the month following the close of the fiscal year.

■ **Interfund Receivables and Payables—**During the course of its operations, the City has numerous transactions between funds to provide services and construct assets. To the extent that certain transactions between funds were not paid for or received as of September 30, 2023, balances of interfund receivables and payables expected to be liquidated within one year have been recorded as due from and due to other funds. Balances of interfund receivables and payables not expected to be liquidated within one year, if any, are recorded as advances to and advances from other funds. Balances of advances to other funds are offset by non-spendable fund balances in the respective funds since these receivables are not available for appropriation. Short-term interfund loans to eliminate cash deficits are classified as "interfund receivables/payable".

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

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

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

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

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

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

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

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

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

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

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

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

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

| Minimum Accrued Vacation Leave Balance as of December 31 | Minimum Vacation Hours Utilized in Year | Vacation Leave Hours Eligible for Conversion to Cash |
|---|---|---|
| 120 | 32 | 16 |
| 160 | 48 | 32 |

- **Deferred Inflows/Outflows of Resources—**Deferred outflows of resources represent the consumption of net assets that applies to future periods. Deferred outflows have a positive effect on net position, similar to assets. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. Deferred inflows have a negative effect on net position, similar to liabilities.

- **Unearned Revenue—**Governmental funds and business-type funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

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

**E. Fund Balances**

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

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.

- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.

- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution, which are considered equally binding) of the organization's governing authority (the City Council). These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) employed to constrain those amounts.

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

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

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

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

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

### F. Accounting Changes

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

## Note 2 - Property Tax Calendar

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

Details of the tax calendar are presented below:

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

**Note 3 - Stewardship, Compliance, and Accountability**

**Budgets**

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

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

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

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

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

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

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

Supplementary budgetary appropriations for the general fund include the following:

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

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

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

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

## Note 4 - Deposits and Investments

### Equity in Pooled Cash and Investments

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

### Deposits

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

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

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

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

As presented in the accompanying Statement of Net Position:

| | |
|---|---|
| Equity in Pooled Cash and Investments | $ 221,105,913 |
| Other Cash and Investments | 6,725 |
| Restricted Equity in Pooled Cash and Investments | 28,905,548 |
| **Total** | $ 250,018,186 |

**Investments**

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

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

Listed below are the investments and maturities in the City's pension trust funds at September 30, 2023:

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

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

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

**Authorized Investments**

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

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

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

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

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

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

- **Interest Rate Risk**—the City's fixed rate investments are generally tied to bond reserve requirements and are intended to be held until the funds are needed, at maturity. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's pension funds limit their risk by averaging investment maturities at approximately five to seven years.

- **Custodial Credit Risk**—for an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City generally utilizes third-party custodians to help manage custodial credit risk.

- **Concentration of Credit Risk**—the investment policy for the operating funds of the City define what percentage of the total investment portfolio may be invested in each type of investment vehicle. The City's policy states that these percentages may be further restricted based on market conditions, risk, and diversification investment strategies. The pension funds' investment policies and practices require investments to be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are purchased and sold. No more than 10% of an individual investment manager's total fixed income portfolio may be invested in securities of a single issuer (5% in the case of a corporate issuer). No more than 10% of plan assets may be in foreign securities.

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

- **Level 1 Inputs**—are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

- **Level 2 Inputs**—are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

- **Level 3 Inputs**—are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

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

| | | Fair Value Measurements Using | | |
|---|---|---|---|---|
| **Investments by Fair Value Level** | **Amount** | **Quoted Prices in Active Markets for Identical Assets (Level 1)** | **Significant Other Observable Inputs (Level 2)** | **Significant Unobservable Inputs (Level 3)** |
| U.S. Government Obligations | $ 85,854,906 | $ 12,393,194 | $ 73,461,712 | $ - |
| Federal Agency Securities: | | | | |
| Federal Agencies | 4,970,422 | - | 4,970,422 | - |
| Federal Home Loan Mortgage Corporation | 7,917,204 | - | 7,917,204 | - |
| Federal National Mortgage Association | 7,686,099 | - | 7,686,099 | - |
| Government National Mortgage Association | 14,640 | - | 14,640 | - |
| Corporate ABSs | 13,628,738 | - | 13,628,738 | - |
| Corporate Bonds | 25,763,611 | - | 25,763,611 | - |
| Municipal Bonds | 3,257,877 | - | 3,257,877 | - |
| **Total Investments by Fair Value Level** | 149,093,497 | $ 12,393,194 | $ 136,700,303 | $ - |

| **Investments Measured at Amortized Cost** | **Amount** | **Unfunded Commitments** | **Redemption Frequency (if Currently Eligible)** | **Redemption Notice Period** |
|---|---|---|---|---|
| Florida State Board of Administration: | | | | |
| Florida PRIME | $ 34,014,515 | | None | Daily |
| Florida Trust - Day to Day Fund | 30,677,433 | | None | Daily |
| Florida Municipal Investment Trust: | | | | |
| Short-Term Bond Portfolio (0-2 Years) | 13,056,741 | | None | Daily |
| **Total Investments Measured at Amortized Cost** | 77,748,689 | | | |
| **Total Investments** | $ 226,842,186 | | | |

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

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

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

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

## Note 5 - Interfund Receivables, Payables and Transfers

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

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

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

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

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

## Note 6 - Capital Assets

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

| | Beginning Balances | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Governmental Activities** | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | $ 29,373,496 | $ - | $ - | $ 29,373,496 |
| Construction In Progress | 21,195,507 | 12,892,560 | (3,338,052) | 30,750,015 |
| Total Capital Assets Not Being Depreciated | 50,569,003 | 12,892,560 | (3,338,052) | 60,123,511 |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Improvements | 54,608,319 | 4,868,785 | - | 59,477,104 |
| Equipment | 19,215,218 | 1,661,827 | (509,876) | 20,367,169 |
| Road Network | 33,148,818 | - | - | 33,148,818 |
| Other Infrastructure Networks | 28,264,580 | - | - | 28,264,580 |
| Total Capital Assets Being Depreciated | 135,236,935 | 6,530,612 | (509,876) | 141,257,671 |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Improvements | (23,532,716) | (1,936,112) | - | (25,468,828) |
| Equipment | (13,802,451) | (1,666,792) | 473,639 | (14,995,604) |
| Road Network | (13,628,377) | (421,264) | - | (14,049,641) |
| Other Infrastructure Networks | (22,940,676) | (387,991) | - | (23,328,667) |
| Total Accumulated Depreciation | (73,904,220) | (4,412,159) | 473,639 | (77,842,740) |
| Total Being Depreciated, Net | 61,332,715 | 2,118,453 | (36,237) | 63,414,931 |
| **Governmental Activities Capital Assets, Net** | $ 111,901,718 | $ 15,011,013 | $ (3,374,289) | $ 123,538,442 |

| | Beginning Balances | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Business-Type Activities** | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | $ 4,388,198 | $ - | $ - | $ 4,388,198 |
| Construction In Progress | 19,172,376 | 8,549,073 | (5,669,880) | 22,051,569 |
| Total Capital Assets Not Being Depreciated | 23,560,574 | 8,549,073 | (5,669,880) | 26,439,767 |
| Capital Assets Being Depreciated/Amortized: | | | | |
| Buildings and Improvements | 363,587,305 | 9,868,973 | (69,652) | 373,386,626 |
| Equipment | 12,900,662 | 1,068,395 | (152,912) | 13,816,145 |
| Equipment Under Leases | - | 682,985 | - | 682,985 |
| Total Capital Assets Being Depreciated/Amortized | 376,487,967 | 11,620,353 | (222,564) | 387,885,756 |
| Less Accumulated Depreciation and Amortization for: | | | | |
| Buildings and Improvements | (195,759,690) | (10,212,823) | 69,692 | (205,902,821) |
| Equipment | (9,404,021) | (1,036,619) | 152,861 | (10,287,779) |
| Equipment Under Leases | - | (117,571) | - | (117,571) |
| Total Accumulated Depreciation and Amortization | (205,163,711) | (11,367,013) | 222,553 | (216,308,171) |
| Total Being Depreciated or Amortized, Net | 171,324,256 | 253,340 | (11) | 171,577,585 |
| **Business-Type Activities Capital Assets, Net** | $ 194,884,830 | $ 8,802,413 | $ (5,669,891) | $ 198,017,352 |

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

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

## Note 7 - Long-Term Debt

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

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

**Note 8 - Restricted Assets**

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

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

**Note 9 - Florida Municipal Power Affiliation**

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

**The St. Lucie Project**

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

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

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

**The All Requirements Project**

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

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

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

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

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

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

**The Florida Municipal Solar Project**

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

**Interconnect Services**

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

**Note 10 - Power Costs**

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

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

## Note 11 - Retirement Systems

### Plan Descriptions

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

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

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

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

### Membership

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

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

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

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

**Benefits**

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

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

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

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

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

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

**Contributions**

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

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

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

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

**Investment Policy**
The following are the three Boards' adopted asset allocation policy as of September 30, 2023:

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

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

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

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

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

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

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

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

### Basis of Accounting – Pension Trust Funds

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

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

### Measurement Date

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

### Net Pension Liability

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

*General Employees' Pension Plan*

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

*Police Officers' Pension Plan*

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

**Actuarial Assumptions**

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

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

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

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

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

**Discount Rate**

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

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:** | $ 28,959,707 | $ 20,574,697 | $ 13,470,852 |
| **Police Officers' Pension Plan:** | $ 8,746,124 | $ 5,038,552 | $ 1,920,663 |

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

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

| | |
|---|---|
| General Employees' Pension Plan | $ 2,948,895 |
| Police Officers' Pension Plan | 1,084,191 |
| **Total** | $ 4,033,086 |

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

**Deferred Outflows of Resources**

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

**Deferred Inflows of Resources**

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

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

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

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

**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% |
| Jacksonville Beach, Florida | 41.3% | 75.0% |
| Neptune Beach, Florida | 13.7% | 25.0% |
| **Total** | 100.0% | 100.0% |

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

## Note 13 - Commitments, Contingencies, and Encumbrances

### Grants

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

### Litigation

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

### Construction Commitments

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

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

**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:

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

## Note 14 - Risk Management

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

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

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

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

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

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

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

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

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

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

## Note 15 - Leases

### City as Lessor

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

Lease agreements for the Community Services Center, the Industrial Park, and Penman Park are for initial five-year terms, renewable in one to three-year increments and with the option for the City to cancel with ninety days' notice; the lessee may cancel the lease with thirty days' notice, but only in the event of elimination of their programs' primary funding source(s). The lease agreement for the Marina building was for an initial five-year term and is renewable in five-year increments, with the option for the lessee to cancel with 90 days' notice prior to the expiration of each renewal term. After the first twenty years of the lease, the City may terminate the lease with three hundred and sixty-five days' notice prior to the expiration of any renewal term. Lease agreements for cell tower space are for initial five-year terms and are renewable in five-year increments, with the option for the lessee to cancel the lease given 90 days' notice prior to the expiration of each renewal term; the lessor has no rights of cancellation without cause during the term of any cell tower lease.

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

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

| | |
|---|---|
| Lease Revenue Recognized | $ 180,741 |
| Interest Revenue Recognized | 27,047 |
| **Total Inflows of Resources from Leases** | $ 207,788 |

**City as Lessee**

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

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

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

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

**Note 16 - Other Postemployment Benefits (OPEB)**

**Plan Description**

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

**Membership Information**

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

| | |
|---|---|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 22 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 0 |
| Active Plan Members | 280 |
| **Total Plan Members** | 302 |

**Funding Policy**

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

**Total OPEB Liability**

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

**Changes in the Total OPEB Liability**

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

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

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

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

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**
The following table presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

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

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**
For the fiscal year ended September 30, 2023, the City recognized OPEB expense of $31,917. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Benefits Paid after Measurement Date | $ 130,316 | $ - |
| Differences between Expected and Actual Experience | 503,327 | 117,585 |
| Changes in Assumptions and Other Inputs | 210,202 | 1,451,276 |
| **Total** | $ 843,845 | $ 1,568,861 |

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

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

**Actuarial Methods and Assumptions**

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

Actuarial methods and assumptions include the following:

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

**Notes to Schedule:**

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

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

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

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

(4) - Assumption changes for the 9/30/21 measurement date include an update to and use of the HB mandated FRS mortality tables.

