

CITY OF FERNANDINA BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

Prepared by:
Finance Department

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CITY OF FERNANDINA BEACH, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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Introductory Section

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March 17, 2026

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

We are pleased to present the City of Fernandina Beach’s (the City) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2025. State Law requires that all general-purpose local governments publish a complete set of financial statements within nine months of the close of each fiscal year. The financial statements included in this report conform with Generally Accepted Accounting Principles (GAAP) and are audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

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

Mauldin & Jenkins CPA & Advisors, a firm of licensed certified public accountants, has audited the City’s financial statements. The goal of the independent audit was to provide reasonable assurances that the financial statements of the City for the fiscal year ended September 30, 2025, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit and the reports of the auditors, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended September 30, 2025, are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

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

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

City Profile

The City of Fernandina Beach, incorporated in 1951, is a seaside community located on beautiful Amelia Island in Nassau County, Florida. The island has thirteen miles of beaches on the Atlantic coast with forty access points. The City of Fernandina Beach is rich in history, walkable by design and loaded with culinary delights. The City encompasses an area of approximately twelve square miles, with nearly ten miles of coastline and a population of just under 14,000. The City is conveniently located approximately thirty miles north of Jacksonville and hosts more than 1,000,000 visitors each year.

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

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

The annual budget serves as the foundation of the City's financial planning and control. All departments of the City are required to submit requests for appropriations to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents the proposed budget to the City Commission on or before August 1 of each year. The City Commission is required to hold public hearings on the proposed budget and adopt a final budget by September 30 of each year. The appropriated budget is prepared by fund, function (e.g Public Safety), and department (e.g., Police). The City Manager is authorized to transfer appropriations up to \$25,000; however, any other revisions require approval of the City Commission.

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

Local Economy

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

The City residents and businesses derive a vast majority of their income and revenues from the Trade/Transportation/Utilities and Tourism sectors. This can be attributed in part to the City's coastal location and mild climate. The City's unemployment rate as of September 2025 was 3.8%, which was lower than the State average of 3.9% and the National average of 4.4%.

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

The City hosts several events each year, but two of the most notable are the Victorian-inspired Dickens on Centre (Christmas market and festival held each December) and the popular Isle of Eight Flags Shrimp Festival (arts, crafts, and entertainment; first weekend in May). Each attracts around 100,000 people over the weekend-long celebrations.

In fiscal year 2025, the City Commission continued the City's commitment to support members of the community in need of assistance by donating funds to several local non-profits. This funding was needed to supply food for the residents and included free meals for seniors in crisis and funding for the local food banks. Funding was also provided to non-profits specializing in mental health and domestic violence services.

During the fiscal year, the Building Department conducted 11,362 inspections, processed 2,958 building permits, and issued 2,275 business tax licenses. The department is currently implementing a new permitting software system. This new software is intended to simplify permit applications while providing tracking for residents, contractors, and staff.

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

The City's economy continued to be strong, and it is expected to remain a favorite destination for vacationing. Florida's population is projected to grow by 1.4 million between 2025 and 2030 and indications project a 4.3% increase in tourism for the State. As Florida's economic growth continues to be higher than the U.S. overall, Fernandina Beach appeals as a location to purchase or rent a home.

Long-Term Financial Planning

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

Major Initiatives

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

- The Commission continues to support the Amelia River waterfront resiliency effort. The City received an additional State appropriation for \$4,000,000 and continues with the design efforts. Construction is expected to commence in the summer of 2025. When fully constructed, the seawall will provide enhanced protection from the threats of tidal flooding, sea level rise and storm surge to the City's historical downtown district.
- Federal and state grants supported the rehabilitation of existing infrastructure and upgraded equipment at the City-owned Airport. These projects included drainage improvements and design and construction for the rehabilitation of a taxi lane and roadway. Grant funds also provided for the preparation of design and procurement documents for pending rehabilitation of a runway, and the purchase of an emergency generator for the fuel farm.
- The new Fire Station located at the City's Airport was completed this year. Grant funding has been secured to purchase a specialized emergency vehicle designed to respond to aircraft accidents, fires, and other related emergencies.
- Grant funds were secured and the rehabilitation of the exterior of the Historic Lighthouse was completed.
- Construction began on a new waterfront park near the Marina.
- The City contracted with a third party to implement premium paid parking in a limited portion of spaces in the Downtown District as a revenue source for funding much-needed infrastructure improvements.

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

Awards and Acknowledgements

The Governments Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fernandina Beach for its annual comprehensive financial report for fiscal year ended September 30, 2024. This is the fourth time the City of Fernandina Beach has received the award for excellence in financial reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting.

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


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

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

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

Respectfully submitted,


Sarah Campbell
City Manager


Susan Carless
Comptroller

CITY OF FERNANDINA BEACH, FLORIDA

**LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2025**

CITY COMMISSIONERS

James Antun, Mayor

Darron Ayscue, Vice-Mayor

Joyce M. Tuten

Genece Minshew

Tim Poynter

CITY MANAGER

Sarah Campbell

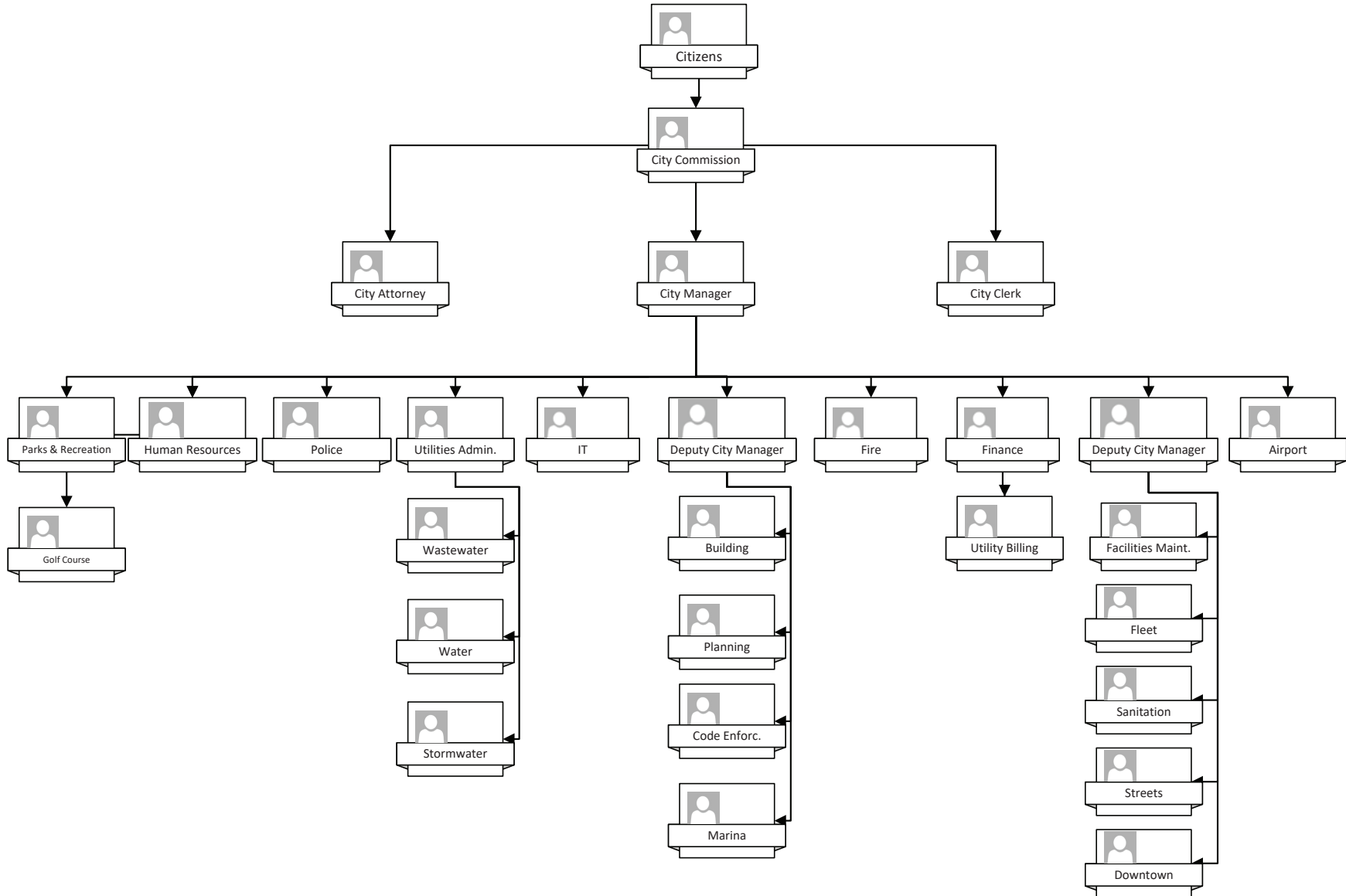
CITY CLERK

Caroline Best

CITY ATTORNEY

Teresa Prince

City of Fernandina Beach Organizational Chart



Full-Time: 242

Part-Time: 116

Temporary/Seasonal: 79



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fernandina Beach
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

Financial Section

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fernandina Beach, Florida (the "City"), as of and for the year ended September 30, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Supplementary Information

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


Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.



Bradenton, Florida
March 11, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2025

The City of Fernandina Beach, Florida's (the "City") financial statements are designed to provide the readers of the financial statements with easy-to-understand information and analysis of the City's financial activities based on currently known facts, decisions, and conditions. As management of the City, we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. The Management's Discussion and Analysis should be read in conjunction with the transmittal letter beginning on page i and the City's financial statements which immediately follow this discussion.

HIGHLIGHTS

Financial Highlights

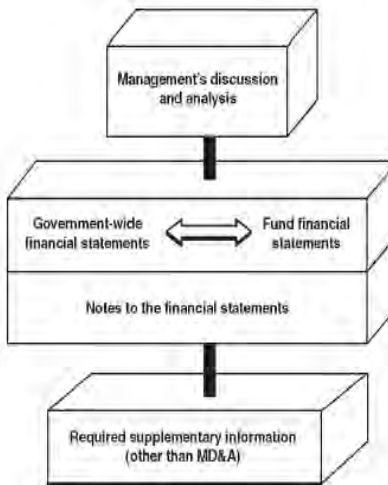
- The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of fiscal year 2025 by \$138,774,635. The Unrestricted portion of the City's Net Position is \$31,707,931. This compares to the Unrestricted Net Position last year of \$27,465,635. Deferred Outflows of Resources due to Pension and OPEB decreased by (\$3,515,439) year over year due to actual plan experiences compared to plan assumptions. The Deferred Inflow of Resources increased \$3,256,731 over last year due to an increase in Pension and OPEB of \$3,894,680 partially offset by a decrease in Leases of (\$637,949). Liabilities decreased this year versus last year due to a decrease in Noncurrent liabilities: Due in more than one year. This decrease is primarily related to a decrease in net pension liability.
- Revenues from Governmental activities increased by \$4,879,945 or 13.8% when compared to fiscal year 2024. This increase is primarily attributable to an increase in General Revenues of \$1,702,364 and increases in Intergovernmental Revenues of \$2,213,765 and Charges for Services of \$963,816. The increase in fund balance of \$595,931 in the General Fund this year compares to a decrease of (\$213,978) in 2024. The change in fund balance of (\$879,231) for Total Governmental Funds compares to a decrease of (\$1,005,575) in 2024, an increase of \$126,344 from the year before. The decrease year over year is primarily due to increased expenditures for General Government, Public Safety, and Capital Outlay.
- Business-type activities (the City's enterprise funds) total revenues excluding transfers increased by \$3,851,289 or 14.7%. Combined operating revenues increases of \$1,192,388 were complemented by increases in capital grants of \$3,757,202. The increase in grant revenue is largely attributable to an increase in grant revenue for the Airport.
- The City reduced the ad valorem property tax rate from \$4.8298 in 2024 to \$4.6849 in 2025. Although the millage was not increased, the City experienced an increase in ad valorem tax receipts of \$1,141,582 due to the increase in property values. The assessed taxable value increased \$368.2 million. This was the eighth increase since 2017, when property values declined by 7.8%.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2025**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Components of the Financial Section



Government-Wide Financial Statements

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2025

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

Fund Financial Statements

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

Governmental Funds

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2025

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the Financial Statements

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

Other Information

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2025**

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Summary of Net position

The following table presents the condensed *Summary* of Net Position for fiscal year 2025 and fiscal year 2024:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FYE 2025	FYE 2024	FYE 2025	FYE 2024	FYE 2025	FYE 2024
Current and Other Assets	\$ 35,231,144	\$ 37,738,652	\$ 31,586,882	\$ 30,212,585	\$ 66,818,026	\$ 67,951,237
Capital Assets	49,711,725	44,820,794	74,322,035	70,111,260	124,033,760	114,932,054
Total Assets	84,942,869	82,559,446	105,908,917	100,323,845	190,851,786	182,883,291
Deferred Outflows of Resources	5,734,496	8,772,569	1,485,440	1,971,058	7,219,936	10,743,627
Current Liabilities	2,135,777	3,865,781	1,989,557	1,471,600	4,125,334	5,337,381
Non-Current Liabilities	16,735,702	22,598,141	27,283,579	31,342,646	44,019,281	53,940,787
Total Liabilities	18,871,479	26,463,922	29,273,136	32,814,246	48,144,615	59,278,168
Deferred Inflows of Resources	5,791,078	2,854,689	5,361,394	5,041,052	11,152,472	7,895,741
Net Position:						
Net Investment in Capital Assets	45,614,055	42,984,986	50,367,857	43,917,431	95,981,912	86,902,417
Restricted	9,604,383	10,627,548	1,480,409	1,457,409	11,084,792	12,084,957
Unrestricted	10,796,370	8,400,870	20,911,561	19,064,765	31,707,931	27,465,635
Total Net Position	\$ 66,014,808	\$ 62,013,404	\$ 72,759,827	\$ 64,439,605	\$ 138,774,635	\$ 126,453,009

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2025, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$138,774,635.

Most of the City's net position (69.2%) reflects its investment in capital assets, less any outstanding related debt and deferred outflow/inflows used to acquire those assets. The City uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (8.0%) represents resources that are subject to external restrictions on how they may be used, such as debt or capital projects (restricted assets). The remaining balance of unrestricted net position (22.8%) may be used to meet the City's ongoing obligations to its citizens.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2025

There was an overall increase in net position of \$12,321,626 for the current fiscal year. The increase of \$4,001,404 in governmental activities and \$8,320,222 in business activities is primarily due to an increase in Charges for Services, Operating and Capital Grants, and General Revenues. Expenses for the period were slightly higher for governmental activities and slightly lower for business activities. The increase in expenses for governmental activities relates to the increased grant revenues.