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

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

**Notes to Schedule:**

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

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

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

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

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

(5) - Assumption changes for the 9/30/21 measurement date include an update to and use of the HB mandated FRS mortality tables.

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

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

**Notes to Schedule of Contributions:**

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

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

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

**Notes to Schedule of Contributions**

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

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

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

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

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

**Notes:**

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

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

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

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

COMBINING AND INDIVIDUAL NONMAJOR
FUND STATEMENTS AND SCHEDULES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# COMBINING STATEMENT OF CASH FLOWS
# NON-MAJOR ENTERPRISE FUNDS
# FOR THE YEAR ENDED SEPTEMBER 30, 2023
# 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 | $ 1,399,250 | $ 4,685,877 | $ 3,413,988 | $ 720,229 | $ 2,816,431 | $ 13,035,775 |
| Cash Payments to Vendors for Goods and Services | (414,005) | (5,353,335) | (1,206,312) | (645,792) | (1,663,622) | (9,283,066) |
| Cash Payments to Employees for Services | (290,664) | (473,619) | (1,152,680) | (74) | - | (1,917,037) |
| **Net Cash Provided by (Used in) Operating Activities** | 694,581 | (1,141,077) | 1,054,996 | 74,363 | 1,152,809 | 1,835,672 |
| **Cash Flows from Non-Capital Financing Activities** | | | | | | |
| Intergovernmental Revenue | - | 589 | - | - | - | 589 |
| Interest from Leasing Activities | - | - | - | 27,047 | - | 27,047 |
| Transfers (out) | - | - | - | (90,000) | (277,346) | (367,346) |
| **Net Cash Provided by (Used in) Non-Capital Financing Activities** | - | 589 | - | (62,953) | (277,346) | (339,710) |
| **Cash Flows from Capital and Related Financing Activities** | | | | | | |
| Acquisition of Capital Assets | (392,437) | - | (185,232) | - | (229,228) | (806,897) |
| Connection Fees | - | - | - | - | 296,218 | 296,218 |
| Principal Repayments on Long-term Debt | - | - | (109,194) | - | - | (109,194) |
| Interest Paid on Long-term Debt | - | - | (19,673) | - | - | (19,673) |
| **Net Cash Provided by (Used in) Capital and Related Financing Activities** | (392,437) | - | (314,099) | - | 66,990 | (639,546) |
| **Cash Flows from Investing Activities** | | | | | | |
| Investment Earnings | 228,846 | 145,329 | 107,889 | 39,051 | 118,683 | 639,798 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | 530,990 | (995,159) | 848,786 | 50,461 | 1,061,136 | 1,496,214 |
| **Cash and Cash Equivalents, Beginning of Year** | 6,802,536 | 4,469,637 | 2,932,216 | 1,303,584 | 3,164,759 | 18,672,732 |
| **Cash and Cash Equivalents, End of Year** | $ 7,333,526 | $ 3,474,478 | $ 3,781,002 | $ 1,354,045 | $ 4,225,895 | $ 20,168,946 |

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

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

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

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

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

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

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

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

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

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

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

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

# 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 |
|---|---|


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

# FINANCIAL TRENDS INFORMATION

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

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

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

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

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

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

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

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

**Schedule 4**

**City of Jacksonville Beach, Florida**

**Changes in Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

**(Modified Accrual Basis of Accounting)**

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

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

# REVENUE CAPACITY INFORMATION

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

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

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

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

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

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

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

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

**Source:** Duval County Property Appraiser

(1) Direct rate consists of operating millage only.

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

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

**Source**: Duval County Property Appraiser

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

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

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

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

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

# DEBT CAPACITY INFORMATION

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

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

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

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

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

N/A - Not yet available

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

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

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

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

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

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

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

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

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

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

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

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

(1) Excludes depreciation expense.

Bonds were paid off in FY 2021.

# DEMOGRAPHIC AND ECONOMIC INFORMATION

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

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

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

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

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

**N/A** - Not yet available**.**

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

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

**Source:** Jacksonville Chamber of Commerce

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

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

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

# OPERATING INFORMATION

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

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

**Source:** City of Jacksonville Beach Annual Budget

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

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

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

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

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

Source: City of Jacksonville Beach Annual Budget & Department Directors

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

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

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

Source: City of Jacksonville Beach Annual Budget & Department Directors

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

# SINGLE AUDIT SECTION

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

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

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

**Note 1 - <u>General</u>**

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

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

**Note 2 - <u>Basis of Accounting</u>**

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 - <u>De Minimis Indirect Cost Rate Election</u>**

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

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

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

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

| Expenditures | Budgeted | Actual | Spent in Current Year with Prior Year Awards | Carry Forward |
|---|---|---|---|---|
| **CARVER** | | | | |
| Services | $ 127,888 | $ 127,888 | $ - | $ - |
| **Total CARVER** | 127,888 | 127,888 | - | - |
| **Total Expenditures** | $ 127,888 | $ 127,888 | $ - | $ - |

# 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 14, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

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

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

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

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

Purvis Gray

February 14, 2024
Tallahassee, Florida

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

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

**Report on Compliance for Each Major Federal Program**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Purvis Gray

February 14, 2024
Tallahassee, Florida

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

## SECTION I - SUMMARY OF AUDITOR'S RESULTS

### Financial Statements

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

### Federal Awards

| | |
|---|---|
| Internal control over major Federal Programs: | |
| Material weakness(es) identified? | No |
| Significant deficiencies identified? | None Reported |
| Type of auditor's report issued on compliance for major Federal programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| Identification of major Federal Programs: | |
| | **Assistance Listing Number** |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 |
| Dollar threshold used to distinguish between type A and type B programs: | $750,000 |
| Auditee qualified as low risk auditee? | No |

## SECTION II - FINANCIAL STATEMENT FINDINGS

No matters are reported.

## SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters are reported.

PURVIS GRAY

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

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

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

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

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

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

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

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

Purvis Gray

February 14, 2024
Tallahassee, Florida

**MANAGEMENT LETTER**

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

**Report on the Financial Statements**
We have audited the financial statements of the City of Jacksonville Beach, Florida (the City) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 14, 2024.

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

**Other Reporting Requirements**
We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report(s) on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated February 14, 2024, should be considered in conjunction with this management letter.

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

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

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

**MANAGEMENT LETTER**

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

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

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

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

**Special District Component Units**
Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes. Information for the Southend and Downtown Community Redevelopment Districts (collectively, the CRA) are included in the separately issued financial statements of the CRA.

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

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

**MANAGEMENT LETTER**

**Purpose of This Letter**

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

Purvis Gray

February 14, 2024
Tallahassee, Florida

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BEACH

# 2023

## Jacksonville Beach Community Redevelopment Agency

# Financial Statements and Independent Auditor's Report

September 30, 2023

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS**
**AND**
**INDEPENDENT AUDITOR'S REPORT**

**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

**SEPTEMBER 30, 2023**

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# INDEPENDENT AUDITOR'S REPORT

To the Jacksonville Beach Community Redevelopment Agency
City of Jacksonville Beach, Florida

**Report on the Audit of the Financial Statements**

**Opinions**
We have audited the financial statements of the governmental activities and each major fund of the Jacksonville Beach Community Redevelopment Agency (the Agency), a component unit of the City of Jacksonville Beach, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund for the Agency as of September 30, 2023, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

To the Jacksonville Beach Community Redevelopment Agency
City of Jacksonville Beach, Florida

## INDEPENDENT AUDITOR'S REPORT

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with

**INDEPENDENT AUDITOR'S REPORT**

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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Purvis Gray

February 14, 2024
Tallahassee, Florida

# MANAGEMENT’S DISCUSSION AND ANALYSIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (the MD&A) of the Jacksonville Beach Redevelopment Agency (the Agency), is intended to provide an overview of the Agency's financial position and results of operations for the fiscal year ended September 30, 2023. The MD&A should be read in conjunction with the Agency's financial statements, including the accompanying notes, to enhance the understanding of the Agency's financial performance.

**Financial Highlights**

- At September 30, 2023, restricted net position of $43,313,478 is unspent tax increment financing revenues restricted for upcoming redevelopment projects.

- Fund balance increased in the current year by $6,108,682. Substantially all of this increase is attributable to tax increment revenues in excess of expenditures due to the timing of the Community Redevelopment Agency (CRA) projects.

- $2,481,363 in Southend Redevelopment District tax increment revenues was returned to the taxing authorities as part of the year-end fund balance appropriation.

**Overview of the Financial Statements**

This MD&A is intended to serve as an introduction to the Agency's basic financial statements, which have the following components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, and 4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the Agency's assets and liabilities with the difference between the two 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 Agency is improving or deteriorating.

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

The government-wide financial statements listed above distinguish functions of the Agency that are principally supported by ad-valorem taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their cost through user fees and charges. The governmental activities in the Agency are community redevelopment and public safety.

The government-wide financial statements include only the financial activities of the Agency. However, the Agency is considered a blended component unit of the City of Jacksonville Beach, Florida (the City), and as such, the financial information of the Agency is included in the City's Annual Comprehensive Financial Report in each fiscal year.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources, available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

Key elements of the reconciliation of these two statements are that the government-wide statement of activities reports the issuance of debt as a liability, the purchases of capital assets as assets which are then charged to expense over their useful lives (depreciated), and changes in long-term liabilities as adjustments of expenses. Conversely, the governmental funds statements report the issuance of debt as another financing source of funds, the repayment of debt as an expenditure, the purchase of capital assets as an expenditure, and do not reflect changes in long-term liabilities.

The Agency maintains two governmental funds. Information is presented separately for the Downtown and Southend Redevelopment Districts in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance. In the City's Annual Comprehensive Financial Report, these two funds are referred to as the Downtown and Southend Redevelopment Trust funds.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Government-Wide Financial Analysis

The following table summarizes the statement of net position for the current and prior year:

**SUMMARY SCHEDULE OF NET POSITION**

| | 2023 | 2022 |
|---|---|---|
| Current Assets | $ 46,613,780 | $ 40,255,346 |
| Capital Assets, Net | 7,250,921 | 7,250,921 |
| **Total Assets** | 53,864,701 | 47,506,267 |
| | | |
| Current Liabilities | 3,300,302 | 3,050,601 |
| **Total Liabilities** | 3,300,302 | 3,050,601 |
| | | |
| **Net Position** | | |
| Investment in Capital Assets | 7,250,921 | 7,250,921 |
| Restricted for Redevelopment Projects | 43,313,478 | 37,204,745 |
| Unrestricted | - | - |
| **Total Net Position** | $ 50,564,399 | $ 44,455,666 |

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Governmental activities increased the Agency's net position by $6,108,733 for the year ended September 30, 2023. Key elements of the change are described below.

The following table summarizes the changes in net position for the current and prior year:

**SUMMARY OF CHANGES IN NET POSITION**

| | 2023 | 2022 |
|---|---|---|
| General Revenues: | | |
| Tax Increment Financing | $ 11,463,597 | $ 10,078,421 |
| Investment and Other Income | 1,575,628 | (716,325) |
| **Total Revenues** | 13,039,225 | 9,362,096 |
| | | |
| Expenses: | | |
| Community Redevelopment | 5,367,418 | 6,527,536 |
| Public Safety | 1,563,074 | 1,222,616 |
| **Total Expenses** | 6,930,492 | 7,750,152 |
| | | |
| **Change in Net Position** | 6,108,733 | 1,611,944 |
| | | |
| **Net Position, Beginning of Year** | 44,455,666 | 42,843,722 |
| | | |
| **Net Position, End of Year** | $ 50,564,399 | $ 44,455,666 |

Community redevelopment expenses decreased by $1,160,118, largely due to the timing of capital projects.

**Governmental Funds**

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

The Agency maintains two Redevelopment trust funds, one for the Downtown District and another for the Southend District. At the end of the current year, a fund balance of $43,311,893 was both restricted and appropriated to ongoing and future redevelopment projects.

The Agency is required to adopt an annual budget for the two funds prepared on a basis consistent with accounting principles generally accepted in the United States of America.

**Capital Assets**

The Agency's investment in capital assets as of September 30, 2023, is $7,250,921, which is strictly land held for future development projects. When the remaining development projects are completed, the land and resulting improvements will become property of the City.

**Budgetary Highlights**

The Agency's governing board, the CRA, is authorized to transfer budget amounts. Revisions that alter the total expenditure must be approved by both the CRA and City Council. Legal level of control is maintained at the fund level. The difference between the original budget and the final amended amount was a net increase of $19,704,731 for capital projects and a net increase of $178,295 for other expenditures.

Actual revenues were higher than the final budgeted revenues by $1,112,621, largely due to interest income on investments. Actual expenditures were under budget by $49,574,529 with the timing of capital project expenditures.

**Economic Factors and Future Developments**

Both districts have been a redevelopment success. Downtown taxable property values have grown from $42.3 million in the 1984 base year to $804.7 million in the most recent year and Southend taxable values have grown from $6.5 million in the 1986 base year to $465.2 million.

The CRA will continue to plan projects and infrastructure improvements that align with its redevelopment priorities for each district. Additionally, the City and CRA will continue to partner to encourage private sector development in the designated Downtown area.

Key FY2024 projects in the Downtown District are as follows:

- Continue construction of infrastructure improvements in the area east of 3rd Street between 4th and 11th Avenues South (Phase IIIC – Projects 4 and 5).
- Continue the design and implementation of *Downtown Action Plan* items, including public art, Latham Plaza master plan, wayfinding signage, and lighting.

Key FY2024 projects in the Southend District are as follows:

- Complete stormwater piping and roadway improvements in various locations (Phases 4 and 5).
- Complete design for  a passive park along South Beach Parkway and Jacksonville Drive and begin construction.
- Begin construction of a connectivity corridor along Jacksonville Drive.

**Requests for Information**

This financial report is designed to provide users with a general overview of the Agency's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, 11 North Third Street, Jacksonville Beach, Florida 32250.

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

# FINANCIAL STATEMENTS

**STATEMENT OF NET POSITION**
**SEPTEMBER 30, 2023**
**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

| | | |
|---|---|---|
| **Assets** | | |
| Equity in Pooled Cash and Investments | $ | 46,612,195 |
| Assessments Receivable | | 1,585 |
| Capital Assets | | 7,250,921 |
| **Total Assets** | | 53,864,701 |
| **Liabilities** | | |
| Accounts Payable | | 547,492 |
| Other Accrued Liabilities | | 271,447 |
| Due to Other Governments | | 2,481,363 |
| **Total Liabilities** | | 3,300,302 |
| **Net Position** | | |
| Investment in Capital Assets | | 7,250,921 |
| Restricted for Redevelopment Projects | | 43,313,478 |
| **Total Net Position** | $ | 50,564,399 |

See accompanying notes.

**STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**
**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

| | | Net Revenue (Expense) and Changes in Net Position |
|---|---|---|
| **Functions** | **Expenses** | **Total Governmental Activities** |
| Governmental Activities: | | |
| Community Redevelopment | $ 1,318,715 | $ (1,318,715) |
| Public Safety | 1,271,150 | (1,271,150) |
| Capital Improvements Contributed to Primary Government | 4,340,627 | (4,340,627) |
| Total Governmental Activities | 6,930,492 | (6,930,492) |
| General Revenues: | | |
| Tax Increment Financing | | 11,463,597 |
| Investment and Other Income | | 1,575,628 |
| Total General Revenues | | 13,039,225 |
| **Change in Net Position** | | 6,108,733 |
| **Net Position, Beginning of Year** | | 44,455,666 |
| **Net Position, End of Year** | | $ 50,564,399 |

See accompanying notes.

**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**SEPTEMBER 30, 2023**
**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

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

**Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position**

| | |
|---|---|
| Total Fund Balance - Governmental Funds | $ 43,311,893 |
| 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 | 7,250,921 |
| Certain Revenues Have Been Deferred on the Balance Sheet Because They Were not Measurable and Available at Year-End | 1,585 |
| **Net Position of Governmental Activities** | $ 50,564,399 |

See accompanying notes.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**
**GOVERNMENTAL FUNDS**
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**
**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

| | Downtown Redevelopment District | Southend Redevelopment District | Total Governmental Funds |
|---|---|---|---|
| **Revenues** | | | |
| Tax Increment Financing | $ 8,706,527 | $ 2,757,070 | $ 11,463,597 |
| Investment and Other Income | 1,050,713 | 524,864 | 1,575,577 |
| **Total Revenues** | 9,757,240 | 3,281,934 | 13,039,174 |
| **Expenditures** | | | |
| Community Redevelopment: | | | |
| Personnel Services | 221,532 | 96,564 | 318,096 |
| Operating Expenses | 652,326 | 348,293 | 1,000,619 |
| Public Safety: | | | |
| Personnel Services | 1,138,106 | - | 1,138,106 |
| Operating Expenses | 133,044 | - | 133,044 |
| Capital Outlay | 1,236,484 | 3,104,143 | 4,340,627 |
| **(Total Expenditures)** | (3,381,492) | (3,549,000) | (6,930,492) |
| **Net Change in Fund Balance** | 6,375,748 | (267,066) | 6,108,682 |
| **Fund Balance, Beginning of Year** | 26,375,836 | 10,827,375 | 37,203,211 |
| **Fund Balance, End of Year** | $ 32,751,584 | $ 10,560,309 | $ 43,311,893 |

**Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities**

| | |
|---|---|
| **Net Change in Fund Balance** | $ 6,108,682 |
| Certain Revenues Have Been Deferred on the Balance Sheet Because They Were not Measurable and Available at Year-End, but Have Been Recognized in the Statement of Activities | 51 |
| **Change in Net Position of Governmental Activities** | $ 6,108,733 |

See accompanying notes.

## NOTES TO FINANCIAL STATEMENTS

## Note 1 - Summary of Significant Accounting Policies

### Financial Reporting Entity

In March 1978, the five-member Jacksonville Beach Community Redevelopment Agency (the Agency) was established by the City of Jacksonville Beach, Florida (the City), by Ordinance No. 6950 as a public body organized pursuant to Part III of Chapter 163 of the Florida Statutes. The Agency's stated purpose is to intervene in the decline of the economic and physical character of the redevelopment area and transformation of the existing conditions into a functional and vibrant urban center. The governing body of the Agency is appointed by the City Council. There are two redevelopment trust funds established by the Agency, the Downtown Redevelopment District and the Southend Redevelopment District.

The Downtown Redevelopment District was established in 1984 with the original redevelopment plan being established in 1987. 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 make 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. The redevelopment plan is set to expire in January of 2047.

The Agency is a blended component unit of the City. The Agency is treated as a blended component unit and included as part of the primary government for financial reporting purposes because the Agency provides its services entirely to the City. All assets constructed by the Agency on City-owned land automatically become assets of the City upon completion, and all assets constructed by the Agency on Agency-owned land, along with the underlying land, are deeded to the City upon completion. The Agency is presented in the financial statements of the City as a special revenue fund.

In November 1985, the Southend Redevelopment 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. The redevelopment plan is set to expire in June of 2047.

The following is a summary of the significant accounting policies applicable to the Agency:

The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting.

### Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all the governmental activities of the Agency. The government-wide focus is more on the sustainability of the Agency as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements focus on short-term results of operations and financing decisions at a specific fund level. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given functional category are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Program revenues include operating and capital grants and contributions. In 2023, the Agency did not have any program revenues. Taxes and other items not included as program revenues are reported as general revenues.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources are generally included on their balance sheet. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide governmental activities column, a reconciliation is sometimes necessary to explain the adjustments needed to reconcile the fund based financial statements to the governmental activities column of the government-wide presentation.

Their operating statements present sources (revenues and other financing sources) and uses (expenditures and other financing uses) of available spendable resources during the period. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 30 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except for debt service expenditures, which are recognized when due.

Tax increment financing revenue, when levied for and interest associated with the current fiscal period, are both considered to be measurable and have been recognized as revenues of the current fiscal year, if available.

Per Florida Statutes, Section 163.387, resources deposited into a redevelopment trust fund are restricted for community redevelopment activities pursuant to the approved redevelopment plan.

The Agency reports two special revenue funds which are considered major governmental funds. These funds are used to account for all financial resources received by the Agency. The Agency does not have any non-major funds.

**Assets, Liabilities, and Net Position**

*Equity in Pooled Cash and Investments*: The Agency participates in the City's pooled cash and investment portfolio. Investment earnings are distributed monthly to the participating funds' relative percentage of investments.

*Capital Assets*: Capital assets include land titled to the Agency. The Agency pays for certain infrastructure improvements (roads, sidewalks, bridges, and other utility infrastructure) within the designated redevelopment area; however, these improvements are considered to be property of the City and, therefore, are included as capital assets in the City's government-wide financial statements.

Capital assets titled to the Agency are reported in governmental activities in the government-wide financial statements. The Agency utilizes the City's capitalization policy and capitalizes assets with a cost in excess of $5,000 and an estimated life greater than one year. Capital assets are recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized but are expensed as incurred.

*Nature and Purpose of Fund Balance*: Per Florida Statutes, Section 163.387, unspent tax increment financing revenues are restricted for future redevelopment projects pursuant to the approved community redevelopment plan and are reported as restricted fund balance in the financial statements. There are no other classifications of fund balance.

*Compensation Costs*: The Agency has no employees of its own. Instead, the Agency reimburses the City for the portion of salaries and benefits attributable to Agency activities based on the estimated time spent on those activities as projected during the annual budget process. Any long-term payroll and benefit liabilities such as compensated absences, other postemployment benefits, or pension liabilities are reported on the City's financial statements.

*Net Position*: The government-wide statements utilize a net position presentation. Net investment in capital assets is that portion of net position that relates to the Agency's capital assets reduced by accumulated depreciation. Restricted net position are unspent tax increment financing revenues that are restricted for future redevelopment projects.

*Use of Estimates*: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 2 - <u>Deposits and Investments</u>**

At year-end, the Agency's share of the City's pooled cash and investment balances was $46,612,195. The City's bank deposits are held in qualified depositories pursuant to Chapter 280, Florida Statutes, *Florida Security for Public Deposits Act* (the Act). Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The collateral pledging level may range from 25% to 200% depending upon the depository's financial condition and the length of time that the depository has been established. All collateral must be deposited with an approved financial institution. The Public Depository Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. The Agency's bank balances were insured either by the Federal Depository Insurance Corporation or collateralized in the bank's participation in the Act.

**Authorized Investments**

The Agency does not have a separate deposit and investment policy and it follows the deposit and investment policies of the City.

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.

**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 intended to be held until the funds are needed, at maturity.

- **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.

  More detailed information on the City's investment portfolio can be obtained from the City's Annual Comprehensive Financial Report, which can be found on the City's website at www.jacksonvillebeach.org.

**Note 3 - Capital Assets**

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

| | Beginning Balance | Additions | Disposals | Ending Balance |
|---|---|---|---|---|
| Capital Assets Not Being Depreciated: | | | | |
| Land | $ 7,250,921 | $ - | $ - | $ 7,250,921 |

**Note 4 - Tax Increment Financing Revenue**

The Agency is primarily funded through tax-increment financing revenue. This revenue is computed by applying the operating tax for the City and the City of Jacksonville multiplied by the increased value of property in the Agency over the base property value minus 5%. The City and the City of Jacksonville are required to fund this amount annually without regard to tax collections or other obligations.

In accordance with Section, 163.387(7), Florida Statutes, at the end of each fiscal year, any funds remaining in the Tax Increment Trust Fund must be either appropriated to specific projects, used to reduce debt, or returned to the taxing authorities. The Southend District projected to end the fiscal year with a fund balance of $15,034,470. Of that total, $12,553,107 was appropriated to projects already underway or which were expected to start in the near-term. Because there is no outstanding debt in the Southend District, the remaining $2,481,363 is being returned to taxing authorities—the City of Jacksonville Beach ($824,589) and the City of Jacksonville ($1,656,774). These amounts are included in Due to Other Governments on the Agency's Balance Sheet and Statement of Net Position.