Summary of Activities

The following table presents the condensed Summary of Activities for fiscal year 2025 and fiscal year 2024:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FYE 2025	FYE 2024	FYE 2025	FYE 2024	FYE 2025	FYE 2024
REVENUES						
Program Revenues:						
Charges for Services	\$ 5,938,627	\$ 4,974,811	\$ 25,766,146	\$ 24,569,967	\$ 31,704,773	\$ 29,544,778
Operating Grants and Contrib.	1,132,353	888,480	0	0	1,132,353	888,480
Capital Grants and Contrib.	2,512,101	542,209	3,543,424	766,442	6,055,525	1,308,651
General Revenues:						
Property Taxes	19,537,947	18,396,365			19,537,947	18,396,365
Franchise and Utility Taxes	4,730,677	4,380,916			4,730,677	4,380,916
Sales and Use Taxes	3,858,174	3,632,326			3,858,174	3,632,326
Other Taxes (Insur Premium)	562,923	498,366			562,923	498,366
Local Option Gas Tax	464,717	504,691			464,717	504,691
Unrest. State Revenue Sharing	384,763	367,541			384,763	367,541
Business Tax	242,200	230,553			242,200	230,553
Investment Earnings	885,124	857,556	611,018	561,492	1,496,142	1,419,048
Gain on Sale of capital asset	27,547	123,394	52,127	223,525	79,674	346,919
Total Revenues	40,277,153	35,397,208	29,972,715	26,121,426	70,249,868	61,518,634
EXPENSES						
Program Activities						
Governmental Activities:						
General Government	8,864,498	8,107,667			8,864,498	8,107,667
Public Safety	16,325,744	17,516,186			16,325,744	17,516,186
Physical Environment	134,171	202,894			134,171	202,894
Transportation	2,435,797	2,256,206			2,435,797	2,256,206
Economic Environment	273,308	122,943			273,308	122,943
Human Services	130,883	129,802			130,883	129,802
Culture and Recreation	5,206,990	4,829,120			5,206,990	4,829,120
Interest	130,807	121,196			130,807	121,196
Business-type Activities:						
Airport			1,763,601	1,746,270	1,763,601	1,746,270
Sanitation			2,912,150	3,153,750	2,912,150	3,153,750
Sewer & Water			11,317,545	11,519,168	11,317,545	11,519,168
Marina			4,580,164	4,085,472	4,580,164	4,085,472
Golf			2,631,802	2,621,431	2,631,802	2,621,431
Stormwater			1,220,782	1,828,276	1,220,782	1,828,276
Total Expenses	33,502,198	33,286,014	24,426,044	24,954,367	57,928,242	58,240,381
Change in net position						
before transfers	6,774,955	2,111,194	5,546,671	1,167,059	12,321,626	3,278,253
Transfers	(2,773,551)	(664,365)	2,773,551	664,365	-	-
Change in Net Position	4,001,404	1,446,829	8,320,222	1,831,424	12,321,626	3,278,253
Net Position, beginning	62,013,404	60,566,575	64,439,605	62,608,181	126,453,009	123,174,756
Net Position, ending	\$ 66,014,808	\$ 62,013,404	\$ 72,759,827	\$ 64,439,605	\$ 138,774,635	\$ 126,453,009

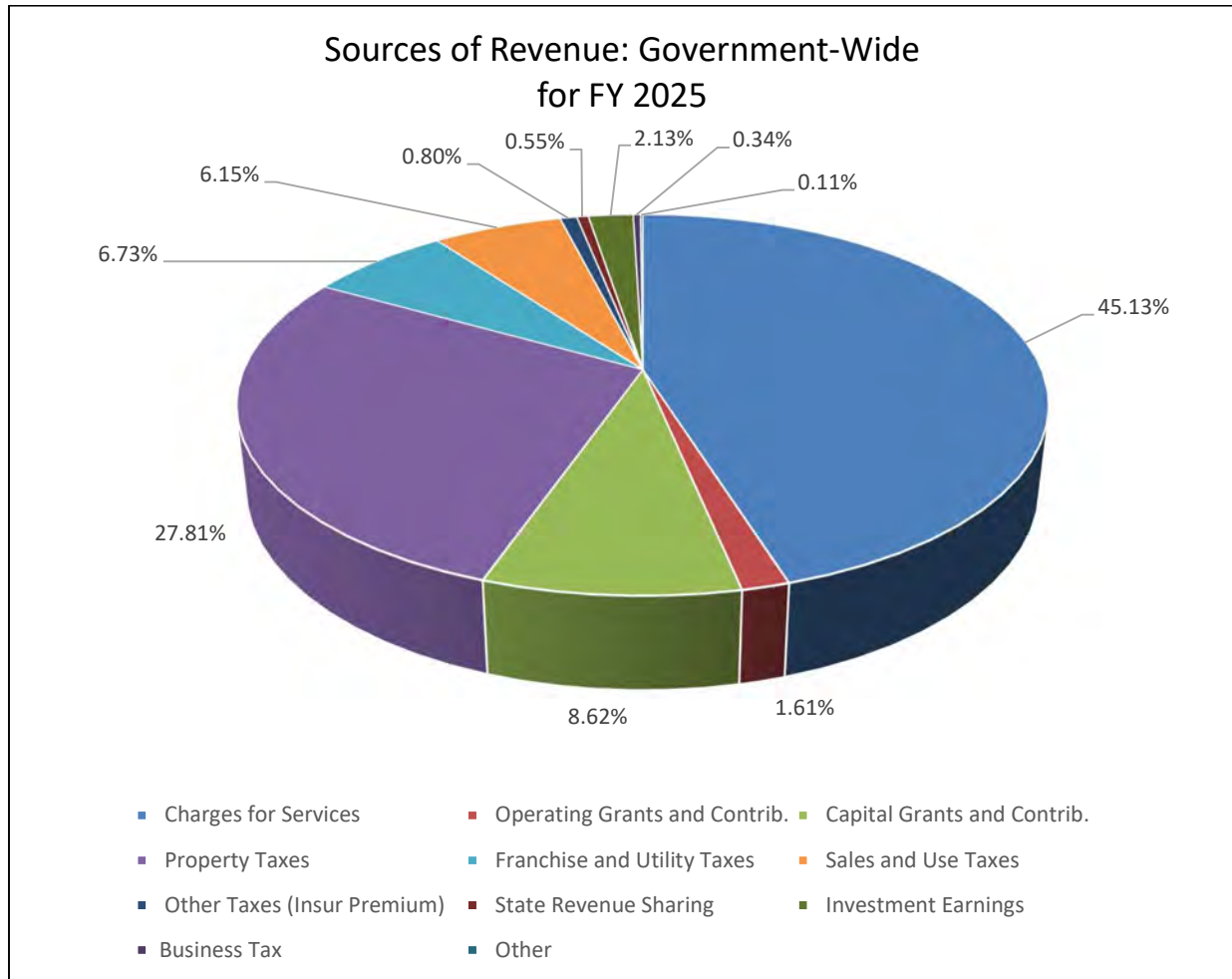
**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2025**

Revenues

For the fiscal year ended September 30, 2025, revenues from governmental activities totaled \$40,277,153.

Property taxes constitute 27.8% of revenue. The City's property tax revenue was \$19,537,947, an increase of \$1,141,582 or 6.2% compared to the previous fiscal year. In the current year, the City reduced the millage rate from \$4.8298 mils to \$4.6849, which generated increased revenue because of the increase in property values. The assessed taxable value for 2025 of \$3,681,929,000 reflects an increase of \$368.2 million in assessed property values.

The significant increase in Capital Grants and Contributions of \$4,746,874 reflects increased grant revenues in both governmental and business class funds. \$876,500 was received from the Florida Department of State for renovations to the Historic Peck Center. Airport grant revenue included \$2,315,887 from the FAA and \$841,158 from the Florida Department of Transportation for taxiway renovations.



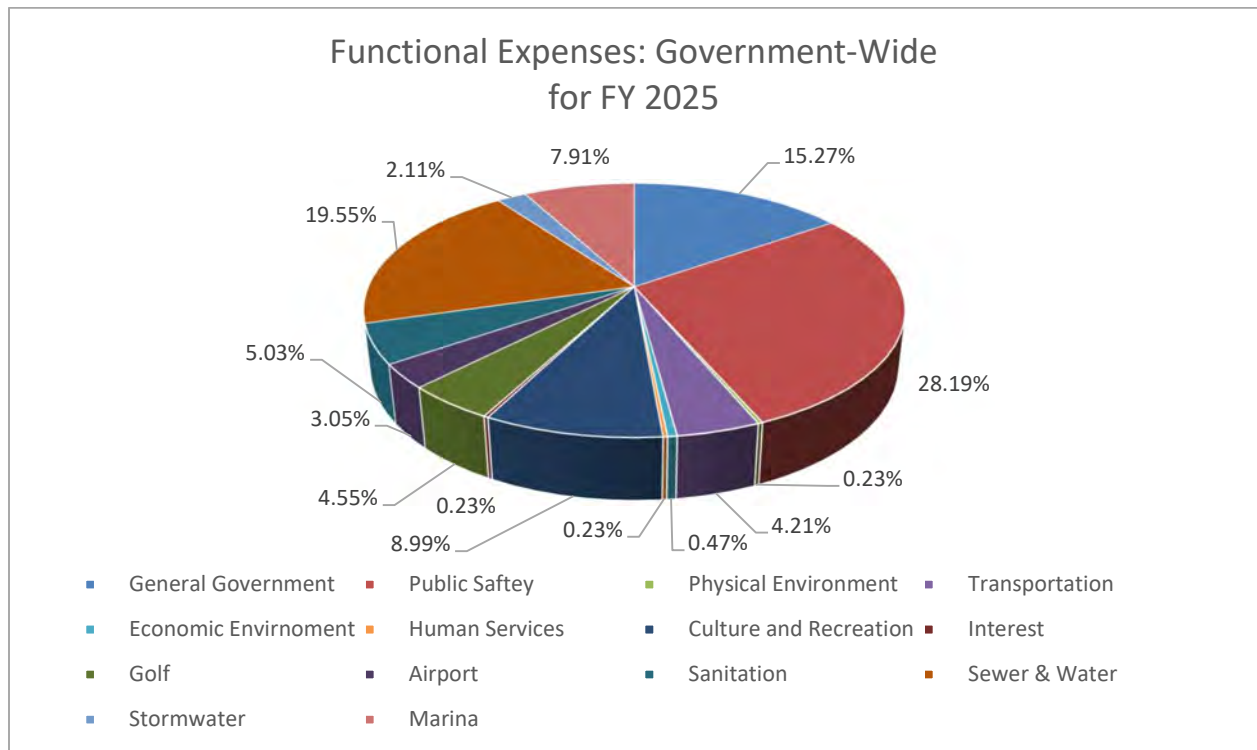
**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2025**

Expenses

For the fiscal year ended September 30, 2025, expenses for governmental activities totaled \$33,502,198, an increase of \$216,184 from the prior fiscal year. Overall, the increase in expenses year over year continues to reflect inflationary price increases for purchased goods and services and salary increases for all employees.

Expenses for the City's business-type activities, which provide water, sewer, sanitation, and stormwater services and airport, golf, and marina operations, totaled \$24,426,044. This is a decrease of (528,323). Dredging at the marina of \$1,070,000 was offset by reductions in expenses in the sanitation and various utilities funds. The reductions in expenses for sanitation are due to the discontinuation of commercial garbage collection services. The stormwater fund deferred some capital improvements pending a rate study update. The reductions in the water and sewer funds are due to facilities improvements completed in 2024.

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



**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2025**

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

For the fiscal year ended September 30, 2025, the General Fund balance was \$14,053,717, which is an increase of \$595,931 from the prior year. Approximately 97.5% of this total amount, \$13,706,568, represents spendable fund balance. The remainder of the fund balance is non-spendable and not available for new spending because it has already been committed for prepaid items (\$347,149). The capital improvement fund balance increased by \$669,189 due to an excess of revenues over expenditures. The capital expansion fund balance decreased by (\$637,970) due to expenditures of \$1,254,619 for a new waterfront park. The (\$1,506,381) decrease in the fund balance of nonmajor governmental funds is primarily due to capital outlays of \$731,912 in the community redevelopment fund for streets, parking, and streetscape improvements, and \$1,004,562 in the other capital improvements fund for utility infrastructure improvements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget was amended by \$520,922 to record additional revenues. \$337,922 of the additional revenues received were from the state insurance tax proceeds for fire and police pensions. \$150,000 was from the Florida Department of Environmental Protection Trail-Go grant to repair a bridge on the Egans Creek Greenway. \$25,000 was provided by the City's health insurer for employee wellness, and the balance of \$8,000 was a private donation for the maintenance of Simmons Road Park.

The original budget was amended for expenditures of \$982,538, which includes an increase of \$525,179 for fire and police pension expenditures, \$337,922 of which were due to the increased state insurance tax proceeds received, \$200,000 for expenditures relating to the Trail-Go grant, and \$380,000 for a legal settlement. These increases were partially offset by reductions in other line items.

General Fund			
	Original Budget	Final Budget	Actual Amounts
Revenues:			
Taxes, Licenses, and Permits	\$ 26,190,691	26,190,691	\$ 26,797,398
Intergovernmental	2,947,589	3,435,511	3,213,494
Fines and Forfeitures	29,500	29,500	40,479
Charges for Services	1,698,603	1,698,603	2,106,517
Investment earnings	210,000	210,000	512,252
Miscellaneous revenues	230,351	263,351	456,965
Total	31,306,734	31,827,656	33,127,105
Expenditures	31,333,177	32,315,715	29,231,775
Excess of revenues over (under) expenditures	(26,443)	(488,059)	3,895,330
Other Financing sources (uses):			
Transfers in	520,000	520,000	520,000
Transfers (out)	(3,997,309)	(4,022,309)	(4,022,309)
Total	(3,477,309)	(3,502,309)	(3,502,309)
Net change in Fund Balance	\$ (3,503,752)	\$ (3,990,368)	\$ 393,021

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2025**

Actual General Fund revenue exceeded the amended budget by \$1,299,449. All categories of revenue exceeded the final budget for this fiscal year. The largest variances are \$606,707 in taxes, licenses, and permits, \$407,914 in charges for services, and \$302,252 in investment earnings. Greater than expected earnings in tax revenues are from the small county surtax of \$253,485 and municipal utility taxes of \$417,492. Ambulance services revenue exceeded budgeted by \$605,134. Investment earnings increased due to favorable returns and an increase in funds available for investing.

CAPITAL ASSETS

The City's capital assets for its governmental and business-type activities at the end of the fiscal year 2025 totaled \$124,033,760 (net of accumulated depreciation). Approximately 40.0% or \$49,711,725 is related to governmental activities and includes land, construction in progress, building and improvements, machinery and equipment and infrastructure. Capital assets held by the City at the end of the current fiscal year are summarized as follows:

Capital Assets at Year-End
(Net of Accumulated depreciation)

	Governmental Activities		Business-Type		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 13,307,775	\$ 13,306,481	\$ 1,546,370	\$ 1,546,370	\$ 14,854,145	\$ 14,852,851
Construction in Progress	9,054,796	7,594,788	1,535,603	1,460,385	10,590,399	9,055,173
Building and Improvements	15,777,686	13,516,865	63,543,875	59,462,859	79,321,561	72,979,724
Machinery and Equipment	5,744,998	4,810,842	2,775,909	2,363,102	8,520,907	7,173,944
Infrastructure	5,826,470	5,591,818	4,920,278	5,278,544	10,746,748	10,870,362
Total	\$ 49,711,725	\$ 44,820,794	\$ 74,322,035	\$ 70,111,260	\$ 124,033,760	\$ 114,932,054

In the governmental funds major additions included improvements to the utilities, streets and streetscapes for the downtown district, seven new police vehicles, continued work on the waterfront resiliency project, new restrooms at the Hickory Street Park, and maintenance and improvements of various City facilities.

In the business-type funds major additions included Airport taxiway and drainage improvements, and improvements and expansion of water, sewer, and stormwater facilities and infrastructure.

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

LONG-TERM DEBT

At the end of the fiscal year, the City had a total long-term debt outstanding of \$27,870,598. Of this amount, \$24,722,494 represents bonds and a direct borrowing secured solely by specified revenue sources. More detailed information about the City's long-term debt is presented in Note 8 to the financial statements.

Moody's Ratings affirmed the City's rating of Aa2. The City is currently rated AA- by Standard & Poor's Global Ratings. The financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). City's SBITA liability is \$77,831, a decrease of (\$23,504) from the prior year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
CITY OF FERNANDINA BEACH, FLORIDA
SEPTEMBER 30, 2025**

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

According to the Nassau County Property Appraiser, the City of Fernandina Beach's current gross taxable value is \$4,744,257,752. This represents an increase of 9.9% or \$427,564,157 when compared to the prior year. The City's millage rate of \$4.6849 adopted for fiscal year 2026 is expected to generate \$21,337,318 in Ad Valorem taxes. The above increases are evidence that the outlook for fiscal 2026 is good.

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

REQUEST FOR INFORMATION

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

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Basic Financial Statements

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CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 30,229,998	\$ 20,988,815	\$ 51,218,813
Accounts receivables, net	951,786	2,222,934	3,174,720
Due from other governments	1,290,011	1,293,293	2,583,304
Leases receivable	1,479,504	4,382,710	5,862,214
Prepaid items	1,232,584	376,495	1,609,079
Inventory	47,261	206,503	253,764
Restricted cash and investments	-	2,116,132	2,116,132
Capital assets			
Non-depreciable	22,362,571	3,081,973	25,444,544
Depreciable, net	27,278,733	71,240,062	98,518,795
Right to use assets, net of amortization	70,421	-	70,421
Total assets	84,942,869	105,908,917	190,851,786
Deferred outflows of resources			
Deferred loss on refunding	-	63,955	63,955
Deferred outflows - pensions	5,029,023	1,171,420	6,200,443
Deferred outflows - OPEB	705,473	250,065	955,538
Total deferred outflows of resources	<u>5,734,496</u>	<u>1,485,440</u>	<u>7,219,936</u>
Liabilities			
Accounts payable and accrued liabilities	2,091,142	1,482,328	3,573,470
Accrued interest payable	44,635	77,842	122,477
Customer deposits payable	-	298,662	298,662
Unearned revenue	-	130,725	130,725
Noncurrent liabilities			
Due within one year	6,395,483	4,008,894	10,404,377
Due in more than one year	10,340,219	23,274,685	33,614,904
Total liabilities	<u>18,871,479</u>	<u>29,273,136</u>	<u>48,144,615</u>
Deferred inflows of resources			
Deferred inflows - leases	1,363,813	4,339,207	5,703,020
Deferred inflows - pensions	3,850,244	817,657	4,667,901
Deferred inflows - OPEB	577,021	204,530	781,551
Total deferred inflows of resources	<u>5,791,078</u>	<u>5,361,394</u>	<u>11,152,472</u>
Net position			
Net investment in capital assets	45,614,055	50,367,857	95,981,912
Restricted for			
Building inspection	1,650,358	-	1,650,358
Public safety	536,076	-	536,076
Land conservation	258,413	-	258,413
Community development	591,306	-	591,306
Debt service	-	166,458	166,458
Capital projects	6,568,230	1,313,951	7,882,181
Unrestricted	10,796,370	20,911,561	31,707,931
Total net position	<u>\$ 66,014,808</u>	<u>\$ 72,759,827</u>	<u>\$ 138,774,635</u>