**Note 5 - Construction Commitments**

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

| Project | Expended as of September 30, 2023 | Remaining Commitment |
|---|---|---|
| Downtown District: | | |
| Design of Beach Stormwater Outfalls Replacement | $ 82,269 | $ 4,786 |
| South Basin Prelim Study for Downtown Improvement | 423,178 | 370,470 |
| Dune Walkovers 3 ADA Compliant (DUNEWA) | 575,265 | 811 |
| Specific Project Task Identified in the Downtown Action, Implementation & Mgmt Plan Phase 2 | 387,677 | 22,323 |
| DTI3C 4 & 5 Design of Dwnt Infra Impr Phase 3C Projects 4 & 5 | 967,457 | 13,209 |
| Design FY23 Dune Walkover Replacement | 60,808 | 48,517 |
| Southend District: | | |
| Ocean Terrace Drainage Improvements (SBOTP) | 5,261,448 | 268,090 |
| SBIS5 Downtown Improvements South Basin | 131,672 | 105,666 |
| **Total** | $ 7,889,774 | $ 833,872 |

## Note 6 - Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors, omissions, and natural disasters. The Agency is covered by the City's insurance plans. The City purchases commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage, Including Flood Damage
- General Liability
- Automobile Liability
- Commercial Crime
- Police Professional Liability
- Workers Compensation
- Health Insurance
- Pension Fiduciary
- Public Official
- Cyber Liability

# REQUIRED SUPPLEMENTARY INFORMATION

## REQUIRED SUPPLEMENTARY INFORMATION

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2023 DOWNTOWN REDEVELOPMENT DISTRICT

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | **Original** | **Final** | **Amounts** | **Final Budget** |
| **Revenues** | | | | |
| Tax Increment Financing | $ 8,804,295 | $ 8,804,295 | $ 8,706,527 | $ (97,768) |
| Investment and Other Income | 173,735 | 173,735 | 1,050,713 | 876,978 |
| **Total Revenues** | 8,978,030 | 8,978,030 | 9,757,240 | 779,210 |
| **Expenditures** | | | | |
| Community Redevelopment: | | | | |
| Personnel Services | 229,319 | 229,319 | 221,532 | 7,787 |
| Operating Expenses | 1,374,992 | 1,380,713 | 652,326 | 728,387 |
| Total Community Redevelopment | 1,604,311 | 1,610,032 | 873,858 | 736,174 |
| Police: | | | | |
| Personnel Services | 1,136,946 | 1,138,106 | 1,138,106 | - |
| Operating Expenses | 139,200 | 263,849 | 133,044 | 130,805 |
| Total Police | 1,276,146 | 1,401,955 | 1,271,150 | 130,805 |
| Capital Outlay | 25,252,850 | 41,048,256 | 1,236,484 | 39,811,772 |
| **(Total Expenditures)** | (28,133,307) | (44,060,243) | (3,381,492) | 40,678,751 |
| **Net Change in Fund Balance** | $ (19,155,277) | $ (35,082,213) | $ 6,375,748 | $ 41,457,961 |

See note to required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2023 SOUTHEND REDEVELOPMENT DISTRICT**

| | Budgeted Amounts | | Actual | Variance with |
|---|---|---|---|---|
| | **Original** | **Final** | **Amounts** | **Final Budget** |
| **Revenues** | | | | |
| Tax Increment Financing | $ 2,807,244 | $ 2,807,244 | $ 2,757,070 | $ (50,174) |
| Investment and Other Income | 141,279 | 141,279 | 524,864 | 383,585 |
| **Total Revenues** | 2,948,523 | 2,948,523 | 3,281,934 | 333,411 |
| **Expenditures** | | | | |
| Community Redevelopment: | | | | |
| Personnel Services | 106,925 | 106,925 | 96,564 | 10,361 |
| Operating Expenses | 506,763 | 553,528 | 348,293 | 205,235 |
| Capital Outlay | 7,875,000 | 11,784,325 | 3,104,143 | 8,680,182 |
| **(Total Expenditures)** | (8,488,688) | (12,444,778) | (3,549,000) | 8,895,778 |
| **Net Change in Fund Balance** | $ (5,540,165) | $ (9,496,255) | $ (267,066) | $ 9,229,189 |

See note to required supplementary information.

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**
**SEPTEMBER 30, 2023**
**JACKSONVILLE BEACH COMMUNITY REDEVELOPMENT AGENCY**
**(A COMPONENT UNIT OF THE CITY OF JACKSONVILLE BEACH, FLORIDA)**

**Note 1 - Budgetary Procedures and Budgetary Accounting**

The Jacksonville Beach Community Redevelopment Agency (the Agency) adheres to the following procedures in establishing the budgetary data reflected in the accompanying financial statements:

Prior to September 30, the Agency Administrator submits, to the Community Redevelopment Agency, a proposed operating budget for the Trust Fund for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.

The Agency budget is also included in the City's budget and is presented to the City Council for ratification prior to September 30.

Agency management is authorized to transfer budget amounts. Revisions that alter the total expenditures must be approved by the Community Redevelopment Agency. Legal level of budgetary control is maintained at the fund level. Budget amendments totaling $15,926,936 in the Downtown Redevelopment District and $3,956,090 in the Southend Redevelopment District were related to ongoing construction projects.

# OTHER REPORTS

**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***

To the Jacksonville Beach Community Redevelopment Agency
City of 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 and each major fund of the Jacksonville Beach Community Redevelopment Agency (the Agency), a component unit of the City of Jacksonville Beach, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated February 14, 2024.

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

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

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

To the Community Redevelopment Agency
City of Jacksonville Beach, Florida

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency'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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Purvis Gray

February 14, 2024
Tallahassee, Florida

PURVIS GRAY

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

To the Jacksonville Beach Community Redevelopment Agency
City of Jacksonville Beach, Florida

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

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

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

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

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

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

Purvis Gray

February 14, 2024
Tallahassee, Florida

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 163.387(6) AND (7), FLORIDA STATUTES**

To the Jacksonville Beach Community Redevelopment Agency
City of Jacksonville Beach, Florida

We have examined the Jacksonville Beach Community Redevelopment Agency's (the Agency) compliance with Section 163.387(6) and (7), Florida Statutes, as of and for the year ended September 30, 2023, as required by Section 10.556 (10)(f), *Rules of the Auditor General*. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

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

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

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

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

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

Purvis Gray

February 14, 2024
Tallahassee, Florida

## MANAGEMENT LETTER

To the Jacksonville Beach Community Redevelopment Agency
City of Jacksonville Beach, Florida

**Report on the Financial Statements**
We have audited the financial statements of the Jacksonville Beach Community Redevelopment Agency (the Agency), a component unit of the City of Jacksonville, Florida (the City), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 14, 2024.

**Auditor's Responsibility**
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

**Other Reporting Requirements**
We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Reports on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated February 14, 2024, should be considered in conjunction with this management letter.

**Prior Audit Findings**
Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations made in the preceding annual 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. This is disclosed in Note 1 of the financial statements.

**Financial Condition and Management**
Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Agency 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 Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Community Redevelopment Agency
City of Jacksonville Beach, Florida

**MANAGEMENT LETTER**

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 Agency. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

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

**Special District Component Unit**

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

**Specific Information (Unaudited)**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Agency reported:

a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0. As disclosed in Note 1 of the financial statements, the Agency has no employees but receives administrative, engineering, and project management support from City staff.
b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the district's fiscal year as 1.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $0. As described in Note 1 of the financial statements, the Agency reimburses the City for support provided by City employees. During the fiscal year, the Agency reimbursed the City for payroll and related benefits totaling $1,456,203 for work performed by City employees on behalf of the Agency.
d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as $461,173.
e. Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1, of the fiscal year being reported, together with the total expenditures for such project. See attached schedule in Appendix A.
f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes as $14,775,562.

To the Community Redevelopment Agency
City of Jacksonville Beach, Florida

**MANAGEMENT LETTER**

**Additional Matters**

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

**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, and the Board of Directors and management of the Agency, and is not intended to be, and should not be, used by anyone other than these specified parties.

Purvis Gray

February 14, 2024
Tallahassee, Florida

## APPENDIX A

Each construction project with a total cost of at least $65,000 approved by the District that is scheduled to begin on or after October 1, of the fiscal year being reported, together with the total expenditures for such projects was as follows:

***UNAUDITED***

| District | Project Description | CRA Res. No. or Budget Year | Project Budgeted Cost | Total Expenditures in Year |
|---|---|---|---|---|
| Downtown | DT Infrastructure Phase 3C Projects 4 & 5 Construction | FY23 CIP Plan & 2023-04 | $ 29,641,054 | $ 1,131 |
| Downtown | Phase 3C (DT TIF): Project 3 Construction Downstream Impr | FY23 CIP Plan | $ 3,722,850 | $ - |
| Downtown | Dune Walkovers (Non-ADA) Construction | FY23 CIP Plan | $ 500,000 | $ - |
| Downtown | Design and Construct 15 Stormwater Outfalls | FY23 CIP Plan | $ 1,000,000 | $ - |
| Downtown | Design and Construct Connectivity Corridors | FY23 CIP Plan | $ 300,000 | $ - |
| Southend | Stormwater/Reuse Imps (Phase 5) (SE TIF) Construct (CRA) Pump Station & Pipe Rehab | FY23 CIP Plan | $ 3,550,000 | $ 48,739 |
| Southend | Stormwater/Reuse Imps (Phase 5) (SE TIF) Construct (CRA) | FY23 CIP Plan | $ 1,750,000 | $ - |
| Southend | Stormwater/Road Imps (Phase 4) (SE TIF) Construct | FY23 CIP Plan | $ 1,500,000 | $ 66,563 |
| Southend | Passive Park Construction | FY23 CIP Plan | $ 500,000 | $ 17,646 |
| Southend | Design and Construct Connectivity Corridors | FY23 CIP Plan | $ 300,000 | $ - |
| Southend | South Beach Park Sidewalk Entrance | FY23 CIP Plan | $ 100,000 | $ 101,849 |

| CITY COUNCIL AGENDA ITEM | |
|---|---|
| TO: | Michael J. Staffopoulos, City Manager |
| FROM: | Heather Ireland, Planning and Development Director |
| DATE: | 12/28/2023 |
| SUBJECT: | Ordinance No. 2024-8209 Rezoning of Property Located at 504 1st Avenue South |

BACKGROUND

The subject parcel has been owned by South Jax Rentals, LLC since 2015 when they acquired the property. The property previously consisted of a small office, housed in a converted former residential house, and a metal industrial building used for storage of cold and dry food products, in support of a chain of local restaurants. The property is located in the CS zoning district, which is intended as a mix of lower intensity commercial and light industrial uses.

The owners recently received approval and will soon be under construction of a new two-story metal structure that would expand the storage uses onto the location of the former residential structure, and allow for some office related use as an accessory to the current storage. The CS zoning district allows for a mix of uses, which range from commercial uses such as office or restaurant uses, or more commercial uses such as light indoor manufacturing or warehousing. This includes uses such as industrial bakeries. The applicant is permitted in the CS zoning district to have indoor warehouse and storage as well as office uses, but there is no opportunity for any sort of food preparation supportive uses allowed in the CS district.

As the owner stores and distributes food items to their local restaurants, they wish to be able to prepare batch food, such as soups and broths and other items that would fall under commissary use. The request would be for all the proposed activity to occur inside the proposed new storage structure. As a commissary is not a permitted nor conditional use in the CS zoning, nor is it specially a use allowed within any of the City's commercial zoning districts, the applicant is requesting a rezoning of the parcel to PUD, to allow the use of commissary on site in conjunction with their permitted storage and distribution.

Pursuant to the Land Development Code, the Planning Commission and City Council shall apply the standards in section 34-211(c) to the rezoning application and apply the standards in Section 34- 348(j)3. to the Preliminary Development Plan. Factors in Section 34-211(c) Applicable to Rezoning Applications:

(1) Whether the proposed amendment is consistent with the comprehensive plan;

Staff finds that the proposed amendment is consistent with the goals, objectives and policies of the comprehensive plan as identified below.

(2) Whether the proposed amendment is in conflict with any portion of the LDC;

Staff does not find any portions of the proposed rezoning are in conflict with any portion of the Land Development Code.

(3) Whether and the extent to which the proposed amendment is consistent with existing and proposed land uses;

Staff finds that the proposed rezoning is consistent with existing and proposed land uses.

(4) Whether and the extent to which there are any changed conditions that require an amendment;

Staff does not find that there are any changed conditions that require an amendment.

(5) Whether and the extent to which the proposed amendment would result in demands on public facilities, and whether and the extent to which the proposed amendment would exceed the level of service standards established for public facilities in the comprehensive plan;

The applicant would be required to meet the City's utility requirements as they relate to pre-treatmnet for any food related actives, much like a restaurant, involving the construction and maintenance of a privately owned grease trap. Solid waste would also be stored per the City's code requirements. Staff finds that the proposed PUD would not exceed any established levels of
service.

(6) Whether, and the extent to which, zoning district boundaries are not properly drawn on the official zoning atlas;

Staff finds that the zoning district boundaries are properly drawn on the official zoning atlas.

(7) Whether and the extent to which the proposed amendment would result in significantly adverse impacts on the natural environment, including, but not limited to, water, air, storm water management, wildlife, vegetation, wetlands, and the natural functioning of the coastal environment;

Staff finds that the proposed rezoning is located within a previously developed area of the City, on a lot currently developed with structures and paved parking and driveways. Staff finds that there is no expected impact on the natural environment.

(8) Whether and the extent to which the proposed amendment would adversely affect the property values in the area;

Staff does not have data available to determine that there would be any negative affect on property values in the area.

(9) Whether and the extent to which the proposed amendment would result in a logical and orderly development pattern;

Staff finds that the proposed amendment would result in logical development by citing a commercial use within in a previously developed property  used for light industrial uses, thus not creating any new development patterns, but focusing on redevelopment previously developed and compatible areas.

(10) Whether it is impossible to find other land in the city for the proposed use in a zoning district that permits such use as of right.

Staff previously noted, the use of a commissary is not a specially permitted or conditional use in any zoning district within the City. As the property is currently owned and used for the storage and distribution of bulk food products, and the fact that the CS zoning would be a compatible zoning district for this type of use, especially indoors, staff finds this is the most logical location, as there are no other places it is allowed by right. Additionally, the proposed use is substantially similar to both a restaurant and an industrial bakery, both of which are allowed by right or conditional use in the CS zoning district.

Standards in Section 34-348(j)3 Applicable to the PUD Preliminary Development Plans:

a. Area. There shall be no minimum acreage required.

The project area that is the subject of this application is 0.14 acres and one contiguous parcel.

b. Unified ownership or control. The title to all land that is part of a PUD zoning district designation shall be owned or controlled by one person. A person shall be considered to control all lands in the PUD either through ownership or written consent of the owners of the land to be subject to the conditions and standards of the development order for the development plan for the PUD zoning district designation.

The project area that is the subject of this application is completely owned by South Jax Rentals, LLC

c. Density. Residential development shall not exceed the maximum densities established in the RM- 2 zoning district.

There are no proposed residential uses as part of this request.

d. Building height: Thirty-five (35) feet.

The proposed maximum building height of new buildings is 35 feet, in compliance with the City's Charter.

e. Access. Safe and adequate access shall be provided to all development, either directly or indirectly, by a public right-of-way, private vehicular or pedestrian way or a commonly owned easement. City-owned vehicles shall be permitted access on privately owned roads, easements and common open spaces in order to perform basic municipal services such as fire and police protection and emergency service needs of the residents of the PUD.

Safe and adequate access is provided to the property mainly though the 5th Street South right of way, with secondary access off of 1st Street south.

f. Off-street parking and loading. The off-street parking and loading standards for the preliminary development plan for PUD shall comply with the requirements of article VIII, Division 1. A

The subject parcel is used for warehouse and storage, and the parking requirements are minimal. The applicant will meet the minimum parking requirements as shown in the preliminary site plan. The site is not open to the public and only employees will park on site.

g. Adequate public facilities. There shall be a demonstration that the development proposed in the preliminary development plan complies with article X, adequate public facilities standards.

The proposed additional use will not impact public facilities any more than a normal commercial restaurant and therefore, will not have an impact on the public facilities.

h. Common recreation and open space. The preliminary development plan shall comply with the following common recreation and open space standards.

The project is proposing a maximum of roughly 68% lot coverage, reserving more than 20% of the property as open space.

i. Compatibility of open spaces. Open space uses shall be designed in a compatible manner.

Staff finds that the proposed open spaces have been designed in a compatible manner with permitted uses on the property.

j. Compatibility with surrounding land uses. The development proposed in the Preliminary Development Plan shall be consistent with the character of surrounding land uses.

Staff finds that the proposed mix of uses is compatible with surrounding land uses.

k. Beach access. The preliminary development plan shall not diminish existing public beach access.

The proposed development does not have any impact on existing public beach access.

l. Consistency with comprehensive plan. The preliminary development plan shall be consistent with the comprehensive plan.

Staff finds that the preliminary development plan is consistent with the Comprehensive Plan as identified in the following section of this staff report.

Comprehensive Plan Consistency

**Policy LU.1.2.2**
An adequate amount of land exists in developed areas or areas being developed for neighborhood and general commercial, office and service, lodging, and industrial use in the City, or is planned for assembly and redevelopment to meet the needs of the projected resident,

seasonal and day visitor populations through the planning period. Future commercial space needs of this type shall be met through in-fill development adjacent to similar uses or through redevelopment in designated areas.

Staff finds the proposed rezoning request will fulfill this land use policy by allowing for additional commercial uses in an existing developed commercial area and through the redevelopment of an existing commercial and light industrially used lot in the CS Future Land Use category.

**Policy LU.1.2.3**
The intensity of development in areas where in-fill development for commercial, office, service, or industrial use is proposed shall conform to the level of intensity on adjacent properties or as specified in the adopted Community Redevelopment Plans. A market analysis shall be required to accompany any application involving a proposed Future Land Use Map change from a residential land use category to a commercial land use category.
No proposed changes to the Future Land Use map are proposed. The proposed new use of a commissary will be internal to the new storage facility and will not result in more traffic to and from the site. The surrounding area is a complex mix of uses, some more and some less intense. The current cold storage use has not generated any negative effects on the surrounding neighborhood, and staff's opinion is the internal expansion of uses will not cause any future nuisance issues.

**Policy LU.1.2.4**
Land development regulations for commercial and industrial areas shall be revised utilizing the Standard Industrial Classification system as the basis for recognizing both the similarities and differences among the various types of economic activity within the community. The range of permitted uses shall be revised, and additional zoning classifications created in necessary to acknowledge the performance characteristics of different land uses.

Currently, the use of a commissary is not a use specifically enumerated in the City's Land Development Code, and based on the Standard Industrial Classification system, a commissary is unlike a restaurant or commercial bakery. While it may be a use added to future revisions of the Code, staff does not find that the demand for this use warrants a new zoning classification City wide, but rather is best accomplished through the use of a Planned Unit Development at this time to allow the expansion of uses to meet this policy.

**Policy LU.1.2.6**
The City recognizes that urban sprawl; as evidenced by the incidence of "leapfrog" development, strip commercial development, and large expanses of low-density, single dimensional land uses presents a fiscally and environmentally unsound urban form. However, in a mature community like Jacksonville Beach, development patterns have long been set. Nevertheless, it is the intent of the City to enforce its land development regulations in a manner which will discourage the development or extension of commercial strips, allow for mixed use development where appropriate, and support the redevelopment or revitalization of existing commercial areas.

Based on the proposed PUD, the new use of commissary added to the existing uses allowed in CS for this specific property, will allow a more efficient use of land, by combining several uses under one ownership, to co-exist within a single building. Though not traditional mixed use in the sense of residential and commercial combined, this additional use will not cause the expansion of any commercial strip centers, but better utilizes floor space inside a permitted cold storage facility, without increasing the intensity of demand on traffic and city infrastructure, locating within a area already served by municipal water and sewer.

Staff has reviewed the Rezoning request against the Land Development Code and adopted Comprehensive Plan, and finds that it is consistent with both. The proposed PUD Rezoning would allow for the expansion of commercial and industrial uses within an existing property that is currently used by the owner for other support uses for retail food sales. The addition of the use for a commissary will allow the applicant to make less trips in delivery vans to the various restaurants they service from this site, by combining cold and dry storage, and now prepared food, all to be picked up at a single location in lieu of two. Staff recommends approval of the request.

At the February 20, 2024, City Council meeting, the City Council approved Ordinance No. 2024-8209 on first reading with the condition that the words "...either on-premise or..." be removed from the definition of *Uses* in paragraph C.2.a. of the applicant's Narrative Description.

FINANCIAL IMPACT

Staff does not anticipate any fiscal impact to the City based on the approval of this rezoning request.

REQUESTED ACTION

Adopt/Deny Ordinance No. 2024-8209 on the second reading to Rezone property located at 504 1st Avenue South owned by South Jax Rentals, LLC

ATTACHMENTS

1. Ordinance No. 2024-8209
2. Ordinance No. 2024-8209 Ex. A
3. Ordinance No. 2024-8209 Ex. B

Introduced by: ________________________
1st Reading: __________________________
2nd Reading: _________________________

**ORDINANCE NO. 2024-8209**

**AN ORDINANCE OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, ESTABLISHING A PLANNED UNIT DEVELOPMENT: PUD ZONING DISTRICT WITHIN THE CITY OF JACKSONVILLE BEACH, FLORIDA, AS PROVIDED UNDER CHAPTER 34 OF THE CODE OF ORDINANCES OF SAID CITY; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AND AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the City of Jacksonville Beach, Florida, heretofore enacted and established a Land Development Code and Zoning Atlas for said City; and

**WHEREAS**, the owners of certain lands in the City, more particularly described herein, have applied to the City Council for the rezoning of those lands from Commercial Service: CS to Planned Unit Development: PUD; and

**WHEREAS,** the City Council has considered the application, project narrative, all relevant support materials, the staff report, the recommendation of the Planning Commission, and public testimony given at the public hearings; and

**WHEREAS**, all future development actions on the lands described herein shall be in accordance herewith, the City's Comprehensive Plan and Land Development Code, as applicable.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JACKSONVILLE BEACH, FLORIDA, THAT:**

**SECTION 1**. The City Council has considered the adoption of this Ordinance based on one or more of the factors listed in Section 34-211(c) of the Land Development Code and hereby finds that this rezoning will not result in an adverse change in the community in which it is located.

**SECTION 2.** The City Council has considered the adoption of this Ordinance based on the standards listed in Section 34-348(j)(3) of the Land Development Code and hereby finds that the preliminary development plan for the PUD complies with the standards therein.

**SECTION 3.** The Land Development Code and Zoning Atlas previously adopted by the City Council of the City of Jacksonville Beach, Florida, be and the same is hereby amended and, as amended, shall henceforth read as follows:

That all of the certain land in the City of Jacksonville Beach, Florida, described in the "Legal Description of Applicant's Property" attached hereto as Exhibit "A", that is heretofore zoned as CS be and the same is hereby designated as Planned Unit Development: PUD, so that henceforth the same shall be classified and construed to be embraced within the meaning and subject of the general provisions of the Planned Unit Development: PUD zoning category as provided in Article VII, Section 34-348 of the Jacksonville Beach Land Development Code (Chapter 34 of the Code of Ordinances of the City of Jacksonville Beach, Florida), subject to the following additional limitations:

A. The rezoning application dated September 20, 2023, attached hereto as Exhibit "B" (including project narrative description as amended), and Preliminary PUD Development Plan titled "Site Plan" dated September 20, 2023 (attached thereto), which have been submitted to the City of Jacksonville Beach Planning and Development Department, are hereby adopted and incorporated as part of this amendment to the Jacksonville Beach Land Development Code and Zoning Atlas.

B. The project shall be generally carried out in accordance with the presentments of the rezoning application, the project narrative, and the preliminary site development plan.

**SECTION 4. CONFLICTING ORDINANCES**. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

**SECTION 5. SEVERABILITY**. If any section, subsection, clause, or provision of this Ordinance is deemed invalid or unconstitutional by a court of competent jurisdiction, such portion will become a separate provision and will not affect the remaining provisions of this Ordinance.

**SECTION 6. SCRIVENER'S ERRORS**. Typographical errors and other matters of a similar nature that do not affect the intent of this Ordinance, as determined by the City Clerk and City Attorney, may be corrected with the endorsement of the City Manager without the need for a public hearing or further action by the City Council.

**SECTION 7. EFFECTIVE DATE**. This Ordinance shall take effect upon its adoption and recordation with the Clerk of Circuit Court, Duval County, Florida.

**AUTHENTICATED** this ______day of________________ , 2024.

______________________________
Christine H. Hoffman, Mayor

______________________________
Sheri Gosselin, City Clerk

# Exhibit 1

## Legal Description

Lot 1, Block 16, Pablo Beach South, according to the map or plat thereof, as recorded in Plat Book 3, Page(s) 28, of the Public Records of Duval County, Florida.