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

CITY OF FERNANDINA BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/programs							
Governmental activities							
General government	\$ 8,864,498	\$ 1,504,026	\$ 392,412	\$ 1,863,272	\$ (5,104,788)	\$ -	\$ (5,104,788)
Public safety	16,325,744	2,559,869	739,941	412	(13,025,522)	-	(13,025,522)
Physical environment	134,171	1,065,033	-	-	930,862	-	930,862
Transportation	2,435,797	-	-	557,004	(1,878,793)	-	(1,878,793)
Economic environment	273,308	-	-	-	(273,308)	-	(273,308)
Human services	130,883	-	-	-	(130,883)	-	(130,883)
Culture and recreation	5,206,990	809,699	-	91,413	(4,305,878)	-	(4,305,878)
Interest on long-term debt	130,807	-	-	-	(130,807)	-	(130,807)
Total governmental activities	<u>33,502,198</u>	<u>5,938,627</u>	<u>1,132,353</u>	<u>2,512,101</u>	<u>(23,919,117)</u>	<u>-</u>	<u>(23,919,117)</u>
Business-type activities							
Airport	1,763,601	1,100,410	-	3,140,316	-	2,477,125	2,477,125
Sanitation	2,912,150	2,951,806	-	-	-	39,656	39,656
Sewer and water	11,317,545	14,867,412	-	38,108	-	3,587,975	3,587,975
Marina	4,580,164	3,393,445	-	365,000	-	(821,719)	(821,719)
Golf	2,631,802	2,346,070	-	-	-	(285,732)	(285,732)
Stormwater	1,220,782	1,107,003	-	-	-	(113,779)	(113,779)
Total business-type activities	<u>24,426,044</u>	<u>25,766,146</u>	<u>-</u>	<u>3,543,424</u>	<u>-</u>	<u>4,883,526</u>	<u>4,883,526</u>
Total primary government	<u>\$ 57,928,242</u>	<u>\$ 31,704,773</u>	<u>\$ 1,132,353</u>	<u>\$ 6,055,525</u>	<u>(23,919,117)</u>	<u>4,883,526</u>	<u>(19,035,591)</u>
General revenues							
					19,537,947	-	19,537,947
					4,730,677	-	4,730,677
					2,725,081	-	2,725,081
					1,133,093	-	1,133,093
					384,763	-	384,763
					464,717	-	464,717
					562,923	-	562,923
					242,200	-	242,200
					885,124	611,018	1,496,142
					27,547	52,127	79,674
					<u>(2,773,551)</u>	<u>2,773,551</u>	<u>-</u>
					27,920,521	3,436,696	31,357,217
					4,001,404	8,320,222	12,321,626
					62,013,404	64,439,605	126,453,009
					<u>\$ 66,014,808</u>	<u>\$ 72,759,827</u>	<u>\$ 138,774,635</u>

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

CITY OF FERNANDINA BEACH, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Capital Expansion Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Cash and investments	\$ 14,327,718	\$ 1,421,703	\$ 6,572,230	\$ 7,908,347	\$ 30,229,998
Accounts receivable, net	949,965	-	-	853	950,818
Due from other funds	42,995	-	-	-	42,995
Due from other governments	513,590	753,330	-	23,091	1,290,011
Lease receivable	1,479,504	-	-	-	1,479,504
Prepaid items	347,149	885,435	-	-	1,232,584
Total assets	<u>\$ 17,660,921</u>	<u>\$ 3,060,468</u>	<u>\$ 6,572,230</u>	<u>\$ 7,932,291</u>	<u>\$ 35,225,910</u>
Liabilities, deferred inflows of resources, and fund balances					
Liabilities					
Accounts payable and accrued liabilities	\$ 1,721,179	\$ 109,348	\$ 4,000	\$ 220,005	\$ 2,054,532
Total liabilities	<u>1,721,179</u>	<u>109,348</u>	<u>4,000</u>	<u>220,005</u>	<u>2,054,532</u>
Deferred inflows of resources					
Lease related	1,363,813	-	-	-	1,363,813
Unavailable revenue	522,212	-	-	-	522,212
Total deferred inflows of resources	<u>1,886,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,886,025</u>
Fund balances					
Nonspendable					
Prepays	347,149	885,435	-	-	1,232,584
Restricted for:					
Building inspection	-	-	-	1,650,358	1,650,358
Public safety	4,190	-	-	531,886	536,076
Land conservation	-	-	-	258,413	258,413
Community development	-	-	-	591,306	591,306
Capital improvements	-	-	6,568,230	-	6,568,230
Committed for:					
Conservation and resource management	-	-	-	568,631	568,631
Historical district trust	-	-	-	119,861	119,861
Cemetery	-	-	-	1,472,028	1,472,028
Emergencies	6,266,635	-	-	-	6,266,635
Assigned for:					
Cemetery	-	-	-	271,775	271,775
Capital projects	-	2,065,685	-	2,248,028	4,313,713
Subsequent year's budget	4,170,741	-	-	-	4,170,741
Unassigned	3,265,002	-	-	-	3,265,002
Total fund balances	<u>14,053,717</u>	<u>2,951,120</u>	<u>6,568,230</u>	<u>7,712,286</u>	<u>31,285,353</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,660,921</u>	<u>\$ 3,060,468</u>	<u>\$ 6,572,230</u>	<u>\$ 7,932,291</u>	<u>\$ 35,225,910</u>

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

CITY OF FERNANDINA BEACH, FLORIDA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025**

Total fund balances for governmental funds \$ 31,285,353

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

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

Governmental capital assets	\$ 97,695,463	
Accumulated depreciation	(48,335,535)	
Right to use assets	132,481	
Accumulated amortization	<u>(62,060)</u>	49,430,349

Other long-term assets are not available to pay for current-period expenditures and therefore, are unavailable in the funds. 522,212

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

Deferred outflows - OPEB	705,473	
Deferred inflows - OPEB	(577,021)	
Deferred outflows - pensions	5,029,023	
Deferred inflows - pensions	<u>(3,850,244)</u>	1,307,231

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

Accrued interest payable	(44,635)	
Compensated absences	(2,171,451)	
Net pension liability	(8,637,448)	
Total OPEB liability	(2,078,451)	
Financed purchase payable	(2,796,276)	
SBITA payable	(77,831)	
Notes payable	<u>(961,839)</u>	(16,767,931)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of internal service funds are reported with governmental activities. 237,594

Net position of governmental activities \$ 66,014,808

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	General Fund	Capital Improvement Fund	Capital Expansion Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 19,226,969	\$ -	\$ -	\$ 310,978	\$ 19,537,947
Other taxes	5,655,591	-	-	-	5,655,591
Licenses and permits	60,781	-	-	1,085,421	1,146,202
Impact fees	-	-	880,241	-	880,241
Intergovernmental revenues	3,213,494	1,856,954	-	317,680	5,388,128
Charges for services	2,106,517	-	-	189,207	2,295,724
Franchise fees	2,042,367	-	-	-	2,042,367
Fines and forfeitures	40,479	-	-	22,529	63,008
Investment earnings	526,852	28,873	144,922	184,477	885,124
Miscellaneous revenues	456,965	89,635	-	189,975	736,575
Total revenues	<u>33,330,015</u>	<u>1,975,462</u>	<u>1,025,163</u>	<u>2,300,267</u>	<u>38,630,907</u>
Expenditures					
Current					
General government	7,264,260	-	-	88,289	7,352,549
Public safety	14,880,006	-	-	1,379,887	16,259,893
Physical environment	-	-	-	134,171	134,171
Transportation	1,773,364	-	-	-	1,773,364
Economic environment	273,308	-	-	-	273,308
Human services	130,883	-	-	-	130,883
Culture and recreation	4,015,786	-	-	-	4,015,786
Debt service					
Principal retirement	23,504	407,110	-	51,264	481,878
Interest	2,990	96,622	-	19,191	118,803
Capital outlay	867,674	4,590,835	1,663,133	1,899,715	9,021,357
Total expenditures	<u>29,231,775</u>	<u>5,094,567</u>	<u>1,663,133</u>	<u>3,572,517</u>	<u>39,561,992</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,098,240</u>	<u>(3,119,105)</u>	<u>(637,970)</u>	<u>(1,272,250)</u>	<u>(931,085)</u>
Other financing sources (uses)					
Proceeds from the sale of capital assets	-	-	-	7,660	7,660
Issuance of revenue note	-	1,797,522	-	-	1,797,522
Transfers in	520,000	1,990,772	-	75,000	2,585,772
Transfers out	(4,022,309)	-	-	(316,791)	(4,339,100)
Total other financing sources (uses)	<u>(3,502,309)</u>	<u>3,788,294</u>	<u>-</u>	<u>(234,131)</u>	<u>51,854</u>
Change in fund balances	595,931	669,189	(637,970)	(1,506,381)	(879,231)
Fund balances, beginning of year	<u>13,457,786</u>	<u>2,281,931</u>	<u>7,206,200</u>	<u>9,218,667</u>	<u>32,164,584</u>
Fund balances, end of year	<u>\$ 14,053,717</u>	<u>\$ 2,951,120</u>	<u>\$ 6,568,230</u>	<u>\$ 7,712,286</u>	<u>\$ 31,285,353</u>

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

CITY OF FERNANDINA BEACH, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Net change in fund balances – total governmental funds		\$ (879,231)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives.</p>		
Capital outlay	\$ 8,046,355	
Less current year depreciation and amortization	<u>(3,152,197)</u>	4,894,158
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales) is to decrease net position.</p>		
		(26,456)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items.</p>		
Repayment of principal of long-term debt		481,878
Debt proceeds		<u>(1,797,522)</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		522,212
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>		
Pension expense	1,368,665	
Change in total OPEB liability and deferred items	(51,690)	
Change in accrued interest	(12,004)	
Change in compensated absences	<u>(460,680)</u>	844,291
<p>Internal service funds are used by management to charge the cost of certain activities, such as the costs of the central garage, to individual funds. The net revenue of the internal service funds is reported with governmental activities.</p>		
		<u>(37,926)</u>
Change in net position of governmental activities		<u>\$ 4,001,404</u>

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

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025**

	<u>Airport Fund</u>	<u>Sanitation Fund</u>	<u>Sewer and Water Fund</u>	<u>Marina Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Golf Course Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
Assets								
Current assets								
Cash and investments	\$ 1,255,724	\$ 383,939	\$ 17,639,079	\$ 1,237,070	\$ -	\$ 148,401	\$ 20,664,213	\$ 324,602
Accounts receivable, net	153,769	362,730	1,427,633	130,619	141,899	-	2,216,650	7,252
Due from other governments	998,586	-	-	-	294,707	-	1,293,293	-
Due from other funds	-	-	374,761	-	-	-	374,761	-
Leases receivable	239,432	-	-	129,391	-	-	368,823	-
Prepays	720	-	100	372,313	1,600	708	375,441	1,054
Inventory	-	-	106,216	55,099	-	45,188	206,503	47,261
Total current assets	<u>2,648,231</u>	<u>746,669</u>	<u>19,547,789</u>	<u>1,924,492</u>	<u>438,206</u>	<u>194,297</u>	<u>25,499,684</u>	<u>380,169</u>
Noncurrent assets								
Due from other funds - advances	-	-	835,042	-	-	-	835,042	-
Restricted cash and investments	302,647	74,846	1,720,795	-	17,844	-	2,116,132	-
Leases receivable	4,013,887	-	-	-	-	-	4,013,887	-
Capital assets, non-depreciable	133,810	-	399,223	1,101,993	1,158,695	288,252	3,081,973	-
Capital assets, net	<u>20,772,365</u>	<u>93,947</u>	<u>31,518,851</u>	<u>10,374,021</u>	<u>6,217,202</u>	<u>2,201,607</u>	<u>71,177,993</u>	<u>343,445</u>
Total noncurrent assets	<u>25,222,709</u>	<u>168,793</u>	<u>34,473,911</u>	<u>11,476,014</u>	<u>7,393,741</u>	<u>2,489,859</u>	<u>81,225,027</u>	<u>343,445</u>
Total assets	<u>27,870,940</u>	<u>915,462</u>	<u>54,021,700</u>	<u>13,400,506</u>	<u>7,831,947</u>	<u>2,684,156</u>	<u>106,724,711</u>	<u>723,614</u>
Deferred outflows of resources								
Deferred loss on refunding	-	-	63,955	-	-	-	63,955	-
Deferred outflows - pensions	46,869	45,950	831,696	-	90,368	156,537	1,171,420	-
Deferred outflows - OPEB	8,887	8,887	165,213	-	26,850	40,228	250,065	-
Total deferred outflows of resources	<u>55,756</u>	<u>54,837</u>	<u>1,060,864</u>	<u>-</u>	<u>117,218</u>	<u>196,765</u>	<u>1,485,440</u>	<u>-</u>

(Continued)

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

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025**

	<u>Airport Fund</u>	<u>Sanitation Fund</u>	<u>Sewer and Water Fund</u>	<u>Marina Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Golf Course Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
Liabilities								
Current liabilities								
Accounts payable and accrued liabilities	\$ 58,374	\$ 202,249	\$ 548,200	\$ 269,376	\$ 48,146	\$ 159,596	\$ 1,285,941	\$ 232,997
Revenue bonds, financed purchases and notes payable	313,776	-	1,740,000	489,000	80,746	144,000	2,767,522	-
Accrued interest	8,072	-	63,063	3,747	1,127	1,833	77,842	-
Customer deposits payable	28,650	74,846	177,322	-	17,844	-	298,662	-
Due to other funds	-	-	-	-	374,761	-	374,761	42,995
Unearned revenue	-	-	-	91,329	-	39,396	130,725	-
Net pension liability, current portion	33,649	32,989	597,105	-	64,879	112,383	841,005	-
Total OPEB liability, current portion	1,008	1,008	18,735	-	3,045	4,561	28,357	-
Compensated absences	43,892	4,041	135,501	-	36,792	43,156	263,382	121,034
Total current liabilities	<u>487,421</u>	<u>315,133</u>	<u>3,279,926</u>	<u>853,452</u>	<u>627,340</u>	<u>504,925</u>	<u>6,068,197</u>	<u>397,026</u>
Noncurrent liabilities								
Due to other funds - advances	-	-	-	835,042	-	-	835,042	-
Revenue bonds, financed purchases and notes payable, net of current portion	4,465,384	-	15,146,718	1,346,028	-	309,000	21,267,130	-
Net pension liability	51,980	50,962	922,403	-	100,224	173,609	1,299,178	-
Total OPEB liability	25,173	25,173	468,011	-	76,062	113,958	708,377	-
Total noncurrent liabilities	<u>4,542,537</u>	<u>76,135</u>	<u>16,537,132</u>	<u>2,181,070</u>	<u>176,286</u>	<u>596,567</u>	<u>24,109,727</u>	<u>-</u>
Total liabilities	<u>5,029,958</u>	<u>391,268</u>	<u>19,817,058</u>	<u>3,034,522</u>	<u>803,626</u>	<u>1,101,492</u>	<u>30,177,924</u>	<u>397,026</u>
Deferred inflows of resources								
Lease related	4,210,082	-	-	129,125	-	-	4,339,207	-
Deferred inflows - pension	32,715	32,074	580,528	-	63,077	109,263	817,657	-
Deferred inflows - OPEB	7,268	7,268	135,130	-	21,961	32,903	204,530	-
Total deferred inflows of resources	<u>4,250,065</u>	<u>39,342</u>	<u>715,658</u>	<u>129,125</u>	<u>85,038</u>	<u>142,166</u>	<u>5,361,394</u>	<u>-</u>
Net position								
Net investment in capital assets	16,388,335	93,947	14,908,367	9,640,986	7,295,151	2,036,859	50,363,645	285,588
Restricted for								
Debt service	-	-	166,458	-	-	-	166,458	-
Capital improvements	-	-	1,313,951	-	-	-	1,313,951	-
Unrestricted	2,258,338	445,742	18,161,072	595,873	(234,650)	(399,596)	20,826,779	41,000
Total net position	<u>\$ 18,646,673</u>	<u>\$ 539,689</u>	<u>\$ 34,549,848</u>	<u>\$ 10,236,859</u>	<u>\$ 7,060,501</u>	<u>\$ 1,637,263</u>	<u>72,670,833</u>	<u>\$ 326,588</u>
Adjustment to reflect the consolidation of internal service fund activities							88,994	
Total net position of business-type activities							<u>\$ 72,759,827</u>	