JACKSONVILLE BEACH

# REZONING APPLICATION

RECEIVED
OCT - 2 2023
PLANNING DEPARTMENT

PC NO. 19-23
AS/400# 23-100110
PC HEARING 12/11/23

This form is intended for use by persons applying for a change in the boundaries of a specific property or group of properties under the person or persons control. A rezoning is not intended to relieve a particular hardship, nor to confer special privileges or rights on any person, but to make necessary adjustments in light of changed conditions. No rezoning may be approved except in conformance with the Jacksonville Beach 2030 Comprehensive Plan Elements. An application for a rezoning shall include the information and attachments listed below, unless the requirement for any particular item is waived by the Planning and Development Director. All applications shall include a $1,000.00 filing fee, as required by City Ordinance. A separate fee for advertising costs will be assessed accordingly.

## APPLICANT INFORMATION

Land Owner's Name: South Jax Rentals, LLC.
Telephone: 904-746-7002
Mailing Address: 504 1st Ave. South
Jax Beach, FL. 32250
Fax:
E-Mail:

Applicant Name: Brad Wester
Telephone: 904 294 3768
Mailing Address: 1 Independent Dr. Suite 1200
Jax, FL. 32202
Fax:
E-Mail: bwester@drivermcafee.com

***NOTE: Written authorization from the land owner is required if the applicant is not the owner.***

Agent Name: See above.
Telephone: –
Mailing Address: –
Fax:
E-Mail: –

Please provide the name, address and telephone number for any other land use, environmental, engineering, architectural, economic, or other professional consultants assisting with the application on a separate sheet of paper.

## REZONING DATA

Street address of property and/or Real Estate Number: 175616-0000 (504 1st Ave South)

Legal Description (attach copies of any instruments references, such as but not limited to deeds, plats, easements, covenants, and restrictions): See attached

Current Zoning Classification: CS
Future Land Use Map Designation: Commercial

Proposed Zoning Classification: PUD

| REQUIRED INFORMATION | Attached? Yes | Attached? No |
|---|---|---|
| 1. A copy of the relevant Duval County Property Assessment Map, showing the exact location of the land proposed for the amendment, with the boundaries clearly marked; | X | |
| 2. An 8½" x11" vicinity map identifying the property proposed for amendment; | X | |
| 3. An aerial photograph, less than twelve (12) months old, of the land proposed for amendment, with the boundaries clearly marked; | X | |
| 4. For a rezoning, include a narrative description of the proposed amendment to the Zoning Map designation and an explanation of why it complies with the standards governing a rezoning the LDC. | X | |

Applicant Signature: [signature]
Date: Sept 20, 2023

# Agent Authorization

City of Jacksonville Beach
Planning and Development Department
City Hall First Floor
11 North Third Street
Jacksonville Beach, Florida 32250

**Re: Agent Authorization for 504 1st Avenue South, Jacksonville Beach, FL 32250 (RE# 175616-0000)**

Ladies and Gentlemen:

You are hereby advised that Benjamin S. Groshell, a manager of South Jax Rentals, LLC, a Florida limited liability company, hereby authorizes and empowers Driver, McAfee, Hawthorne & Diebenow, PLLC, to act as agent to file an application for rezoning and such other entitlements as may be required for the above referenced property and in connection with such authorization to file such applications, papers, documents, requests and other matters necessary for such requested change to accommodate a 'commissary' and similar 'provisions' for restaurant operations as submitted to the Jacksonville Beach Planning and Development Department.

**South Jax Rentals, LLC, a Florida limited liability company**

Benjamin S. Groshell, manager

STATE OF Florida
COUNTY OF Duval

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this 27th day of October, 2022 by, Benjamin S. Groshell, a manager of South Jax Rentals, LLC, a Florida limited liability company, on behalf of the company, who is ☒ personally known to me or ☐ has produced __________________ as identification.

Candace N Deutscher
(Notary Signature)

[Notary Seal]

NOTARY PUBLIC STATE OF FLORIDA
Notary Public State of Florida
Candace N Deutscher
My Commission HH 130823
Expires 05/17/2025

**Agent Authorization**

City of Jacksonville Beach
Planning and Development Department
City Hall First Floor
11 North Third Street
Jacksonville Beach, Florida 32250

**Re: Agent Authorization for 504 1st Avenue South, Jacksonville Beach, FL 32250 (RE# 175616-0000)**

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**South Jax Rentals, LLC, a Florida limited liability company**

Benjamin S. Groshell, manager

STATE OF Florida
COUNTY OF Duval

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this 27th day of October, 2022 by, Benjamin S. Groshell, a manager of South Jax Rentals, LLC, a Florida limited liability company, on behalf of the company, who is ☒ personally known to me or ☐ has produced ______________________ as identification.

[Notary Seal]

Candace N Deutscher
(Notary Signature)

Notary Public State of Florida
Candace N Deutscher
My Commission HH 130823
Expires 05/17/2025

File Number: 15-9642C

**In Witness Whereof,** the said grantor has signed and sealed these presents the day and year first above written.

*Signed, sealed and delivered in our presence:*

| | |
|---|---|
| Witness Printed Name DEBORAH A. CARROLL | (Seal)<br>**Wayne Knight Ramsay, III, individually and as Trustee of the Ramsay Family Revocable Trust under agreement dated September 6, 2012**<br>Address: 803 6th Avenue North, Jacksonville Beach, Florida 32250 |
| Witness Printed Name Joshua J. Nugent | (Seal)<br>**Debra Ann Ramsay, individually and as Trustee of the Ramsay Family Revocable Trust under agreement dated September 6, 2012**<br>Address: 803 6th Avenue North, Jacksonville Beach, Florida 32250 |

State of **Florida**
County of **Duval**

The foregoing instrument was acknowledged before me this **14th** day of **September, 2015**, by **Wayne Knight Ramsay, III, and Debra Ann Ramsay, individually and as Trustees of the Ramsay Family Revocable Trust under agreement dated September 6, 2012,** who are personally known to me or who have produced **drivers license** as identification.

DEBORAH A. CARROLL
Notary Public - State of Florida
Commission # FF 905229
My Comm. Expires Sep 14, 2019
Bonded through National Notary Assn

Notary Public

**Print Name:** ____________________

**My Commission Expires:** ____________________

**Notary Seal**

**NARRATIVE DESCRIPTION**
**Southern Provisions Commissary**
**Proposed Rezoning from CS to PUD District**
**February 22, 2024**

South Jax Rentals, LLC ("Owner") proposes to rezone approximately 0.14 acres of property from Commercial Service ("CS") to Planned Unit Development ("PUD") at 504 1st Avenue South, (RE# 175616-0000, the "Property"). The following is a description of the proposed PUD and the Preliminary Development Plan ("PDP") supporting same. Also included is an explanation of why the proposed development complies with the standards governing PUD rezonings and PDPs in the City of Jacksonville Beach ("City") Land Development Code ("LDC").

## I. INTRODUCTION

The Property is located within the Commercial functional land use category according to the Future Land Use Map ("FLUM") series adopted as part of the 2030 Comprehensive Plan and is zoned CS.

Owner requests this PUD rezoning to permit improvements to the site, including replacing the old converted single-story residential structure (circa 1928) and accessory structures at the corner of 1st Avenue South and 5th Street South with a new building and parking on the Property for the existing allowable uses within CS zoning and add commissary use (the "Project").

Currently, the Property is used for office, warehouse, processing and distribution of provisions for restaurants. However, commissary use, as needed and described specific to cooking, preparation, packaging and distribution of cooked food items, is not a listed use in CS zoning. Commissary use will be included in this PUD.

The Property is in a predominantly commercial area generally southwest of the Beach Boulevard and 3rd Street intersection. Other uses in the immediate area include mini-warehouse storage to the east, Publix grocery store and retail shopping center to the northeast, C Side plant and garden nursery to the north, vacant land and Quadraplex residential unit to the west, and an existing residence to the south, separated by a 12' open alley.

## II. PRELIMINARY DEVELOPMENT PLAN

A. *Submission of application.* Following the preapplication conference, an application for rezoning and a PDP for PUD zoning district classification shall be submitted to the Planning and Development Director, along with a nonrefundable application fee which is established from time to time by the City Council to defray the actual cost of processing the application.

B. *Contents of application.* The rezoning and PDP application shall include the following information:

   1. The names, address and telephone number of the owners of record of the land proposed for development.

Owner: South Jax Rentals, LLC
504 1st Avenue South
Jacksonville Beach, FL 32250
(904) 746-7002

2. The name, address, and telephone number of the developer, if different from the owner, and an explanation of the difference.

   There is no difference between the Owner and developer.

3. The name, address and telephone number of the agent of the applicant, if there is an agent.

   Applicant/Agent: Brad Wester & Steve Diebenow
   Driver, McAfee, Hawthorne & Diebenow, PLLC
   One Independent Drive, Suite 1200
   Jacksonville, FL 32202
   bwester@drivermcafee.com
   sdiebenow@drivermcafee.com
   (904) 301-1269

4. The name, address, and telephone number of all land use, environmental, engineering, economic, or other professionals that are assisting with the application.

   General Contractor: Ronnie Leinwohl, PE
   Urban Partners
   13553 Atlantic Blvd.
   Jacksonville, FL 32225
   904-270-2225

   Civil Engineer: Robert K. Phillips, PE
   1550 Selva Marina Drive
   Atlantic Beach, FL 32233
   904-903-8715

   Architect: Kevin Connors
   Connors Design Group, LLC
   106B Canal Boulevard
   Ponte Vedra Beach, FL 32082
   904-484-8659

5. The name, address and legal description of the land on which the PDP is proposed to occur, with attached copies of any instruments referenced, such as but not limited to deeds, plats, easements, covenants and restrictions.

The Property includes the addresses as defined above. The legal description and deeds are attached hereto as Exhibit 1.

6. A copy of the relevant Duval County Property Appraiser map, showing the exact location of the land proposed for development, with the boundaries already marked.

   The Property Appraiser Map and Aerial is attached hereto as Exhibit 2.

7. An eight and one-half (8 ½) by eleven (11) vicinity map locating the proposed land for development.

   The vicinity map is attached hereto as Exhibit 3.

8. A statement of the planning objectives to be achieved by the planned redevelopment activity and its consistency with the Jacksonville Beach Comprehensive Plan. The statement shall include a detailed description of the character of the proposed development, including information relative to the architectural style of the proposed development.

   i. Description of Character of Proposed Development.

      The Property is located generally southwest of the Beach Boulevard and 3rd Street intersection, within a predominantly commercial area and currently designated Commercial by the 2030 Comprehensive Plan and zoned CS. Consistent with its location, the Project proposes to replace the old single-story residential structure and accessory structures with a new two-story metal building and parking on the Property.

      Currently, the Property is used for office, warehouse, processing and distribution of provisions for restaurants. The commissary use, to be included in the PUD, is needed for cooking, preparation, packaging and distribution of food items. The cooking, preparation and packaging work related to the commissary use will limited to the interior of the structure. The existing use and proposed commissary use is compatible with various commercial uses in the immediate area, including grocery, restaurant, landscaping/nursery supply, and brewery/distribution type establishments.

      The Project contemplates a single phase of development.

   ii. Consistency with Jacksonville Beach Community Redevelopment Plan.

      The Project is not within the community redevelopment area.

9. A statement of the applicant's intention with regard to the form of ownership contemplated for the development when construction is completed, e.g., sale or lease of all or some of the development including rental units, condominiums, or fee simple conveyance.

   The Project is intended to remain in a similar form of ownership when constructed for the purposes previously described.

10. A description of the proposed development, including:

    i. The number and type of residential dwelling units. Currently, the Project contemplates the commercial use only, as previously described.

    ii. The approximate gross density for the residential development. The Project does not include any residential use.

    iii. The amounts of land and building square footages for nonresidential developments, by type of use, including any portions to be reserved for public use.

*Current Future Land Use:*

Commercial – 0.14 Acres

*Current Zoning:*

CS – 0.14 Acres

*Current Square Footage:*

±912 sf commercial building (converted residence structure to be replaced with new ±2,046 sf metal building). The existing ±1,515 sf commercial building will remain. There are two structures on the property now and there will be two structures when the project is completed. The structures will be attached and appear as one as depicted on the site plan and floor plan exhibits.