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

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Airport Fund</u>	<u>Sanitation Fund</u>	<u>Sewer and Water Fund</u>	<u>Marina Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Golf Course Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
Operating revenues								
Charges for services	\$ 7,769	\$ 2,828,640	\$ 12,826,463	\$ -	\$ 1,106,555	\$ 2,346,070	\$ 19,115,497	\$ 2,532,664
Fees, rentals and miscellaneous	1,092,641	123,166	602,095	3,393,445	448	-	5,211,795	2,677
Total operating revenues	<u>1,100,410</u>	<u>2,951,806</u>	<u>13,428,558</u>	<u>3,393,445</u>	<u>1,107,003</u>	<u>2,346,070</u>	<u>24,327,292</u>	<u>2,535,341</u>
Operating expenses								
Personnel services and benefits	126,149	184,867	3,064,153	-	505,509	1,384,671	5,265,349	1,772,606
Materials, supplies and other	579,692	2,656,739	3,717,805	4,152,843	567,616	879,068	12,553,763	1,036,081
Depreciation	1,120,423	70,544	2,163,689	357,246	407,238	342,416	4,461,556	32,245
Total operating expenses	<u>1,826,264</u>	<u>2,912,150</u>	<u>8,945,647</u>	<u>4,510,089</u>	<u>1,480,363</u>	<u>2,606,155</u>	<u>22,280,668</u>	<u>2,840,932</u>
Operating income (loss)	<u>(725,854)</u>	<u>39,656</u>	<u>4,482,911</u>	<u>(1,116,644)</u>	<u>(373,360)</u>	<u>(260,085)</u>	<u>2,046,624</u>	<u>(305,591)</u>
Nonoperating revenues (expenses)								
Investment earnings	76,687	10,436	465,404	52,945	-	79	605,551	5,467
Gain on disposal of capital assets	-	-	20,452	-	-	31,675	52,127	46,343
Interest expense	(103,671)	-	(711,722)	(70,075)	(3,838)	(25,647)	(914,953)	-
Total nonoperating revenues (expenses)	<u>(26,984)</u>	<u>10,436</u>	<u>(225,866)</u>	<u>(17,130)</u>	<u>(3,838)</u>	<u>6,107</u>	<u>(257,275)</u>	<u>51,810</u>
Income (loss) before contributions and transfers	(752,838)	50,092	4,257,045	(1,133,774)	(377,198)	(253,978)	1,789,349	(253,781)
Capital grants and contributions	3,140,316	-	290,257	365,000	1,197,827	-	4,993,400	-
Transfers								
Transfers in	296,475	-	-	770,062	316,791	890,000	2,273,328	-
Transfers out	-	(40,000)	(480,000)	-	-	-	(520,000)	-
Total transfers	<u>296,475</u>	<u>(40,000)</u>	<u>(480,000)</u>	<u>770,062</u>	<u>316,791</u>	<u>890,000</u>	<u>1,753,328</u>	<u>-</u>
Change in net position	2,683,953	10,092	4,067,302	1,288	1,137,420	636,022	8,536,077	(253,781)
Total net position, beginning of year	<u>15,962,720</u>	<u>529,597</u>	<u>30,482,546</u>	<u>10,235,571</u>	<u>5,923,081</u>	<u>1,001,241</u>		<u>580,369</u>
Total net position, end of year	<u>\$ 18,646,673</u>	<u>\$ 539,689</u>	<u>\$ 34,549,848</u>	<u>\$ 10,236,859</u>	<u>\$ 7,060,501</u>	<u>\$ 1,637,263</u>		<u>\$ 326,588</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.							(215,855)	
Changes in net position of business-type activities							<u>\$ 8,320,222</u>	

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

CITY OF FERNANDINA BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Airport Fund</u>	<u>Sanitation Fund</u>	<u>Sewer and Water Fund</u>	<u>Marina Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Golf Course Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
Cash flows from operating activities								
Cash received from customers	\$ 578,246	\$ 2,908,513	\$ 13,273,358	\$ 3,416,260	\$ 827,916	\$ 2,348,153	\$ 23,352,446	\$ -
Cash received for interfund services	-	-	-	-	-	-	-	2,574,905
Cash paid to suppliers for goods and services	(579,658)	(2,659,598)	(3,574,995)	(4,135,632)	(545,533)	(802,925)	(12,298,341)	(869,537)
Cash paid to employees for services and benefits	(133,571)	(191,318)	(3,225,374)	-	(505,438)	(1,403,025)	(5,458,726)	(1,740,158)
Net cash provided (used in) by operating activities	<u>(134,983)</u>	<u>57,597</u>	<u>6,472,989</u>	<u>(719,372)</u>	<u>(223,055)</u>	<u>142,203</u>	<u>5,595,379</u>	<u>(34,790)</u>
Cash flows from noncapital financing activities								
Transfer to other funds	-	(40,000)	(122,159)	(138,194)	(219,647)	-	(520,000)	-
Transfer from other funds	296,475	-	-	770,062	316,791	549,419	1,932,747	-
Net cash provided by (used in) noncapital financing activities	<u>296,475</u>	<u>(40,000)</u>	<u>(122,159)</u>	<u>631,868</u>	<u>97,144</u>	<u>549,419</u>	<u>1,412,747</u>	<u>-</u>
Cash flows from capital and related financing activities								
Acquisition and construction of capital assets	(3,232,879)	-	(3,692,457)	(70,373)	(957,718)	(428,721)	(8,382,148)	(128,138)
Cash received from sale of capital assets	-	-	27,018	-	-	47,876	74,894	58,206
Principal paid on bonds and notes payable	(306,736)	-	(1,655,000)	(476,999)	(103,937)	(138,000)	(2,680,672)	-
Interest paid	(104,228)	-	(839,500)	(71,048)	(5,422)	(26,205)	(1,046,403)	-
Capital contributions	3,140,316	-	38,108	365,000	1,197,827	-	4,741,251	-
Net cash provided by (used in) capital and related financing activities	<u>(503,527)</u>	<u>-</u>	<u>(6,121,831)</u>	<u>(253,420)</u>	<u>130,750</u>	<u>(545,050)</u>	<u>(7,293,078)</u>	<u>(69,932)</u>
Cash flows from investing activities								
Interest received	76,687	10,436	465,404	52,945	-	79	605,551	5,467
Net cash provided by investing activities	<u>76,687</u>	<u>10,436</u>	<u>465,404</u>	<u>52,945</u>	<u>-</u>	<u>79</u>	<u>605,551</u>	<u>5,467</u>
Net change	(265,348)	28,033	694,403	(287,979)	4,839	146,651	320,599	(99,255)
Cash and investments, beginning of year	1,823,719	430,752	18,665,471	1,525,049	13,005	1,750	22,459,746	423,857
Cash and investments, end of year	<u>\$ 1,558,371</u>	<u>\$ 458,785</u>	<u>\$ 19,359,874</u>	<u>\$ 1,237,070</u>	<u>\$ 17,844</u>	<u>\$ 148,401</u>	<u>\$ 22,780,345</u>	<u>\$ 324,602</u>
Cash and cash equivalents classified as								
Cash and investments	\$ 1,255,724	\$ 383,939	\$ 17,639,079	\$ 1,237,070	\$ -	\$ 148,401	\$ 20,664,213	\$ 324,602
Restricted cash and investments	302,647	74,846	1,720,795	-	17,844	-	2,116,132	-
Total cash and investments	<u>\$ 1,558,371</u>	<u>\$ 458,785</u>	<u>\$ 19,359,874</u>	<u>\$ 1,237,070</u>	<u>\$ 17,844</u>	<u>\$ 148,401</u>	<u>\$ 22,780,345</u>	<u>\$ 324,602</u>

(Continued)

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

CITY OF FERNANDINA BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	<u>Airport Fund</u>	<u>Sanitation Fund</u>	<u>Sewer and Water Fund</u>	<u>Marina Fund</u>	<u>Stormwater Fund</u>	<u>Nonmajor Golf Course Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities								
Operating income (loss)	\$ (725,854)	\$ 39,656	\$ 4,482,911	\$ (1,116,644)	\$ (373,360)	\$ (260,085)	\$ 2,046,624	\$ (305,591)
Adjustment to reconcile operating income to net cash provided by (used in) operating activities:								
Depreciation	1,120,423	70,544	2,163,689	357,246	407,238	342,416	4,461,556	32,245
Change in operating assets and liabilities:								
(Increase) decrease in assets:								
Accounts receivable	(40,811)	(51,539)	(202,111)	13,410	(20,507)	769	(300,789)	1,253
Leases receivable	171,424	-	-	109,829	-	-	281,253	-
Due from other governments	(472,530)	-	-	-	(263,419)	-	(735,949)	-
Prepays	282	-	920	(23,142)	799	(708)	(21,849)	(529)
Inventory	-	-	(2,954)	(37,990)	-	6,061	(34,883)	11,736
Deferred outflows - pension	23,228	22,773	412,188	-	44,787	77,579	580,555	-
Deferred outflows - OPEB	(3,641)	(3,642)	(68,170)	-	(11,113)	(16,623)	(103,189)	-
Increase (decrease) in liabilities:								
Accounts payable	(248)	(2,859)	144,844	78,343	21,284	70,790	312,154	155,337
Unearned revenue	-	-	-	8,025	-	1,314	9,339	-
Due to other funds	-	-	-	-	-	-	-	38,311
Compensated absences payable	(184)	635	(35,445)	-	12,923	4,539	(17,532)	32,448
Customer deposits	600	8,246	46,911	-	4,839	-	60,596	-
Deferred inflows - leases	(180,847)	-	-	(108,449)	-	-	(289,296)	-
Deferred inflows - pension	28,064	27,514	498,000	-	54,110	93,730	701,418	-
Deferred inflows - OPEB	(3,314)	(3,315)	(60,647)	-	(9,786)	(14,718)	(91,780)	-
Net pension liability	(59,064)	(57,905)	(1,048,089)	-	(113,881)	(197,265)	(1,476,204)	-
Total OPEB liability	7,489	7,489	140,942	-	23,031	34,404	213,355	-
Net cash provided by (used in) operating activities	<u>\$ (134,983)</u>	<u>\$ 57,597</u>	<u>\$ 6,472,989</u>	<u>\$ (719,372)</u>	<u>\$ (223,055)</u>	<u>\$ 142,203</u>	<u>\$ 5,595,379</u>	<u>\$ (34,790)</u>

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

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2025**

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 6,135,887
Receivables/prepays	
Interest receivable	99,603
Total receivables	111,213
Investments, at fair value	
U.S. government and agency securities	1,976,444
Mortgages and federal agency securities	5,120,268
Corporate bonds	4,271,459
Real estate fund	5,638,021
Equity securities	63,773,882
Total investments	80,780,074
Total assets	\$ 87,027,174
Liabilities	
Accounts payable	\$ 84,940
Total liabilities	84,940
Net position	
Restricted for pension benefits - active and retired members' benefits	86,942,234
Total liabilities and net position	\$ 87,027,174

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

CITY OF FERNANDINA BEACH, FLORIDA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Pension Trust Funds
Additions	
Contributions	
City	\$ 4,134,890
Employees	1,149,873
State of Florida	562,923
Total contributions	5,847,686
Investment income	
Interest and dividends	1,536,935
Net appreciation in the fair value of investments	8,143,548
Less: investment expense	(267,947)
Net investment income	9,412,536
Total additions	15,260,222
Deductions	
Pension benefits	3,879,405
Administrative expenses	196,012
Total deductions	4,075,417
Change in net position	11,184,805
Net position, restricted for pension benefits	
Beginning of year	75,757,429
End of year	\$ 86,942,234

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

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CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Capital Improvement Fund* accounts for the resources accumulated for major capital improvements, major equipment purchases, and major repairs and renovations.
- The *Capital Expansion Fund* accounts for the revenues and expenditures for development impact fees. These fees are collected at the time of the issuance of building permits to partially offset the capital cost of providing certain services due to City growth. Florida law prohibits the use of these funds for repair or maintenance, personnel, or capital replacement. Rather, the funds must only be used for expansion of police, fire, recreation and parks or City administration equipment or facilities.

The City reports the following major proprietary funds:

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

Additionally, the City reports the following fund types:

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Cash and Investments

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

Receivables and Payables

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

Leases

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

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

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

- The City uses the interest rate stated in the agreement as the discount rate. When the interest rate charged is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for the leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments and purchase option prices that the lease vendor is reasonably certain to exercise.
- The City monitors changes in circumstances that would require a remeasurement of its lease receivable and deferred inflow of resources and will remeasure them if changes occur that are expected to significantly affect the reported amount of receivables and deferred inflows of resources.

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Inventories and Prepaid Items

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

Capital Assets

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	15 - 30
Infrastructure	15 - 60
Vehicles	5
Office equipment	10
Computer equipment	5
Right to use assets	3 - 5

Compensated Absences

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Long-Term Liabilities

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

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

Deferred Inflows/Outflows of Resources

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Pensions

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

Net Position

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

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

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

Fund Balance

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

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

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Subscription-Based Information Technology Arrangements

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

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

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

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

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 2 – PROPERTY TAX CALENDAR

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

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

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

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

NOTE 4 – CASH AND INVESTMENTS

At year-end, the carrying amount of the City’s cash deposits was \$39,147,669 and the bank balance was \$39,666,584. The bank balance was covered by federal depository insurance or by collateral held by the City’s custodial bank which is pledged to a state trust fund that provides security for amounts held in excess of Federal Deposit Insurance Corporation (FDIC) coverage in accordance with the *Florida Security for Public Deposits Act*, Chapter 280, Florida Statutes.

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

The total cash and investment balances of the City at September 30, 2025 are comprised of the following items:

<u>Cash</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Investment Maturity</u>
Petty cash	\$ 3,900	N/A	N/A
Public depository accounts			
Checking	39,147,669	N/A	N/A
Total cash and cash equivalents	<u>39,151,569</u>		
<u>Investments</u>			
Investment with State Board of Administration:			
Florida PRIME (S&P Rating)	7,282,839	AAAm	Less than 1 year
Certificates of deposit	<u>6,900,537</u>	Unrated	Less than 1 year
Total investments	<u>14,183,376</u>		
Total cash and investments	<u>\$ 53,334,945</u>		

Amounts as presented on the entity wide statement of net position:

Cash and investments	\$ 51,218,813
Restricted cash and investments	<u>2,116,132</u>
Total cash and investments	<u>\$ 53,334,945</u>

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

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

Restricted Cash

Restricted cash and cash equivalents at September 30, 2025 are as follows:

<u>Fund</u>	<u>Customer Deposits</u>	<u>Renewal and Replacement</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Impact Fees</u>	<u>Total</u>
Sanitation	\$ 74,846	\$ -	\$ -	\$ -	\$ -	\$ 74,846
Sewer and water	177,322	200,000	229,522	-	1,113,951	1,720,795
Stormwater	17,844	-	-	-	-	17,844
Airport	28,650	-	-	273,997	-	302,647
Total	<u>\$ 298,662</u>	<u>\$ 200,000</u>	<u>\$ 229,522</u>	<u>\$ 273,997</u>	<u>\$ 1,113,951</u>	<u>\$ 2,116,132</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

Pension Investments

The City’s pension trust funds contain cash and money market funds of \$6,135,887. Listed below are the investments and maturities in the City’s pension trust funds at September 30, 2025:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More Than 10</u>
Equities	\$63,773,882	\$63,773,882	\$ -	\$ -	\$ -
Mortgages	5,120,268	-	9,525	33,235	5,077,508
U.S. government securities	1,976,444	-	1,112,321	864,123	-
Corporate bonds	4,271,459	-	1,984,028	1,893,639	393,792
Real estate fund	5,638,021	5,638,021	-	-	-
Totals	<u>\$80,780,074</u>	<u>\$69,411,903</u>	<u>\$3,105,874</u>	<u>\$2,790,997</u>	<u>\$5,471,300</u>

Authorized Investments

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

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

Florida Statute, 218.415 authorizes the City to invest in the state pools and in obligations of the United States Treasury and agencies. Throughout the year and as of September 30, 2025, the pools contained certain floating and adjustable-rate securities which were indexed based on the prime rate and/or one and three-month LIBOR rates.

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

Equities

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

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2025

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

Fixed Income

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

Money Market

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

Risk Disclosure

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

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

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

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>				
		<u>Unrated</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>
Equities	\$63,773,882	\$63,773,882	\$ -	\$ -	\$ -	\$ -
Mortgages	5,120,268	-	-	5,120,268	-	-
U.S. government securities	1,976,444	-	-	1,976,444	-	-
Corporate bonds	4,271,459	624,052	242,329	121,005	1,319,266	1,964,807
Real estate fund	5,638,021	5,638,021	-	-	-	-
Totals	<u>\$80,780,074</u>	<u>\$70,035,955</u>	<u>\$ 242,329</u>	<u>\$7,217,717</u>	<u>\$1,319,266</u>	<u>\$1,964,807</u>

Fair Value Measurements

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

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 4 – CASH AND INVESTMENTS (CONTINUED)

The fair value measurements for the City’s pension trust fund investments are as follows at September 30, 2025:

Investment	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Equities	\$63,773,882	\$ 63,773,882	\$ -	\$ -
Mortgages	5,120,268	-	5,120,268	-
U.S. government securities	1,976,444	1,976,444	-	-
Corporate bonds	4,271,459	-	4,271,459	-
Total investments at fair value level	<u>\$75,142,053</u>	<u>\$ 65,750,326</u>	<u>\$ 9,391,727</u>	<u>\$ -</u>

Investments Measured at Net Asset Value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate fund	\$ 5,638,021	\$ -	Quarterly	10 business days
Total investments	<u>\$80,780,074</u>			

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

NOTE 5 – RECEIVABLES

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

	Accounts Receivable	Taxes Receivable	Leases Receivable	Allowance	Net Total Receivables
Governmental Activities					
General	\$ 919,902	\$ 168,715	\$ 1,479,504	\$ (138,652)	\$2,429,469
Cemetery Fund	853	-	-	-	853
Internal service: Central garage	968	-	-	-	968
	<u>\$ 921,723</u>	<u>\$ 168,715</u>	<u>\$ 1,479,504</u>	<u>\$ (138,652)</u>	<u>\$2,431,290</u>
	Accounts Receivable	Unbilled Receivable	Leases Receivable	Allowance	Net Total Receivables
Business-Type Activities					
Airport	\$ 159,488	\$ -	\$ 4,253,319	\$ (5,719)	\$4,407,088
Sanitation	211,861	169,769	-	(18,900)	362,730
Sewer and water	796,175	702,208	-	(70,750)	1,427,633
Golf course	-	-	-	-	-
Stormwater	78,175	70,698	-	(6,974)	141,899
Marina	139,280	-	129,391	(8,661)	260,010
Internal service: Utility billing	6,284	-	-	-	6,284
	<u>\$1,391,263</u>	<u>\$ 942,675</u>	<u>\$ 4,382,710</u>	<u>\$ (111,004)</u>	<u>\$6,605,644</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025 was as follows:

	Balance October 1	Increases	Decreases	Transfers	Balance September 30
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 13,306,481	\$ 1,294	\$ -	\$ -	\$13,307,775
Construction in progress	7,594,788	5,830,355	-	(4,370,347)	9,054,796
Total capital assets, not being depreciated	<u>20,901,269</u>	<u>5,831,649</u>	<u>-</u>	<u>(4,370,347)</u>	<u>22,362,571</u>
Capital assets, being depreciated					
Buildings and improvements	29,584,701	485,975	(22,997)	3,003,888	33,051,567
Equipment, furniture, fixtures and vehicles	14,618,368	1,955,499	(1,067,086)	515,013	16,021,794
Infrastructure	26,481,346	91,093	-	599,297	27,171,736
Total capital assets, being depreciated	<u>70,684,415</u>	<u>2,532,567</u>	<u>(1,090,083)</u>	<u>4,118,198</u>	<u>76,245,097</u>
Less accumulated depreciation for					
Buildings and improvements	(16,067,836)	(1,222,909)	16,864	-	(17,273,881)
Equipment, furniture, fixtures and vehicles	(9,901,968)	(1,480,149)	1,034,900	-	(10,347,217)
Infrastructure	(20,889,528)	(455,738)	-	-	(21,345,266)
Total accumulated depreciation	<u>(46,859,332)</u>	<u>(3,158,796)</u>	<u>1,051,764</u>	<u>-</u>	<u>(48,966,364)</u>
Total capital assets, being depreciated, net	<u>23,825,083</u>	<u>(626,229)</u>	<u>(38,319)</u>	<u>4,118,198</u>	<u>27,278,733</u>
Governmental activities capital assets, net	<u>\$ 44,726,352</u>	<u>\$ 5,205,420</u>	<u>\$ (38,319)</u>	<u>\$ (252,149)</u>	<u>\$49,641,304</u>
Right to use assets:					
Software	\$ 132,481	\$ -	\$ -	\$ -	\$ 132,481
Accumulated amortization	(38,039)	(24,021)	-	-	(62,060)
Total right to use assets, net	<u>\$ 94,442</u>	<u>\$ (24,021)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,421</u>
Business-Type Activities					
Capital assets, not being depreciated					
Land	\$ 1,546,370	\$ -	\$ -	\$ -	\$ 1,546,370
Construction in progress	1,460,385	5,963,771	-	(5,888,553)	1,535,603
Total capital assets, not being depreciated	<u>3,006,755</u>	<u>5,963,771</u>	<u>-</u>	<u>(5,888,553)</u>	<u>3,081,973</u>
Capital assets, being depreciated					
Buildings and improvements	130,542,880	1,259,363	-	6,140,702	137,942,945
Equipment, furniture, fixtures and vehicles	6,594,804	1,221,440	(195,437)	-	7,620,807
Total capital assets, being depreciated	<u>137,137,684</u>	<u>2,480,803</u>	<u>(195,437)</u>	<u>6,140,702</u>	<u>145,563,752</u>
Less accumulated depreciation for					
Buildings and improvements	(65,789,383)	(3,689,409)	-	-	(69,478,792)
Equipment, furniture, fixtures and vehicles	(4,243,796)	(773,772)	172,670	-	(4,844,898)
Total accumulated depreciation	<u>(70,033,179)</u>	<u>(4,463,181)</u>	<u>172,670</u>	<u>-</u>	<u>(74,323,690)</u>
Total capital assets, being depreciated, net	<u>67,104,505</u>	<u>(1,982,378)</u>	<u>(22,767)</u>	<u>6,140,702</u>	<u>71,240,062</u>
Business-type activities capital assets, net	<u>\$ 70,111,260</u>	<u>\$ 3,981,393</u>	<u>\$ (22,767)</u>	<u>\$ 252,149</u>	<u>\$74,322,035</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Included in governmental activities capital assets are \$281,376 of assets from internal service funds. Included in business-type activities are \$62,069 of assets from internal service funds. Depreciation and amortization expense was charged to the functions of the government as follows:

Governmental Activities		
General government		\$ 303,991
Public safety		1,037,825
Transportation		672,866
Culture and recreation		1,137,515
Internal service - garage		30,620
Total depreciation and amortization expense, governmental activities		<u>\$ 3,182,817</u>
 Business-Type Activities		
Airport		\$ 1,120,423
Sanitation		70,544
Sewer and water		2,163,689
Marina		357,246
Non-major - golf course		342,416
Stormwater		407,238
Internal service - utility		1,625
Total depreciation expense, business-type activities		<u>\$ 4,463,181</u>

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2025 is as follows:

	Due From			Total
	Marina Fund	Stormwater Fund	Central Garage Fund	
Due To				
General Fund	\$ -	\$ -	\$ 42,995	\$ 42,995
Sewer and Water Fund	835,042	374,761	-	1,209,803
Total	<u>\$ 835,042</u>	<u>\$ 374,761</u>	<u>\$ 42,995</u>	<u>\$ 1,252,798</u>

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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

Interfund Transfers:

	Transfers In							Total
	General Fund	Capital Improvement Fund	Airport Fund	Marina Fund	Stormwater Fund	Non-Major Governmental Funds	Non-Major Enterprise Fund	
Transfers Out								
General Fund	\$ -	\$ 1,990,772	\$ 296,475	\$ 770,062	\$ -	\$ 75,000	\$ 890,000	\$ 4,022,309
Non-Major Governmental	-	-	-	-	316,791	-	-	316,791
Sanitation Fund	40,000	-	-	-	-	-	-	40,000
Sewer and Water Fund	480,000	-	-	-	-	-	-	480,000
Total	<u>\$ 520,000</u>	<u>\$ 1,990,772</u>	<u>\$ 296,475</u>	<u>\$ 770,062</u>	<u>\$ 316,791</u>	<u>\$ 75,000</u>	<u>\$ 890,000</u>	<u>\$ 4,859,100</u>

Interfund transfers out of the General Fund were used to assist with funding expenses/expenditures in the Capital Improvement, Airport Fund, Golf Course and Marina Fund. Interfund transfers into the General Fund from the Sewer and Water Fund and Sanitation Fund were used to pay for overhead costs.

NOTE 8 – LONG-TERM DEBT

Financed Purchases

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

SBITA Payables

On December 1, 2022, the City entered into a 70-month subscription for the use of Brightly Software. An initial liability was recorded in the amount of \$82,590. As of year-end, the value of the subscription liability is \$49,165. The City is required to make annual fixed payments of \$5,182. The subscription has an interest rate of 3.3313%. The value of the right to use asset as of year-end was \$82,590 with accumulated amortization of \$40,115.

On July 10, 2025, the City entered into a 60-month subscription for the use of Flock Safety Software. An initial liability was recorded in the amount of \$49,891. As of year-end, the value of the liability is \$28,666. The City is required to make annual fixed payments of \$10,000 and the subscription has an interest rate of 2.31%. The value of the right to use asset as of year-end was \$49,891 with accumulated amortization of \$21,945. The City has one extension option for 24 months.

Revenue Bonds and Notes

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 8 – LONG-TERM DEBT (CONTINUED)

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

<u>Issue and Purpose</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>	<u>Maturity Date</u>
Governmental Activities			
General government:			
Revenue notes payable	1.89%	\$ 961,839	2041
Financed purchases	2.5%-5.10%	2,796,276	2035
SBITA payable	2.3%-3.3%	77,831	2028
Total Governmental Activities		<u>\$ 3,835,946</u>	
Business-Type Activities			
Sewer and Water:			
Utility System Refunding Bonds, Series 2013A	3%-5%	\$ 16,330,000	2033
Stormwater:			
Financed purchases	3%-4%	80,747	2026
Marina:			
Capital Improvement Revenue Refunding Notes, Series 2021	2.45%	1,835,027	2040
Airport:			
Airport Refunding Revenue Note, Series 2017	4.28%	721,000	2032
Capital Improvement Revenue Refunding Note, Series 2022	1.89%	4,058,161	2041
Golf Course:			
Capital Improvement Revenue Note, Series 2023	4.86%	453,000	2028
Total Business-Type Activities Revenue Bonds and Notes		<u>\$23,477,935</u>	

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

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 280,063	\$ 62,146	\$ 342,209	\$ 2,767,522	\$ 920,868	\$ 3,688,390
2027	549,942	183,227	733,169	2,797,816	805,627	3,603,443
2028	609,632	115,393	725,025	2,913,856	687,803	3,601,659
2029	533,223	89,243	622,466	2,656,924	586,433	3,243,357
2030	298,446	65,177	363,623	2,412,744	491,339	2,904,083
2031-2035	1,171,120	161,780	1,332,900	8,262,592	928,907	9,191,499
2036-2040	326,400	25,303	351,703	1,373,600	106,465	1,480,065
2041	67,120	1,306	68,426	292,881	5,498	298,379
	<u>\$ 3,835,946</u>	<u>\$ 703,575</u>	<u>\$ 4,539,521</u>	<u>\$23,477,935</u>	<u>\$ 4,532,940</u>	<u>\$28,010,875</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Direct placements:					
Revenue notes payable	\$ 1,013,103	\$ -	\$ (51,264)	\$ 961,839	\$ 52,224
Finance purchases	1,405,864	1,797,522	(407,110)	2,796,276	203,150
SBITA payable	101,335	-	(23,504)	77,831	24,689
Compensated absences	1,721,850	462,007	-	2,183,857	2,183,857
Total OPEB liability	1,476,682	659,759	(57,990)	2,078,451	80,000
Net pension liability	16,879,307	7,793,172	(16,035,031)	8,637,448	3,851,563
Total governmental activities	<u>\$22,598,141</u>	<u>\$10,712,460</u>	<u>\$(16,574,899)</u>	<u>\$16,735,702</u>	<u>\$6,395,483</u>
Business-type activities					
Revenue bonds	\$17,985,000	\$ -	\$ (1,655,000)	\$16,330,000	\$1,740,000
Bond premiums	685,852	-	(129,135)	556,717	-
Total revenue bonds	18,670,852	-	(1,784,135)	16,886,717	1,740,000
Direct placements:					
Revenue notes	7,988,923	-	(921,735)	7,067,188	946,775
Finance purchases	184,684	-	(103,937)	80,747	80,747
Compensated absences	358,421	13,589	-	372,010	372,010
Total OPEB liability	523,379	233,860	(20,505)	736,734	28,357
Net pension liability	3,616,387	1,906,150	(3,382,354)	2,140,183	841,005
Total business-type activities	<u>\$31,342,646</u>	<u>\$ 2,153,599</u>	<u>\$(6,212,666)</u>	<u>\$27,283,579</u>	<u>\$4,008,894</u>

The total OPEB liability, and the net pension liability are liquidated by the fund which pays the corresponding employee's payroll expenses, retirement contribution, and health insurance expenses. For governmental activities, this is primarily paid by the General Fund. The change in compensated absences above is reported net in accordance with GASB 101.

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 8 – LONG-TERM DEBT (CONTINUED)

Pledged Revenue

Pledged revenues on the City's outstanding debt for the year ended September 30, 2025 was as follows:

<u>Pledged Revenue</u>		<u>Pledged Through</u>	<u>Original Amount</u>	<u>Outstanding Balance</u>	<u>Principal and Interest Payments</u>	<u>Revenue Received</u>	<u>Estimated Percentage Pledged</u>
Net airport revenue	Airport Refunding Revenue Note, Series 2017	2032	\$ 1,381,000	\$ 721,000	\$ 103,671	\$ 1,171,436	9%
	Airport Capital Improvement Note, Series 2022	2022	4,850,000	4,058,161	306,736	296,475	103%
Net sewer and water utility revenue	Utility System Refunding Bonds, Series 2013A	2033	29,720,000	16,330,000	2,494,500	6,101,448	41%

NOTE 9 – EMPLOYEE PENSION PLANS

General Employees' Pension Plan (GEP Plan)

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

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

Plan Membership – GEP Plan membership as of October 1, 2024 and 2023 consisted of the following:

	<u>October 1, 2024</u>	<u>October 1, 2023</u>
Retirees and beneficiaries		
Inactive plan members or beneficiaries currently receiving benefits	88	85
Inactive plan members entitled to but not yet receiving benefits	74	67
Active plan members	145	143
Total retirees and beneficiaries	<u>307</u>	<u>295</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

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

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

Funding Policy – The funding policy is established by City Ordinance. The City’s funding policy is to provide amounts required to pay current costs and amortize unfunded past service costs. Employees who are Plan A members are required to contribute 6.5% of the covered payroll to the plan. Employees who are Plan B members do not contribute to the plan. The City’s contribution is actuarially determined. Based on the actuarial valuation performed as of October 1, 2023, the City’s required contribution as a percentage of covered payroll was 21.19% for fiscal year 2025.

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

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

Plan Membership – FPOP Plan membership as of October 1, 2024 and 2023, consisted of the following:

	October 1, 2024	October 1, 2023
Retirees and beneficiaries		
Inactive plan members or beneficiaries currently receiving benefits	55	53
Inactive plan members entitled to but not yet receiving benefits	24	22
Active plan members	68	68
Total retirees and beneficiaries	147	143

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

Funding Policy – FPOP Plan members are required to contribute 7.7% of salary to the FPOP Plan. The State of Florida also contributes to the FPOP Plan on behalf of the City. The City is required to contribute the remaining amounts, per an actuarial valuation, necessary to pay current costs and amortize unfunded past service costs over 30 years. Based on the actuarial valuation performed as of October 1, 2023, the City’s required contribution as a percentage of covered payroll was 37.82%.

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Additional Disclosures

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

Investments:

Investment Policy – The following table illustrates the GEP and FPOP Plans Board of Trustees’ adopted asset allocation policy as of September 30, 2025:

<u>Asset Class</u>	<u>2024 Target Allocation</u>
Domestic equity	50.0%
International equity	15.0%
Broad market fixed income	10.0%
Real estate	10.0%
Fixed income (non-core)	5.0%
Alternative	10.0%
Total	<u>100.0%</u>

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

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

Rate of Return – For the year ended September 30, 2025, the annual money-weighted rate of return on plan investments, net of pension plan investment expenses, was 10.75% for the GEP and 13.68% for FPOP Plan. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program (DROP) – For both plans, eligibility for DROP occurs upon satisfaction of normal or early retirement requirements. Participation in DROP cannot be more than 60 months. A DROP member may elect the actual rate of investment return, or 6.5% rate of return. Earnings are credited to DROP each fiscal quarter. The DROP balance as of September 30, 2025, is \$332,010 for GEP Plan and \$1,417,894 for FPOP Plan.

Measurement Date:

As permitted by generally accepted accounting standards, the City has elected to use a measurement date to value the net pension liability and related deferred inflows and outflows as of September 30, 2024, one year prior to the reporting date. The GEP and FPOP Plans do not issue separate financial statements. Therefore, the disclosures required for pension plans, as of September 30, 2025, are also included on the following page.