*Current Lot Coverage:*

67.56%

*Proposed Zoning:*

PUD – 0.14 acres

*Proposed Square Footage:*

±2,046 sf commercial building (after replacing the existing ±912 sf converted residence structure). There are two structures on the property now and there will be two structures when the project is completed. The structures will be attached and appear as one as depicted on the site plan and floor plan exhibits.

*Proposed Maximum Lot Coverage:*

81.25%

11. A concept plan showing the location of all proposed buildings, the proposed traffic circulation system, and parking facilities.

    The site plan showing the location of structures is attached hereto as Exhibit 4.

12. A tentative development schedule indicating:

    i. The approximate date when construction of the development can be expected to begin.

       Construction will commence immediately after the PUD and or construction plans are approved.

    ii. The stages in which the development will be built and the approximate date when construction each stage can be expected to begin.

        Construction will commence in a single stage with demolition and new construction immediately after the PUD and or construction plans are approved.

    iii. The approximate date when each stage of development will be completed.

         Completion of the single stage demolition and new construction is anticipated to be within 1 year after the PUD and or construction plans are approved.

C. *Standards.* This PUD zoning district shall comply with the following standards:

1. *Land Area.* Development shall be approved only on land having an area which is deemed to be adequate and appropriate.

2. *Uses.* Permitted Uses including the following:
   a. Commissary use which includes cooking, preparation, packaging and or distribution of provisions for eating off-premises.
   b. Uses in the CS zoning district as permitted by right and permitted as accessory uses. Conditional uses are allowed subject to the CS zoning district standards and procedures.

3. *Traffic circulation control and parking.* Traffic circulation and parking is to be provided by way of 1st Avenue South and 5th Street South with direct connections to surrounding streets including Beach Boulevard and 3rd Street, as shown on the site plan attached hereto as Exhibit 4.

4. *Site design and lot layout standards.* Site design and lot layout standards are shown on the site plan attached hereto as Exhibit 4.

5. *Off-street parking and loading*. Four (4) parking spaces total to include two (2) standard spaces, one (1) ADA space, and one (1) van parking space. Parking and loading is provided as shown on the site plan attached hereto as Exhibit 4.

6. *Open space requirements.* Not applicable.

7. *Signage.* All signs erected shall be consistent with standards of Article VIII, Division 4.

8. *Landscaping.* Consistent with the standards of Article VIII, Division 3.

9. *Environmental.* The stormwater management and flood protection standards shall be consistent with the standards in Article VIII, Division 5.

10. *Utility easements.* Easements necessary for the orderly extension and maintenance of public utility systems shall be required where they are necessary and adequately service the development.

11. *Adequate public facilities.* There shall be adequate potable water, sanitary sewer, stormwater management, solid waste, park, roads, police, fire and emergency management services facilities to service the development. The application shall comply with the standards in Article X, Adequate public facilities standards. Solid waste will be collected on site within appropriate dumpster and or compactor facilities.

12. *Comprehensive plan consistency.* The proposed redevelopment is consistent with and furthers the general purpose and intent of the 2030 Comprehensive Plan, specifically contributing to the following goals, objectives and policies:

    *Future Land Use Element:*

    i. Goal LU.1 – Provide for a continued high quality of life in Jacksonville Beach by planning for population growth, public and private development and redevelopment, energy conservation; and the proper distribution, location, and extent of land uses by type, density, and intensity consistent with efficient and adequate levels of services and facilities, and the protection of natural and environmental resources.

    ii. Policy LU.1.2.2 – An adequate amount of land exists in developed areas or areas being developed for neighborhood and general commercial, office and service, lodging, and industrial use in the City, or is planned for assembly and redevelopment to meet the needs of the projected resident, seasonal and day visitor populations through the planning period. Future commercial space needs of this type shall be met through in-fill development adjacent to similar uses or through redevelopment in designated areas.

    iii. Policy LU.1.2.3 – The intensity of development in areas where in-fill development for commercial, office, service, or industrial use is proposed shall conform to the level of intensity on adjacent properties or as specified in the adopted Community Redevelopment Plans. A market analysis shall be required to accompany any application involving a proposed Future Land Use Map change from a residential land use category to a commercial land use category.

iv. Policy LU.1.2.4 Land development regulations for commercial and industrial areas shall be revised utilizing the Standard Industrial Classification system as the basis for recognizing both the similarities and differences among the various types of economic activity within the community. The range of permitted uses shall be revised and additional zoning classifications created in necessary to acknowledge the performance characteristics of different land uses.

v. Policy LU.1.2.6 The City recognizes that urban sprawl; as evidenced by the incidence of "leapfrog" development, strip commercial development, and large expanses of low-density, single dimensional land uses presents a fiscally and environmentally unsound urban form. However, in a mature community like Jacksonville Beach, development patterns have long been set. Nevertheless, it is the intent of the City to enforce its land development regulations in a manner which will discourage the development or extension of commercial strips, allow for mixed use development where appropriate, and support the redevelopment or revitalization of existing commercial areas.

vi. Objective LU.1.4 – Future land development activities shall be directed to appropriate areas as described in this Future Land Use Element or as depicted on the Future Land Use Map. All future land use shall be consistent with sound planning principles and the limitations of the natural environment including sensitivity to problems posed by greenhouse gas generation, topographic and soil conditions, conservation-protected lands such as estuarine wetlands and the beach, and conservation-restricted lands such as palustrine wetlands and flood prone areas including the coastal zones. Future land development activities shall be considerate of the need to preserve and protect historic resources; the desired community character, and the goals, objectives, and policies relating to the development of the land embodied in the other Elements of this Plan.

vii. Objective LU.1.9 – Design of Commercial and Industrial Developments. Commercial and industrial development/ redevelopment will be designed to enhance access and circulation, and result in a positive and attractive built environment.

*Transportation Element*

i. Objective TE 1.4 – Provide for safe and convenient traffic flow and parking.

ii. Policy TE 1.4.6 – The City shall require all new commercial, institutional, and industrial uses to provide off-street loading zones. Such zones shall have minimum dimensions of twelve (12) feet by forty (40) feet.

13. *Time limitations.* The receipt of a development order for this PUD zoning shall expire at the end of one (1) year after the date of its initial approval, which is to begin the day after the appeal period ends, unless an application for a development permit for a development plan has been submitted to the planning and development director. Only one (1), one (1) year extension shall be granted by the City Council upon written application to the Planning

and Development Director. Written application requesting the extension shall be submitted to the Planning and Development Director no later than thirty (30) working days before the date that the development order is to expire. The timelines and year-long extension herein shall be in addition to any pause, tolling and/or extension provided by federal, state or local law regarding state of emergencies, including but not limited to such relief offered in section 252.363, *Florida Statutes* (2021). Once a timely application for a development permit for a development plan has been submitted, any subsequent application may be filed notwithstanding the time provisions herein.

14. *Minor deviation to PDP.* Minor deviations shall be allowed pursuant to the LDC.

15. *Amendments to PDP.* Amendments to the preliminary development plan shall be allowed pursuant to the LDC.

16. *Development plan.* An application for development plan shall be filed according to the time limitations set forth in section III.C.14. of this PUD rezoning.

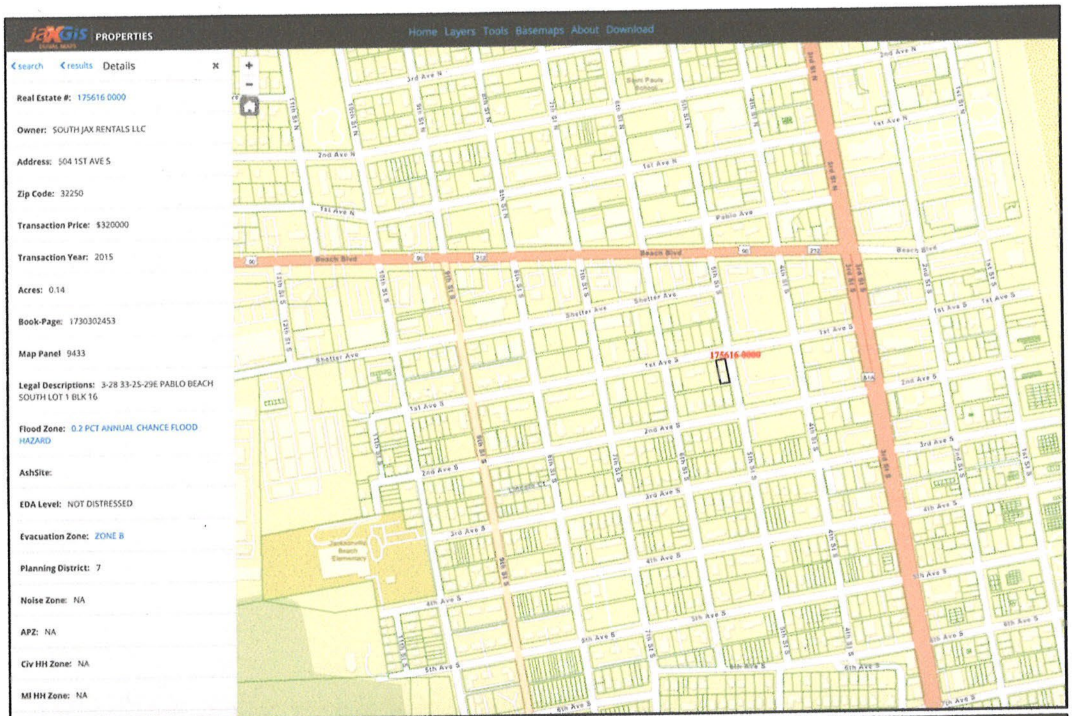
# Exhibit 1

## Legal Description

Lot 1, Block 16, Pablo Beach South, according to the map or plat thereof, as recorded in Plat Book 3, Page(s) 28, of the Public Records of Duval County, Florida.