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Net Pension Liability:

The components of the net pension liability for each plan as of the September 30, 2024 measurement date, and for the year then ended, were as follows:

General Employees Pension	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at September 30, 2023	\$ 37,852,872	\$ 28,395,792	\$ 9,457,080
Changes for the year:			
Service cost	1,280,619	-	1,280,619
Interest on total pension liability	2,762,634	-	2,762,634
Changes of benefit terms	-	-	-
Differences between expected and actual experience	857,675	-	857,675
Contributions - buy back	-	-	-
Benefit payments, including refunds of contributions	(2,056,374)	(2,056,374)	-
Contributions - employer	-	2,084,921	(2,084,921)
Contributions - employee	-	632,684	(632,684)
Net investment income	-	6,127,464	(6,127,464)
Administrative expenses	-	(83,774)	83,774
Net change	<u>2,844,554</u>	<u>6,704,921</u>	<u>(3,860,367)</u>
Balances at September 30, 2024	<u>\$ 40,697,426</u>	<u>\$ 35,100,713</u>	<u>\$ 5,596,713</u>
Firefighters and Police Officers Pension	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances at September 30, 2023	\$ 42,959,707	\$ 31,921,093	\$ 11,038,614
Changes for the year:			
Service cost	1,055,577	-	1,055,577
Interest on total pension liability	3,233,635	-	3,233,635
Share plan allocation	148,484	-	148,484
Changes of benefit terms	-	-	-
Differences between expected and actual experience	240,533	-	240,533
Change in assumptions	-	-	-
Benefit payments, including refunds of contributions	(1,800,302)	(1,800,302)	-
Contributions - employer	-	2,339,527	(2,339,527)
Contributions - employee	-	433,171	(433,171)
Net investment income	-	7,799,618	(7,799,618)
Administrative expenses	-	(36,391)	36,391
Net change	<u>2,877,927</u>	<u>8,735,623</u>	<u>(5,857,696)</u>
Balances at September 30, 2024	<u>\$ 45,837,634</u>	<u>\$ 40,656,716</u>	<u>\$ 5,180,918</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

The components of the City’s net pension liability measured as of September 30, 2025 are as follows:

	General Employees	Firefighters and Police Officers	Total
Total pension liability	\$ 44,382,782	\$ 49,953,027	\$ 94,335,809
Plan fiduciary net position	(39,700,084)	(47,242,150)	(86,942,234)
City’s net pension liability	<u>\$ 4,682,698</u>	<u>\$ 2,710,877</u>	<u>\$ 7,393,575</u>
Plan fiduciary net position as a percentage of the net pension liability	89.45%	94.57%	92.16%

For the year ended September 30, 2025, the City recognized total pension expense of \$3,134,916 (\$1,696,596 from GEP Plan and \$1,438,320 from FPOP Plan). The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employees	Firefighters and Police Officers	Total
Deferred Outflows of Resources			
Changes of assumptions	\$ -	\$ 175,067	\$ 175,067
Differences between expected and actual experience	858,817	468,750	1,327,567
Contributions made after the measurement date	2,204,520	2,493,289	4,697,809
	<u>\$ 3,063,337</u>	<u>\$ 3,137,106</u>	<u>\$ 6,200,443</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 151,984	\$ -	\$ 151,984
Differences between projected and actual earnings on investments	1,986,238	2,529,679	4,515,917
	<u>\$ 2,138,222</u>	<u>\$ 2,529,679</u>	<u>\$ 4,667,901</u>

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

Year Ending September 30,	General Employees	Firefighters and Police Officers	Total
2026	\$ (251,467)	\$ (55,658)	\$ (307,125)
2027	549,358	483,687	1,033,045
2028	(767,760)	(1,240,191)	(2,007,951)
2029	(809,536)	(1,073,700)	(1,883,236)
	<u>\$ (1,279,405)</u>	<u>\$ (1,885,862)</u>	<u>\$ (3,165,267)</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Actuarial Assumptions:

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

	General Employees	
Valuation date	10/1/2024	10/1/2023
Inflation	2.50%	2.50%
Salary increases	Service based	Service based
Investment rate of return	7.20%	7.25%
Discount rate	7.20%	7.25%
	Firefighters and Police Officers	
Valuation date	10/1/2024	10/1/2023
Inflation	2.50%	2.50%
Salary increases	Service based	Service based
Investment rate of return	7.40%	7.50%
Discount rate	7.40%	7.50%

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

The long-term expected rate of return on pension investments was determined using a building block method in which best-estimate ranges of expected future rates of return (expected returns, net of plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the GEP and FPOP Plans' target asset allocation as of September 30, 2024 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	7.50%
International equity	8.50%
Broad market fixed income	2.50%
Fixed income (non-core)	2.50%
Real estate	4.50%
Alternative	5.85%

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Discount Rate:

The discount rate used to measure the total pension liability for the GEP and FPOP Plans was 7.25% and 7.50% for the year ended September 30, 2025. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

As of September 30, 2025:	1% Decrease	Current Rate	1% Increase
	6.2	7.20%	8.20%
GEP Plan Net Pension Liability	\$ 9,824,292	\$ 4,682,698	\$ 377,506
	6.4	7.40%	8.40%
FPOP Plan Net Pension Liability	\$ 8,014,316	\$ 2,710,877	\$ (1,750,324)
	6.25%	7.25%	8.25%
As of September 30, 2024: GEP Plan Net Pension Liability	\$ 10,392,403	\$ 5,596,713	\$ 1,586,084
	6.50%	7.50%	8.50%
FPOP Plan Net Pension Liability	\$ 10,074,786	\$ 5,180,918	\$ 1,057,768

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

Statements of fiduciary net position and statements of changes in fiduciary net position for the City’s defined benefit pension plans are as follows, as of and for the year ended September 30, 2025:

STATEMENTS OF FIDUCIARY NET POSITION

	General Employees' Pension Plan	Firefighters' and Police Officers' Pension Plan
ASSETS		
Cash and cash equivalents	\$ 3,225,821	\$ 2,910,066
Interest receivable	45,688	53,915
Prepaid benefits	-	11,610
Investments, at fair value		
U.S. government and agency securities	848,773	1,127,671
Mortgages and federal agency securities	2,215,105	2,905,163
Corporate bonds	1,852,781	2,418,678
Real estate fund	2,628,229	3,009,792
Equity securities	<u>28,927,095</u>	<u>34,846,787</u>
Total investments	<u>36,471,983</u>	<u>44,308,091</u>
 Total assets	 <u>\$ 39,743,492</u>	 <u>\$ 47,283,682</u>
LIABILITIES		
Accounts payable	\$ 43,408	\$ 41,532
Total liabilities	<u>43,408</u>	<u>41,532</u>
NET POSITION		
Restricted for pension benefits	<u>39,700,084</u>	<u>47,242,150</u>
Total liabilities and net position	<u>\$ 39,743,492</u>	<u>\$ 47,283,682</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 9 – EMPLOYEE PENSION PLANS (CONTINUED)

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

	General Employees' Pension Plan	Firefighters' and Police Officers' Pension Plan
ADDITIONS		
Contributions		
City	\$ 2,204,520	\$ 1,930,370
Employees	676,183	473,690
State of Florida	-	562,923
Total contributions	2,880,703	2,966,983
Investment income		
Interest and dividends	775,076	761,859
Net appreciation in the fair value of investments	3,157,611	4,985,937
Investment expense	(119,364)	(148,583)
Net investment income	3,813,323	5,599,213
Total additions	6,694,026	8,566,196
DEDUCTIONS		
Pension benefits	1,989,457	1,889,948
Administrative expenses	105,198	90,814
Total deductions	2,094,655	1,980,762
Net change in plan net position	4,599,371	6,585,434
Plan net position, restricted for pension benefits:		
Beginning of year	35,100,713	40,656,716
End of year	\$ 39,700,084	\$ 47,242,150

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

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

As of October 1, 2023, the latest actuarial valuation date, there were 224 active participants and nine retirees (or their spouses) receiving medical benefits. The amount of the contributions required for retiree and dependent coverage may change from time-to-time. Life insurance coverage was not considered other post-employment benefits for purposes of this actuarial valuation.

Funding Policy

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

Total OPEB Liability

The total OPEB liability was based on an actuarial valuation dated October 1, 2023. The total OPEB liability of \$2,815,185 was measured as of October 1, 2024.

Changes in the Total OPEB Liability

Balances at September 30, 2024	\$ 2,000,061
Changes for the year:	
Service cost	122,312
Interest	101,471
Differences between expected and actual experience	234,915
Changes of assumptions	434,921
Benefit payments	<u>(78,495)</u>
Net changes	<u>815,124</u>
Balances at September 30, 2025	<u>\$ 2,815,185</u>

Changes of assumptions and other inputs include an increase of the discount rate from 4.87% as of the beginning of the measurement period to 4.06% at the end of the measurement period.

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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

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

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

	<u>1% Decrease</u> <u>(3.06%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(4.06%)</u>	<u>1% Increase</u> <u>(5.06%)</u>
Total OPEB liability	\$ 3,097,849	\$ 2,815,185	\$ 2,565,589

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

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

	<u>1% Decrease</u> <u>(7.00 - 3.50%)</u>	<u>Healthcare Cost</u> <u>Trend Rates</u> <u>(8.00 - 4.50%)</u>	<u>1% Increase</u> <u>(9.00 - 5.50%)</u>
Total OPEB liability	\$ 2,514,696	\$ 2,815,185	\$ 3,170,451

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

For the fiscal year ended September 30, 2025, the City recognized OPEB expense of \$183,025. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 201,356	\$ 572,996
Change of assumptions and other inputs	645,825	208,555
City contributions subsequent to the measurement date	108,357	-
	<u>\$ 955,538</u>	<u>\$ 781,551</u>

CITY OF FERNANDINA BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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

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

Fiscal Year Ending September 30:	Amount
2026	\$ (102,782)
2027	(69,861)
2028	(66,971)
2029	113,861
2030	95,692
Thereafter	95,691
Total	\$ 65,630

Actuarial Methods and Assumptions

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

Actuarial methods and assumptions include the following:

Actuarial Valuation Date:	October 1, 2023
Measurement Date:	October 1, 2024
Reporting Date:	September 30, 2025
Actuarial Cost Method:	Entry Age Normal Cost.
Inflation Rate:	3.5%.
Discount Rate:	4.06% as of October 1, 2024
Projected Salary Increases:	Salary increase rates used for General, Firefighters, and Police Officers in the applicable pension actuarial valuation: 3.5% - 20.0% including inflation.
Healthcare Cost Trend Rate:	The trend rate selected was based on historical medical CPI information.

NOTE 11 – TAX ABATEMENTS

In 2006, the City established a tax abatement program by adopting Ordinance 2006-99. This ordinance allows the City to grant ad valorem tax exemptions for historic properties within the City limits. Upon meeting certain eligibility requirements specified in Florida Statutes, Section 196.1961, the available tax exemption is 50% of the assessed value. In order to qualify for the exemption, the establishment must be regularly open to the public and be maintained in good repair and condition to the extent necessary to preserve the historic value and significance of the property. The amount of tax abated under the program for eligible establishments totaled \$68,271 for the year ended September 30, 2025.

CITY OF FERNANDINA BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 12 – OTHER DISCLOSURES

Commitments and Contingencies

Grant Programs:

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

Litigation:

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

Risk Management:

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

Deferred Compensation Plan:

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

Construction Contract Commitments:

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

<u>Project</u>	<u>Contract Amount</u>	<u>Expended To-Date</u>	<u>Contract Balance</u>
Various projects	\$ 19,534,533	\$ 16,113,165	\$ 3,421,368

NOTE 13 – SUBSEQUENT EVENT

The City has evaluated subsequent events through March 11, 2026 the date the financial statements were available to be issued.

In November 2025, the City Commission authorized the issuance of up to \$7,000,000 of capital improvement revenue notes for the redevelopment, construction, and equipping of certain capital improvements within the City, including but not limited to demolition and redevelopment of the Amelia River Restaurant.

In December 2025, the City Commission authorized the issuance of up to \$17,000,000 of revenue notes to refund Utility Systems Refunding Revenue Bonds, Series 2013A.

**Required
Supplementary
Information**

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General Fund

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

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CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND (BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes, licenses and permits	\$ 23,690,691	\$ 23,690,691	\$ 24,297,398	\$ 606,707
Intergovernmental	2,947,589	3,435,511	3,213,494	(222,017)
Fines and forfeitures	29,500	29,500	40,479	10,979
Charges for services	1,698,603	1,698,603	2,106,517	407,914
Investment earnings	210,000	210,000	512,252	302,252
Miscellaneous revenues	230,351	263,351	456,965	193,614
Total revenues	<u>28,806,734</u>	<u>29,327,656</u>	<u>30,627,105</u>	<u>1,299,449</u>
Expenditures:				
Current				
General government				
City Commission	282,968	282,968	253,128	29,840
City Clerk	912,680	906,152	847,086	59,066
City Manager	621,413	635,413	574,641	60,772
Finance	1,002,858	1,002,858	944,767	58,091
Information technology	1,223,897	1,178,467	1,081,908	96,559
Personnel/human resources	475,097	508,797	483,098	25,699
Legal	746,340	1,141,340	1,084,461	56,879
Planning	1,524,248	1,631,688	1,161,347	470,341
Non-departmental	346,822	353,350	326,214	27,136
Facilities management	1,069,192	1,069,192	935,589	133,603
Total general government	<u>8,205,515</u>	<u>8,710,225</u>	<u>7,692,239</u>	<u>1,017,986</u>
Public safety:				
Police	7,461,037	7,563,903	7,058,299	505,604
Fire	7,505,989	7,910,573	7,709,549	201,024
Total public safety	<u>15,406,401</u>	<u>15,931,411</u>	<u>15,150,240</u>	<u>781,171</u>
Transportation:				
Streets	2,026,618	2,026,618	1,822,262	204,356
Economic environment:				
Downtown district	387,516	378,816	273,308	105,508
Human services:				
Public assistance	132,500	134,100	130,883	3,217
Culture and recreation:				
Library	33,711	33,711	19,205	14,506
Recreation	1,520,610	1,502,428	1,349,719	152,709
Parks	1,781,438	1,789,438	1,568,257	221,181
Total culture and recreation	<u>5,174,627</u>	<u>5,134,545</u>	<u>4,162,843</u>	<u>971,702</u>
Total expenditures	<u>31,333,177</u>	<u>32,315,715</u>	<u>29,231,775</u>	<u>3,083,940</u>

(Continued)

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND (BUDGETARY BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (2,526,443)</u>	<u>\$ (2,988,059)</u>	<u>\$ 1,395,330</u>	<u>\$ (4,383,389)</u>
Other financing sources (uses)				
Transfers in	3,020,000	3,020,000	3,020,000	-
Transfers out	(3,997,309)	(4,022,309)	(4,022,309)	-
Total other financing uses, net	<u>(977,309)</u>	<u>(1,002,309)</u>	<u>(1,002,309)</u>	<u>-</u>
Net change in fund balance	<u>(3,503,752)</u>	<u>(3,990,368)</u>	<u>393,021</u>	<u>(4,383,389)</u>
Fund balances, beginning of year	<u>12,527,773</u>	<u>12,527,773</u>	<u>12,527,773</u>	<u>-</u>
Fund balances, end of year	<u>\$ 9,024,021</u>	<u>\$ 8,537,405</u>	<u>\$ 12,920,794</u>	<u>\$ (4,383,389)</u>

Note 1 - Basis of Presentation

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

	Non-GAAP (Budgetary) Basis	Utility Tax Fund ⁽¹⁾	Law Enforcement Trust Fund ⁽¹⁾	GAAP Basis
Total revenues	<u>\$ 30,627,105</u>	<u>\$ 2,702,837</u>	<u>\$ 73</u>	<u>\$ 33,330,015</u>
Total expenditures	<u>(29,231,775)</u>	<u>-</u>	<u>-</u>	<u>(29,231,775)</u>
Other financing sources - transfers	<u>(1,002,309)</u>	<u>(2,500,000)</u>	<u>-</u>	<u>(3,502,309)</u>
Net change in fund balance	<u>393,021</u>	<u>202,837</u>	<u>73</u>	<u>595,931</u>
Fund balance, beginning of year	<u>12,527,773</u>	<u>925,896</u>	<u>4,117</u>	<u>13,457,786</u>
Fund balance, end of year	<u>\$ 12,920,794</u>	<u>\$ 1,128,733</u>	<u>\$ 4,190</u>	<u>\$ 14,053,717</u>

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

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

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

CITY OF FERNANDINA BEACH, FLORIDA

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

Reporting period ending measurement date	9/30/2026 9/30/2025	9/30/2025 9/30/2024	9/30/2024 9/30/2023	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016
Total pension liability										
Service cost	\$ 1,361,617	\$ 1,280,619	\$ 1,158,033	\$ 984,075	\$ 867,900	\$ 795,773	\$ 731,482	\$ 689,139	\$ 623,020	\$ 640,943
Interest on total pension liability	2,977,162	2,762,634	2,591,626	2,503,087	2,441,597	2,314,735	2,253,079	2,154,276	2,080,456	2,040,323
Differences between expected and actual experience	1,232,521	857,675	431,120	(607,936)	86,108	171,770	(586,865)	23,304	80,987	(289,022)
Change of assumptions	103,513	-	-	-	1,388,790	51,601	-	-	-	996,058
Contributions - buy back	-	-	17,409	9,874	-	-	-	-	-	-
Benefit payments	(1,989,457)	(2,056,374)	(1,867,699)	(1,815,962)	(1,943,444)	(1,594,721)	(1,738,128)	(1,530,235)	(2,265,908)	(1,793,747)
Net change in total pension liability	<u>3,685,356</u>	<u>2,844,554</u>	<u>2,330,489</u>	<u>1,073,138</u>	<u>2,840,951</u>	<u>1,739,158</u>	<u>659,568</u>	<u>1,336,484</u>	<u>518,555</u>	<u>1,594,555</u>
Total pension liability - beginning	<u>40,697,426</u>	<u>37,852,872</u>	<u>35,522,383</u>	<u>34,449,245</u>	<u>31,608,294</u>	<u>29,869,136</u>	<u>29,209,568</u>	<u>27,873,084</u>	<u>27,354,529</u>	<u>25,759,974</u>
Total pension liability - ending (a)	<u>\$44,382,782</u>	<u>\$40,697,426</u>	<u>\$ 37,852,872</u>	<u>\$ 35,522,383</u>	<u>\$ 34,449,245</u>	<u>\$ 31,608,294</u>	<u>\$ 29,869,136</u>	<u>\$ 29,209,568</u>	<u>\$ 27,873,084</u>	<u>\$ 27,354,529</u>
Plan fiduciary net position										
Contributions - employer	\$ 2,204,520	\$ 2,084,921	\$ 1,937,551	\$ 1,676,098	\$ 1,446,017	\$ 1,507,515	\$ 1,798,603	\$ 1,739,561	\$ 1,745,906	\$ 1,590,471
Contributions - employee	676,183	632,684	599,085	527,754	436,377	404,342	377,735	344,206	324,519	302,123
Net investment income	3,813,323	6,127,464	2,705,351	(3,950,624)	5,082,467	935,083	262,957	1,627,575	1,938,085	1,445,907
Benefit payments	(1,989,457)	(2,056,374)	(1,867,699)	(1,815,962)	(1,943,444)	(1,594,721)	(1,738,128)	(1,530,235)	(2,265,908)	(1,793,747)
Administrative expenses	(105,198)	(88,058)	(96,981)	(63,696)	(39,786)	(40,144)	(39,095)	(32,246)	(40,481)	(33,274)
Net change in plan fiduciary net position	<u>4,599,371</u>	<u>6,700,637</u>	<u>3,277,307</u>	<u>(3,626,430)</u>	<u>4,981,631</u>	<u>1,212,075</u>	<u>662,072</u>	<u>2,148,861</u>	<u>1,702,121</u>	<u>1,511,480</u>
Plan fiduciary net position - beginning	<u>35,100,713</u>	<u>28,400,076</u>	<u>25,122,769</u>	<u>28,749,199</u>	<u>23,767,568</u>	<u>22,555,493</u>	<u>21,893,421</u>	<u>19,744,560</u>	<u>18,042,439</u>	<u>16,530,959</u>
Plan fiduciary net position - ending (b)	<u>\$39,700,084</u>	<u>\$35,100,713</u>	<u>\$ 28,400,076</u>	<u>\$ 25,122,769</u>	<u>\$ 28,749,199</u>	<u>\$ 23,767,568</u>	<u>\$ 22,555,493</u>	<u>\$ 21,893,421</u>	<u>\$ 19,744,560</u>	<u>\$ 18,042,439</u>
City's net pension liability - ending (a) - (b)	<u>\$ 4,682,698</u>	<u>\$ 5,596,713</u>	<u>\$ 9,452,796</u>	<u>\$ 10,399,614</u>	<u>\$ 5,700,046</u>	<u>\$ 7,840,726</u>	<u>\$ 7,313,643</u>	<u>\$ 7,316,147</u>	<u>\$ 8,128,524</u>	<u>\$ 9,312,090</u>
Plan fiduciary net position as a percentage of the total pension liability	89.45%	86.25%	75.03%	70.72%	83.45%	75.19%	75.51%	74.95%	70.84%	65.96%
Covered payroll	\$10,402,818	\$ 9,733,594	\$ 8,961,748	\$ 7,954,504	\$ 6,713,172	\$ 6,291,822	\$ 5,811,317	\$ 5,295,468	\$ 4,992,596	\$ 4,648,051
City's net pension liability as a percentage of covered payroll	45.01%	57.50%	105.48%	130.74%	84.91%	124.62%	125.85%	138.16%	162.81%	200.34%

CITY OF FERNANDINA BEACH, FLORIDA

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

Reporting period ending Measurement date	9/30/2026 9/30/2025	9/30/2025 9/30/2024	9/30/2024 9/30/2023	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016
Total pension liability										
Service cost	\$ 1,075,881	\$ 1,055,577	\$ 976,727	\$ 916,025	\$ 856,982	\$ 818,624	\$ 762,325	\$ 690,258	\$ 634,067	\$ 691,242
Interest	3,447,641	3,233,635	3,051,491	2,894,197	2,750,218	2,675,798	2,557,460	2,465,950	2,351,027	2,244,457
Change in excess state money	-	-	-	-	-	-	-	(6,262)	(6,566)	-
Share plan allocation	166,818	148,484	109,228	32,090	29,991	21,114	11,072	10,654	14,521	-
Change of benefit terms	-	-	-	-	-	-	(5,346)	-	-	-
Differences between expected and actual experience	331,738	240,533	225,054	204,631	357,327	(340,638)	(50,157)	(243,733)	47,179	(583,314)
Changes in assumptions	983,263	-	-	-	875,348	(251,710)	349,722	333,666	404,100	658,065
Contributions - buy back	-	-	-	-	-	-	-	-	-	-
Benefit payments	(1,889,948)	(1,800,302)	(2,225,236)	(1,795,560)	(2,317,877)	(1,672,244)	(1,775,840)	(1,724,415)	(1,636,299)	(1,606,010)
Net change in total pension liability	4,115,393	2,877,927	2,137,264	2,251,383	2,551,989	1,250,944	1,849,236	1,526,118	1,808,029	1,404,440
Total pension liability - beginning	45,837,634	42,959,707	40,822,443	38,571,060	36,019,071	34,768,127	32,918,891	31,392,773	29,584,744	28,180,304
Total pension liability - ending (a)	\$49,953,027	\$45,837,634	\$ 42,959,707	\$ 40,822,443	\$ 38,571,060	\$ 36,019,071	\$ 34,768,127	\$ 32,918,891	\$ 31,392,773	\$ 29,584,744
Plan fiduciary net position										
Contributions - employer	\$ 1,930,370	\$ 1,813,271	\$ 1,474,892	\$ 1,247,172	\$ 1,219,779	\$ 1,304,143	\$ 1,577,387	\$ 1,413,664	\$ 1,222,727	\$ 1,285,152
Contributions - state	562,923	526,256	441,956	284,463	281,090	263,555	248,819	227,005	234,807	228,116
Contributions - employee	473,690	433,171	394,876	372,709	354,834	336,298	324,322	299,515	288,097	293,641
Contributions - buy back	-	-	-	-	-	-	-	-	-	-
Net investment income	5,599,213	7,799,618	3,493,947	(5,842,644)	6,116,937	2,086,610	441,765	2,516,831	2,189,459	1,569,990
Benefit payments	(1,889,948)	(1,800,302)	(2,225,236)	(1,795,560)	(2,317,877)	(1,672,244)	(1,775,840)	(1,724,415)	(1,636,299)	(1,606,010)
Administrative expenses	(90,814)	(88,302)	(82,000)	(64,075)	(45,259)	(91,393)	(49,691)	(42,005)	(42,590)	(36,728)
Net change in plan fiduciary net position	6,585,434	8,683,712	3,498,435	(5,797,935)	5,609,504	2,226,969	766,762	2,690,595	2,256,201	1,734,161
Plan fiduciary net position - beginning	40,656,716	31,973,004	28,474,569	34,272,504	28,663,000	26,436,031	25,669,269	22,978,674	20,722,473	18,988,312
Plan fiduciary net position - ending (b)	\$47,242,150	\$40,656,716	\$ 31,973,004	\$ 28,474,569	\$ 34,272,504	\$ 28,663,000	\$ 26,436,031	\$ 25,669,269	\$ 22,978,674	\$ 20,722,473
City's net pension liability - ending (a) - (b)	\$ 2,710,877	\$ 5,180,918	\$ 10,986,703	\$ 12,347,874	\$ 4,298,556	\$ 7,356,071	\$ 8,332,096	\$ 7,249,622	\$ 8,414,099	\$ 8,862,271
Plan fiduciary net position as a percentage of the total pension liability	94.57%	88.70%	74.43%	69.75%	88.86%	79.58%	76.04%	77.98%	73.20%	70.04%
Covered payroll	\$ 6,151,819	\$ 5,625,590	\$ 5,129,399	\$ 4,839,247	\$ 4,608,232	\$ 4,539,309	\$ 4,211,980	\$ 3,889,808	\$ 3,741,515	\$ 3,813,519
City's net pension liability as a percentage of covered payroll	44.07%	92.10%	214.19%	255.16%	93.28%	162.05%	197.82%	186.37%	224.88%	232.39%

CITY OF FERNANDINA BEACH, FLORIDA

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

Reporting period ending	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Actuarially determined contribution	\$ 2,204,357	\$ 2,084,936	\$ 1,935,737	\$ 1,673,628	\$ 1,446,017	\$ 1,507,521	\$ 1,798,603	\$ 1,739,561	\$ 1,745,911	\$ 1,574,760
Contributions in relation to the actuarially determined contribution	2,204,520	2,084,921	1,937,551	1,676,098	1,446,017	1,507,515	1,798,603	1,739,561	1,745,906	1,590,471
Contribution deficiency (excess)	\$ (163)	\$ 15	\$ (1,814)	\$ (2,470)	\$ -	\$ 6	\$ -	\$ -	\$ 5	\$ (15,711)
Covered payroll	\$ 10,402,818	\$ 9,733,594	\$ 8,961,748	\$ 7,954,504	\$ 6,713,172	\$ 6,713,172	\$ 6,291,822	\$ 5,811,317	\$ 5,295,468	\$ 4,992,596
Contributions as a percentage of covered payroll	21.19%	21.42%	21.62%	21.07%	21.54%	22.46%	28.59%	29.93%	32.97%	31.86%

Notes to the Schedule:

Valuation date: October 1, 2023
 Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:
 Funding method: Entry age normal actuarial cost method.

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

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

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

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

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

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

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

Payroll growth: None.

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

CITY OF FERNANDINA BEACH, FLORIDA

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

	<u>9/30/2025</u>	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>
Reporting period ending										
Actuarially determined contribution	\$ 2,330,925	\$ 2,117,475	\$ 1,766,050	\$ 1,501,618	\$ 1,475,095	\$ 1,548,358	\$ 1,803,149	\$ 1,654,724	\$ 1,435,619	\$ 1,494,900
Contributions in relation to the actuarially determined contribution	2,326,475	2,191,043	1,807,620	1,499,544	1,470,878	1,545,540	1,815,134	1,633,145	1,446,296	1,513,268
Contribution deficiency (excess)	\$ 4,450	\$ (73,568)	\$ (41,570)	\$ 2,074	\$ 4,217	\$ 2,818	\$ (11,985)	\$ 21,579	\$ (10,677)	\$ (18,368)
Covered payroll	\$ 6,151,819	\$ 5,625,590	\$ 5,129,399	\$ 4,839,247	\$ 4,608,232	\$ 4,539,309	\$ 4,211,980	\$ 3,889,808	\$ 3,741,515	\$ 3,813,519
Contributions as a percentage of covered payroll	37.82%	38.95%	35.24%	30.99%	31.92%	34.05%	43.09%	41.99%	38.66%	39.68%

Notes to the Schedule:

Valuation date: October 1, 2023
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding method: Entry age normal actuarial cost method.

Amortization method:

New UAAL amortization bases are amortized over the following amortization periods:

Experience: 10 years.

Assumption/Method Changes: 20 years.

Benefit Changes: 30 years.

Mortality:

Healthy Active Lives:

Female: RP2000 Generational, 100% White Collar, Scale BB.

Male: RP 2000 Generational, 50% White Collar/50% Blue Collar, Scale BB.

Healthy Retiree Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP 2000 Generational, 50% Annuitant White Collar/50% Annuitant Blue Collar, Scale BB.

Beneficiary Lives:

Female: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: RP 2000 Generational, 50% Annuitant White Collar/50% Annuitant Blue Collar, Scale BB.

Disables Lives:

Female: 100% RP2000 Disabled Female set forward two years.

Male: RP 2000 100% RP2000 Disabled Male set back four years.

Termination rates:

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

Retirement age:

Earlier of age 55 and 6 years of service or 25 years of service, regardless of age.

Early retirement:

Commencing with the earliest Age (50), Members are assumed to retire with an immediate subsidized benefit at the rate of 10% per year.

Salary increases:

Range from 10% with 0 Years of Service to 4.5% with 10+ years of service

Interest rate:

7.50% per year, compounded annually, net of investment-related expenses.

Payroll growth:

2.30% for purposes of amortizing the Unfunded Actuarial Accrued Liability.

Asset valuation method:

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

CITY OF FERNANDINA BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION INVESTMENT RETURNS

Measurement date	<u>9/30/2025</u>	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>
General Employees: Annual money-weighted rate of return, net of investment expenses	10.75%	21.37%	10.68%	-13.83%	21.66%	4.18%	1.21%	8.31%	11.09%	8.95%
Firefighters' and Police Officers' Pension Plan: Annual money-weighted rate of return, net of investment expenses	13.68%	24.20%	12.38%	-17.22%	21.91%	7.79%	1.74%	11.09%	10.77%	8.42%

CITY OF FERNANDINA BEACH, FLORIDA

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

Reporting period ending Measurement date	<u>9/30/2025</u> <u>9/30/2024</u>	<u>9/30/2024</u> <u>9/30/2023</u>	<u>9/30/2023</u> <u>9/30/2022</u>	<u>9/30/2022</u> <u>9/30/2021</u>	<u>9/30/2021</u> <u>9/30/2020</u>	<u>9/30/2020</u> <u>9/30/2019</u>	<u>9/30/2019</u> <u>9/30/2018</u>	<u>9/30/2018</u> <u>9/30/2017</u>
Service cost	\$ 122,312	\$ 95,032	\$ 146,241	\$ 189,222	\$ 168,967	\$ 154,393	\$ 167,465	\$ 100,064
Interest	101,471	87,963	55,689	67,465	93,499	110,279	97,594	53,355
Changes in assumptions and other inputs	434,921	255,502	(397,164)	(23,275)	262,864	193,193	(131,624)	(122,700)
Differences between expected and actual experience	234,915	(146,479)	(128,838)	(628,880)	(283,095)	(423,645)	(73,035)	852,753
Benefit payments	<u>(78,495)</u>	<u>(81,096)</u>	<u>(64,159)</u>	<u>(74,204)</u>	<u>(75,205)</u>	<u>(113,124)</u>	<u>(89,114)</u>	<u>(78,336)</u>
Net change in total OPEB liability	815,124	210,922	(388,231)	(469,672)	167,030	(78,904)	(28,714)	805,136
Total OPEB liability - beginning	<u>2,000,061</u>	<u>1,789,139</u>	<u>2,177,370</u>	<u>2,647,042</u>	<u>2,480,012</u>	<u>2,558,916</u>	<u>2,587,630</u>	<u>1,782,494</u>
Total OPEB liability - ending	<u>\$ 2,815,185</u>	<u>\$ 2,000,061</u>	<u>\$ 1,789,139</u>	<u>\$ 2,177,370</u>	<u>\$ 2,647,042</u>	<u>\$ 2,480,012</u>	<u>\$ 2,558,916</u>	<u>\$ 2,587,630</u>
Covered employee payroll	\$ 15,567,648	\$ 14,905,598	\$ 14,120,196	\$ 11,778,257	\$ 10,977,429	\$ 10,730,625	\$ 9,289,093	\$ 9,080,247
City's total OPEB liability as a percentage of covered employee payroll	18.08%	13.42%	12.67%	18.49%	24.11%	23.11%	27.55%	28.50%

Notes to the Schedule:

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

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

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

Fiscal Year Ending September 30, 2025:	4.06%
Fiscal Year Ending September 30, 2024:	4.87%
Fiscal Year Ending September 30, 2023:	4.77%
Fiscal Year Ending September 30, 2022:	2.43%
Fiscal Year Ending September 30, 2021:	2.41%
Fiscal Year Ending September 30, 2020:	3.58%
Fiscal Year Ending September 30, 2019:	4.15%
Fiscal Year Ending September 30, 2018:	3.60%
Fiscal Year Ending September 30, 2017:	3.06%

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

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

Combining and Individual Fund Statements and Schedules

CITY OF FERNANDINA BEACH, FLORIDA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025**

	Special Revenue Funds				
	Federal Forfeiture Fund	Tree Trust Fund	HDC Fund	Community Development Block Grant Fund	Land Conservation Trust Fund
Assets					
Cash and cash equivalents	\$ 108,287	\$ 572,053	\$ 119,861	\$ -	\$ 258,413
Accounts receivable, net	-	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	\$ 108,287	\$ 572,053	\$ 119,861	\$ -	\$ 258,413
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ -	\$ 3,422	\$ -	\$ -	\$ -
Total liabilities	-	3,422	-	-	-
Fund balances					
Restricted for:					
Public safety	108,287	-	-	-	-
Community development	-	-	-	-	-
Land conservation	-	-	-	-	258,413
Building inspection	-	-	-	-	-
Committed for:					
Conservation and resource management	-	568,631	-	-	-
Historical District Trust Cemetery	-	-	119,861	-	-
Assigned for:					
Cemetery	-	-	-	-	-
Capital projects	-	-	-	-	-
Total fund balances	108,287	568,631	119,861	-	258,413
Total liabilities and fund balances	\$ 108,287	\$ 572,053	\$ 119,861	\$ -	\$ 258,413