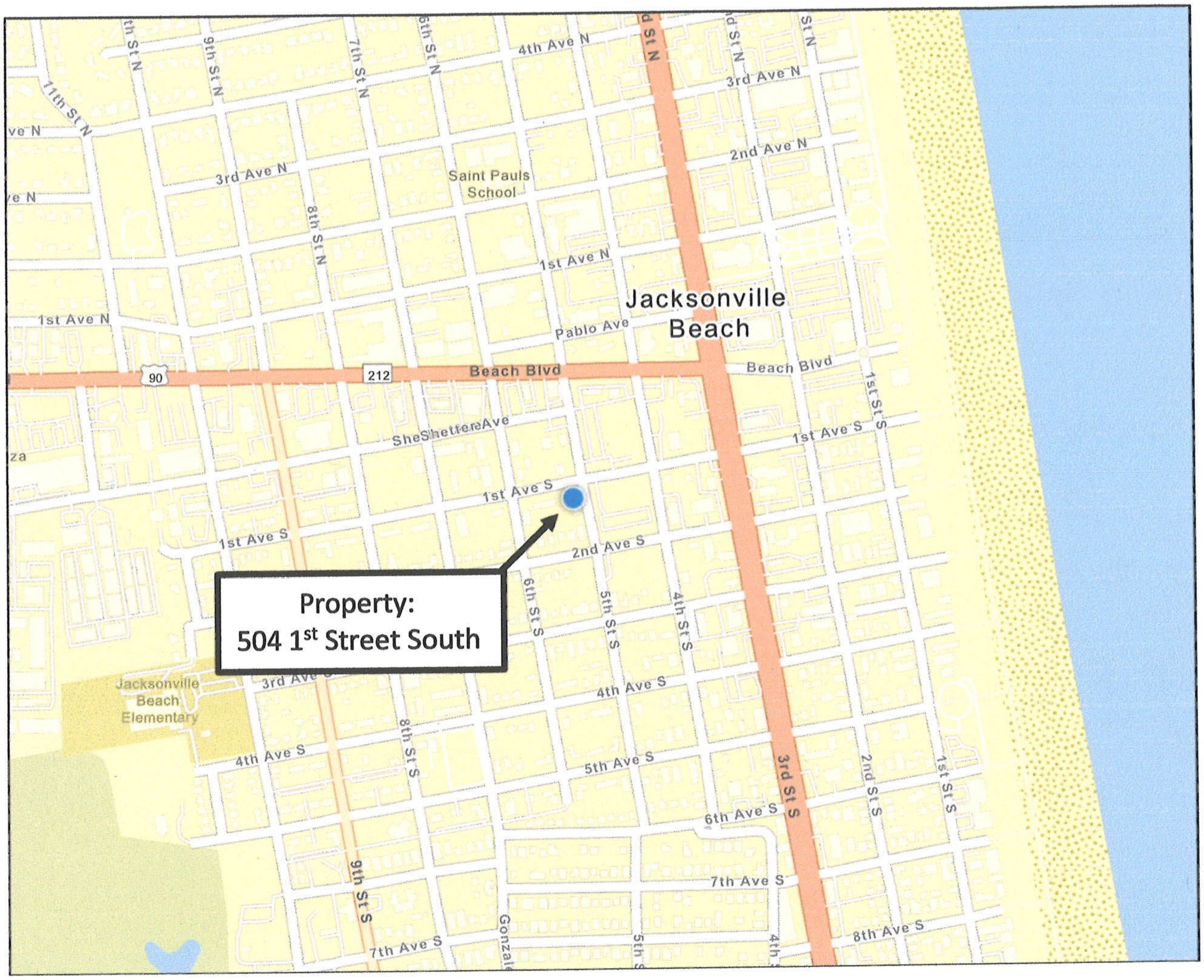
# Exhibit 2

## Property Appraiser Map & Aerial

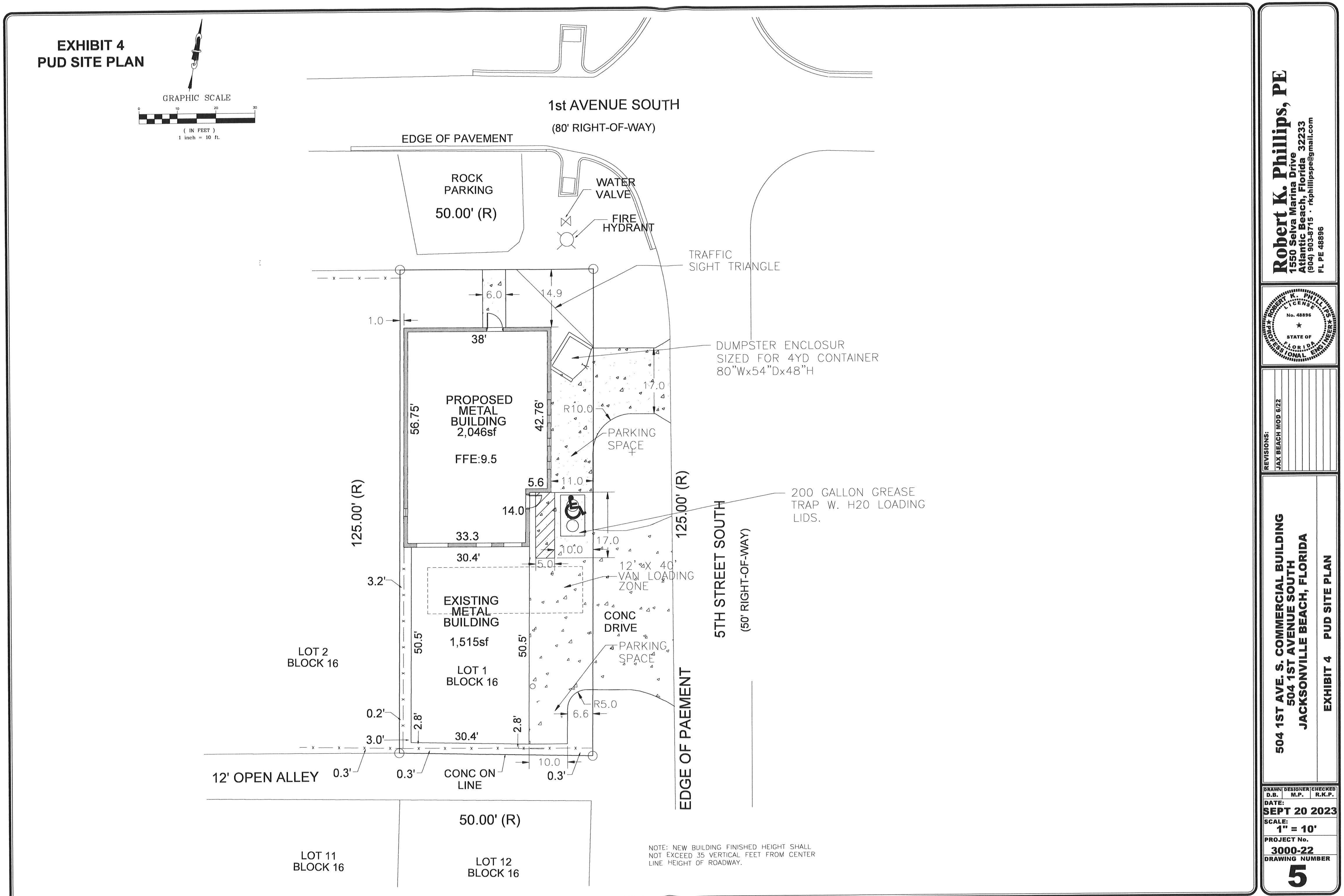



# Exhibit 3

## Vicinity Map



Ordinance No. 2024-8209 Exhibit "B"



| CITY COUNCIL AGENDA ITEM | |
|---|---|
| TO: | Michael J. Staffopoulos, City Manager |
| FROM: | Heather Ireland, Director of Planning and Development |
| DATE: | 01/17/2024 |
| SUBJECT: | Ordinance No. 2024-8210 Comprehensive Plan Text Amendment to add a Marina Mixed Use Future Land Use Category |

## BACKGROUND

The Planning and Development Department initiated an application for an amendment to the text of the 2030 Comprehensive Plan to add a new future land use category. The Future Land Use Element of the Comprehensive Plan contains policies pertaining to the various commercial land uses including the South Beach District, Commercial Professional Office, Commercial Limited, and Commercial Services, Central Business District, Community Commercial, and Public/Institutional. As part of the on-going updates to the Comprehensive Plan and Land Development Code, amendments to the Comprehensive Plan will include policies related to residential and industrial land uses as well.

In an effort to support the redevelopment at the beach's only marina, including the reconstruction and realignment of Second Avenue North, the Planning and Development Department is sponsoring this Comprehensive Plan text amendment to add a new future land use category and related policies. The Marina Mixed-Use (MMU) future land use category is being created to support the marina's mix of water-dependent and water-related uses that support the one public access marina that supports the residents and visitors of Jacksonville Beach and Duval County.

The Planning and Development Department is proposing four new policies that will be added to the Future Land Use Element, if approved. These policies would address the purpose of the new land use category and the general uses permitted in the land use category, the incorporation of residential uses, the location of the uses and impacts on natural habitat, and provision of public access. Proposed new policies are attached for review.

The Planning Commission reviewed and considered the application at their regular meeting held on November 13, 2023, and recommended **approval** of the amendment. Following approval by the City Council on December 4, 2023, the proposed text amendment was **transmitted** to the State for official review. None of the state review agencies had any comments on the proposed amended language. Pursuant to Florida Statutes, the City has 180 days to adopt the proposed amendment.

## FINANCIAL IMPACT

None.

## REQUESTED ACTION

Approve/Disapprove Ordinance No. 2024-8210 on the first reading, and schedule a second reading for March 18, 2024, adopting a Comprehensive Plan Text Amendment to add a Marina Mixed Use Future Land Use Category to the Adopted 2030 Comprehensive Plan

## ATTACHMENTS

1. Ordinance No 2024-8210 Marine Mixed Use Land Use Adoption



| | |
|---|---|
| AGENDA ITEM: | B. |
| MEETING DATE: | March 4, 2024 |

2. Ordinance No. 2024-8210 Ex. A - Future Land Use Element Proposed for Marina Mixed Use Category

Introduced by: ______________________
1st Reading: ______________________
2nd Reading: ______________________

# ORDINANCE NO. 2024-8210

**AN ORDINANCE OF THE CITY OF JACKSONVILLE BEACH, FLORIDA ADOPTING AMENDMENTS TO THE JACKSONVILLE BEACH 2030 COMPREHENSIVE PLAN TO ADOPT A NEW PROPERTY FUTURE LAND USE CATEGORY OF MARINA MIXED USE, WITH ASSOCIATED POLICIES, PROVIDING DIRECTIONS TO THE PLANNING AND DEVELOPMENT DEPARTMENT; ESTABLISHING SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, pursuant to Section 163.3167 Florida Statutes, the City of Jacksonville Beach is required to maintain a comprehensive plan to guide its future development and growth; and

**WHEREAS,** the City of Jacksonville Beach ("City") City Council adopted a Comprehensive Plan for the City by Ordinance No. 7474; and

**WHEREAS**, the City of Jacksonville Beach has the authority to amend its Comprehensive Plan pursuant to Chapter 163, Part II, Florida Statutes; and

**WHEREAS**, the City has initiated an amendment to the 2030 Comprehensive Plan in order to incorporate a new Future Land Use category or Marina Mixed Use and associated policies; and

**WHEREAS**, Section 163.3184, Florida Statutes, provides that a local government shall, following an advertised public hearing, transmit by affirmative vote of not less than a majority of the members of the governing body present at the hearing, proposed comprehensive plan amendments to the applicable reviewing agencies and local governments; and

**WHEREAS**, on November 13, 2023, the City Planning Commission, acting as the Local Planning Agency at an advertised public hearing, unanimously recommended transmittal of the proposed amendments in application PC# 17-23, to the Florida Department of Commerce; and

**WHEREAS**, on December 4, 2023, the Jacksonville Beach City Council adopted Resolution No. 2162-2023, tentatively approving the proposed amendment to the 2030 Comprehensive Plan, application PC# 17-23, and authorized the transmittal of same for review by the Florida Department of Commerce and other State agencies; and

**WHEREAS**, after receiving comments from the reviewing agencies, Section 163.3184(3)(c)1., Florida Statutes, requires a local government to hold a second public hearing on whether to adopt one or more comprehensive plan amendments; and

**WHEREAS**, the application has been reviewed and the changes proposed therein are deemed to be consistent with the overall adopted 2030 Comprehensive Plan, and the City has been instructed by the Florida Department of Commerce that it may proceed with the adoption of the proposed Comprehensive Plan Text amendments within the 180 days as required by Florida Statutes.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF JACKSONVILLE BEACH, FLORIDA:**

**SECTION 1.** That the proposed amendments to the 2030 Comprehensive Plan, as set forth in "Exhibit A" to this Ordinance, are hereby approved.

**SECTION 2.** If any provision or portion of this amendment is declared by any court of competent jurisdiction to be void, unconstitutional, or unenforceable, then all remaining provisions or portions of this amendment shall remain in full force and effect.

**SECTION 3.** All ordinances or parts of ordinances in conflict herewith be and the same are, to the extent the same may be in conflict, hereby repealed.

**SECTION 4.** This amendment shall take effect on the forty-sixth day following its adoption, in accordance with the law.

AUTHENTICATED THIS _____ DAY OF ____________________, 2024.

______________________________________
Christine H. Hoffman, MAYOR

______________________________________
Sheri Gosselin, CITY CLERK

# PROPOSED

## Future Land Use Element Proposed for Marina Mixed-Use Category

**Policy LU 1.5.15**

MARINA MIXED-USE (MMU)

The Marina Mixed-Use land use category is intended to provide for a mix of water-dependent and water related uses that support the one public access marina that serves the residents of Duval County and is accessible in Jacksonville Beach.

The Marina Mixed-Use (MMU) land use category is created to provide an appropriate location for both recreational and commercial boat storage, water access, and water related commercial uses located on the Intracoastal Waterway. Uses allowed in the Marina Mixed-Use land use category include dry boat slips, wet boat slips, boat ramps, restaurants, offices, personal and business services, light manufacturing, water transportation retail sales, boat repair, storage/warehousing, ancillary marina uses, public and private parks, hotels, and townhouses and multiple-family residential and related accessory uses. This category permits supporting marina based commercial retail and services.

**Policy 1.5.16**

Multi-family development may also be allowed within the Marina Mixed-Use land use category. Land development regulations shall include standards for minimum setbacks and buffer zones between different types of land uses allowed in this category, as well as locational criteria for such uses. For MMU designated parcels, residential densities of up to 15 units per acres are permissible.

**Policy LU 1.5.17**

Expanded and new water-dependent and water related mixed uses should be located in areas with the least impact on the natural habitat and wild life and shall comply with Policy LU 1.4.11.

**Policy LU 1.5.18**

Existing marinas should preserve a public access walkway and public access boat launch and public parking.