Special Revenue Funds				Capital Projects Funds	Total Nonmajor Governmental Funds
Building Fees Fund	Cemetery Fund	Community Redevelopment Area Fund	Law Enforcement Recovery Fund	Other Capital Improvements Fund	
\$ 1,788,394	\$ 1,752,658	\$ 623,599	\$ 400,508	\$ 2,284,574	\$ 7,908,347
-	853	-	-	-	853
-	-	-	23,091	-	23,091
<u>\$ 1,788,394</u>	<u>\$ 1,753,511</u>	<u>\$ 623,599</u>	<u>\$ 423,599</u>	<u>\$ 2,284,574</u>	<u>\$ 7,932,291</u>
\$ 138,036	\$ 9,708	\$ 32,293	\$ -	\$ 36,546	\$ 220,005
<u>138,036</u>	<u>9,708</u>	<u>32,293</u>	<u>-</u>	<u>36,546</u>	<u>220,005</u>
-	-	-	423,599	-	531,886
-	-	591,306	-	-	591,306
-	-	-	-	-	258,413
1,650,358	-	-	-	-	1,650,358
-	-	-	-	-	568,631
-	-	-	-	-	119,861
-	1,472,028	-	-	-	1,472,028
-	271,775	-	-	-	271,775
-	-	-	-	2,248,028	2,248,028
<u>1,650,358</u>	<u>1,743,803</u>	<u>591,306</u>	<u>423,599</u>	<u>2,248,028</u>	<u>7,712,286</u>
<u>\$ 1,788,394</u>	<u>\$ 1,753,511</u>	<u>\$ 623,599</u>	<u>\$ 423,599</u>	<u>\$ 2,284,574</u>	<u>\$ 7,932,291</u>

CITY OF FERNANDINA BEACH, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Special Revenue Funds				
	Federal Forfeiture Fund	Tree Trust Fund	HDC Fund	Community Development Block Grant Fund	Land Conservation Trust Fund
Revenues					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-
Charges for services	-	-	9,095	-	-
Fines and forfeitures	22,529	-	-	-	-
Investment earnings	1,828	9,678	2,077	-	3,720
Miscellaneous revenues	-	98,150	-	-	91,413
Total revenues	24,357	107,828	11,172	-	95,133
Expenditures					
Current					
General government	-	74,977	6,692	-	-
Public safety	13,045	-	-	-	-
Physical environment	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	1,294
Total expenditures	13,045	74,977	6,692	-	1,294
Excess (deficiency) of revenues over (under) expenditures	11,312	32,851	4,480	-	93,839
Other Financing Sources					
Sale of capital assets	-	-	-	-	-
Transfers from other funds	-	-	-	-	75,000
Transfers to other funds	-	-	-	-	-
Total other financing sources	-	-	-	-	75,000
Net change in fund balance	11,312	32,851	4,480	-	168,839
Fund balances, beginning	96,975	535,780	115,381	-	89,574
Fund balances, ending	\$ 108,287	\$ 568,631	\$ 119,861	\$ -	\$ 258,413

Special Revenue Funds				Capital Projects Funds	Total Nonmajor Governmental Funds
Building Fees Fund	Cemetery Fund	Community Redevelopment Area Fund	Law Enforcement Recovery Fund	Other Capital Improvements Fund	
\$ -	\$ -	\$ 310,978	\$ -	\$ -	\$ 310,978
1,080,741	4,680	-	-	-	1,085,421
-	-	-	317,680	-	317,680
-	180,112	-	-	-	189,207
-	-	-	-	-	22,529
32,904	55,529	15,792	6,602	56,347	184,477
-	412	-	-	-	189,975
<u>1,113,645</u>	<u>240,733</u>	<u>326,770</u>	<u>324,282</u>	<u>56,347</u>	<u>2,300,267</u>
-	-	6,620	-	-	88,289
1,343,559	-	-	23,283	-	1,379,887
-	134,171	-	-	-	134,171
-	-	51,264	-	-	51,264
-	-	19,191	-	-	19,191
27,277	-	731,912	134,670	1,004,562	1,899,715
<u>1,370,836</u>	<u>134,171</u>	<u>808,987</u>	<u>157,953</u>	<u>1,004,562</u>	<u>3,572,517</u>
<u>(257,191)</u>	<u>106,562</u>	<u>(482,217)</u>	<u>166,329</u>	<u>(948,215)</u>	<u>(1,272,250)</u>
-	-	-	7,660	-	7,660
-	-	-	-	-	75,000
-	-	-	-	(316,791)	(316,791)
-	-	-	7,660	(316,791)	(234,131)
(257,191)	106,562	(482,217)	173,989	(1,265,006)	(1,506,381)
<u>1,907,549</u>	<u>1,637,241</u>	<u>1,073,523</u>	<u>249,610</u>	<u>3,513,034</u>	<u>9,218,667</u>
<u>\$ 1,650,358</u>	<u>\$ 1,743,803</u>	<u>\$ 591,306</u>	<u>\$ 423,599</u>	<u>\$ 2,248,028</u>	<u>\$ 7,712,286</u>

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Nonmajor Governmental Funds

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

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

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

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

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

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

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

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

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

Other Capital Improvements Fund – This Fund accounts for the resources accumulated for capital improvements, equipment purchases, and repairs and renovations with respect to funds received by the City under various grant programs.

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CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – FEDERAL FORFEITURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	\$ 2,500	\$ 2,500	\$ 22,529	\$ 20,029
Other revenue	300	300	1,828	1,528
Total revenues	<u>2,800</u>	<u>2,800</u>	<u>24,357</u>	<u>21,557</u>
Expenditures				
Current				
Public safety	15,000	22,471	13,045	9,426
Total expenditures	<u>15,000</u>	<u>22,471</u>	<u>13,045</u>	<u>9,426</u>
Change in fund balance	(12,200)	(19,671)	11,312	30,983
Fund balance, beginning of year	<u>96,975</u>	<u>96,975</u>	<u>96,975</u>	<u>-</u>
Fund balance, end of year	<u>\$ 84,775</u>	<u>\$ 77,304</u>	<u>\$ 108,287</u>	<u>\$ 30,983</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – TREE TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 5,000	\$ 5,000	\$ 9,678	\$ 4,678
Miscellaneous revenues	75,000	75,000	98,150	23,150
Total revenues	<u>80,000</u>	<u>80,000</u>	<u>107,828</u>	<u>27,828</u>
Expenditures				
Current				
General government	330,028	330,028	74,977	255,051
Total expenditures	<u>330,028</u>	<u>330,028</u>	<u>74,977</u>	<u>255,051</u>
Change in fund balance	(250,028)	(250,028)	32,851	282,879
Fund balance, beginning of year	<u>535,780</u>	<u>535,780</u>	<u>535,780</u>	<u>-</u>
Fund balance, end of year	<u>\$ 285,752</u>	<u>\$ 285,752</u>	<u>\$ 568,631</u>	<u>\$ 282,879</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – HDC FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 8,700	\$ 8,700	\$ 9,095	\$ 395
Investment earnings	-	-	2,077	2,077
Total revenues	<u>8,700</u>	<u>8,700</u>	<u>11,172</u>	<u>2,472</u>
Expenditures				
Current				
General government	59,000	59,000	6,692	52,308
Total expenditures	<u>59,000</u>	<u>59,000</u>	<u>6,692</u>	<u>52,308</u>
Change in fund balance	(50,300)	(50,300)	4,480	54,780
Fund balance, beginning of year	<u>115,381</u>	<u>115,381</u>	<u>115,381</u>	<u>-</u>
Fund balance, end of year	<u>\$ 65,081</u>	<u>\$ 65,081</u>	<u>\$ 119,861</u>	<u>\$ 54,780</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings (loss)	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – LAND CONSERVATION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 400	\$ 400	\$ 3,720	\$ 3,320
Miscellaneous revenues	-	125,000	91,413	(33,587)
Total revenues	400	125,400	95,133	(30,267)
Expenditures				
Capital outlay	88,577	238,577	1,294	237,283
Total expenditures	88,577	238,577	1,294	237,283
Excess (deficiency) of revenues over (under) expenditures	(88,177)	(113,177)	93,839	207,016
Other financing sources				
Transfers in	50,000	75,000	75,000	-
Total other financing sources	50,000	75,000	75,000	-
Change in fund balance	(38,177)	(38,177)	168,839	207,016
Fund balance, beginning of year	89,574	89,574	89,574	-
Fund balance, end of year	\$ 51,397	\$ 51,397	\$ 258,413	\$ 207,016

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – BUILDING FEES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 1,054,500	\$ 1,054,500	\$ 1,080,741	\$ 26,241
Investment earnings	30,000	30,000	32,904	2,904
Total revenues	<u>1,084,500</u>	<u>1,084,500</u>	<u>1,113,645</u>	<u>29,145</u>
Expenditures				
Current				
Public safety	1,977,897	1,977,897	1,343,559	634,338
Capital outlay	373,325	373,325	27,277	346,048
Total expenditures	<u>2,351,222</u>	<u>2,351,222</u>	<u>1,370,836</u>	<u>980,386</u>
Change in fund balance	(1,266,722)	(1,266,722)	(257,191)	1,009,531
Fund balance, beginning of year	<u>1,907,549</u>	<u>1,907,549</u>	<u>1,907,549</u>	<u>-</u>
Fund balance, end of year	<u>\$ 640,827</u>	<u>\$ 640,827</u>	<u>\$ 1,650,358</u>	<u>\$ 1,009,531</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – CEMETERY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 4,300	\$ 4,300	\$ 4,680	\$ 380
Charges for services	185,200	185,200	180,112	(5,088)
Investment earnings	13,000	13,000	55,529	42,529
Miscellaneous revenues	-	-	412	412
Total revenues	<u>202,500</u>	<u>202,500</u>	<u>240,733</u>	<u>38,233</u>
Expenditures				
Current				
Physical environment	<u>159,974</u>	<u>159,974</u>	<u>134,171</u>	<u>25,803</u>
Total expenditures	<u>159,974</u>	<u>159,974</u>	<u>134,171</u>	<u>25,803</u>
Change in fund balance	42,526	42,526	106,562	64,036
Fund balance, beginning of year	<u>1,637,241</u>	<u>1,637,241</u>	<u>1,637,241</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,679,767</u>	<u>\$ 1,679,767</u>	<u>\$ 1,743,803</u>	<u>\$ 64,036</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – COMMUNITY REDEVELOPMENT AREA FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 316,403	\$ 316,403	\$ 310,978	\$ (5,425)
Investment earnings	4,500	4,500	15,792	11,292
Total revenues	<u>320,903</u>	<u>320,903</u>	<u>326,770</u>	<u>5,867</u>
Expenditures				
Current				
General government	5,900	6,620	6,620	-
Debt service				
Principal retirement	51,264	51,264	51,264	-
Interest	19,185	19,185	19,191	(6)
Capital outlay	709,150	931,929	731,912	200,017
Total expenditures	<u>785,499</u>	<u>1,008,998</u>	<u>808,987</u>	<u>200,011</u>
Change in fund balance	(464,596)	(688,095)	(482,217)	205,878
Fund balance, beginning of year	<u>1,073,523</u>	<u>1,073,523</u>	<u>1,073,523</u>	<u>-</u>
Fund balance, end of year	<u>\$ 608,927</u>	<u>\$ 385,428</u>	<u>\$ 591,306</u>	<u>\$ 205,878</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – LAW ENFORCEMENT RECOVERY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	\$ 337,976	\$ 482,178	\$ 317,680	\$ (164,498)
Investment earnings	-	-	6,602	6,602
Total revenues	<u>337,976</u>	<u>482,178</u>	<u>324,282</u>	<u>(157,896)</u>
Expenditures				
Current				
Public safety	34,000	34,000	23,283	10,717
Capital outlay	139,000	283,202	134,670	148,532
Total expenditures	<u>173,000</u>	<u>317,202</u>	<u>157,953</u>	<u>159,249</u>
Excess of revenues over expenditures	<u>164,976</u>	<u>164,976</u>	<u>166,329</u>	<u>1,353</u>
Other financing sources				
Sale of capital assets	-	-	7,660	7,660
Total other financing sources	<u>-</u>	<u>-</u>	<u>7,660</u>	<u>7,660</u>
Change in fund balance	164,976	164,976	173,989	9,013
Fund balance, beginning of year	<u>249,610</u>	<u>249,610</u>	<u>249,610</u>	<u>-</u>
Fund balance, end of year	<u>\$ 414,586</u>	<u>\$ 414,586</u>	<u>\$ 423,599</u>	<u>\$ 9,013</u>

CITY OF FERNANDINA BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL – UTILITY TAX FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other taxes	\$ 2,270,818	\$ 2,270,818	\$ 2,688,310	\$ 417,492
Investment earnings	9,500	9,500	14,527	5,027
Total revenues	<u>2,280,318</u>	<u>2,280,318</u>	<u>2,702,837</u>	<u>422,519</u>
Excess of revenues over expenditures	<u>2,280,318</u>	<u>2,280,318</u>	<u>2,702,837</u>	<u>422,519</u>
Other financing uses				
Transfers out	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>(2,500,000)</u>	-
Total other financing uses	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>(2,500,000)</u>	-
Change in fund balance	(219,682)	(219,682)	202,837	422,519
Fund balance, beginning of year	<u>925,896</u>	<u>925,896</u>	<u>925,896</u>	-
Fund balance, end of year	<u>\$ 706,214</u>	<u>\$ 706,214</u>	<u>\$ 1,128,733</u>	<u>\$ 422,519</u>

CITY OF FERNANDINA BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL – LAW ENFORCEMENT TRUST FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 25	\$ 25	\$ 73	\$ 48
Total revenues	25	25	73	48
Change in fund balance	25	25	73	48
Fund balance, beginning of year	4,117	4,117	4,117	-
Fund balance, end of year	\$ 4,142	\$ 4,142	\$ 4,190	\$ 48

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 5,782,204	\$ 5,782,204	\$ 1,856,954	\$ (3,925,250)
Investment earnings	8,000	8,000	28,873	20,873
Miscellaneous revenues	-	89,635	89,635	-
Total revenues	<u>5,790,204</u>	<u>5,879,839</u>	<u>1,975,462</u>	<u>(3,904,377)</u>
Expenditures				
Debt service				
Principal retirement	404,974	404,974	407,110	(2,136)
Interest	98,761	98,761	96,622	2,139
Capital outlay	8,212,529	8,302,164	4,590,835	3,711,329
Total expenditures	<u>8,716,264</u>	<u>8,805,899</u>	<u>5,094,567</u>	<u>3,711,332</u>
Deficiency of revenues under expenditures	<u>(2,926,060)</u>	<u>(2,926,060)</u>	<u>(3,119,105)</u>	<u>(193,045)</u>
Other financing sources				
Loan issuance	935,288	935,288	1,797,522	862,234
Transfers in	1,990,772	1,990,772	1,990,772	-
Total other financing sources	<u>2,926,060</u>	<u>2,926,060</u>	<u>3,788,294</u>	<u>862,234</u>
Change in fund balance	-	-	669,189	669,189
Fund balance, beginning of year	<u>2,281,931</u>	<u>2,281,931</u>	<u>2,281,931</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,281,931</u>	<u>\$ 2,281,931</u>	<u>\$ 2,951,120</u>	<u>\$ 669,189</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – CAPITAL EXPANSION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Impact fees	\$ 890,000	\$ 890,000	\$ 880,241	\$ (9,759)
Intergovernmental revenue	1,700,000	1,700,000	-	(1,700,000)
Investment earnings	50,000	50,000	144,922	94,922
Total revenues	<u>2,640,000</u>	<u>2,640,000</u>	<u>1,025,163</u>	<u>(1,614,837)</u>
Expenditures				
Capital outlay	6,610,000	6,634,000	1,663,133	4,970,867
Total expenditures	<u>6,610,000</u>	<u>6,634,000</u>	<u>1,663,133</u>	<u>4,970,867</u>
Change in fund balance	(3,970,000)	(3,994,000)	(637,970)	3,356,030
Fund balance, beginning of year	<u>7,206,200</u>	<u>7,206,200</u>	<u>7,206,200</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,236,200</u>	<u>\$ 3,212,200</u>	<u>\$ 6,568,230</u>	<u>\$ 3,356,030</u>

CITY OF FERNANDINA BEACH, FLORIDA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – OTHER CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Investment earnings	\$ 15,000	\$ 15,000	\$ 56,347	\$ 41,347
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>56,347</u>	<u>41,347</u>
Expenditures				
Capital outlay	3,471,903	3,155,112	1,004,562	2,150,550
Total expenditures	<u>3,471,903</u>	<u>3,155,112</u>	<u>1,004,562</u>	<u>2,150,550</u>
Deficiency of revenues under expenditures	<u>(3,456,903)</u>	<u>(3,140,112)</u>	<u>(948,215)</u>	<u>(2,109,203)</u>
Other financing uses				
Transfers out	-	-	(316,791)	(316,791)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(316,791)</u>	<u>(316,791)</u>
Change in fund balance	(3,456,903)	(3,140,112)	(1,265,006)	1,875,106
Fund balance, beginning of year	<u>3,513,034</u>	<u>3,513,034</u>	<u>3,513,034</u>	<u>-</u>
Fund balance, end of year	<u>\$ 56,131</u>	<u>\$ 372,922</u>	<u>\$ 2,248,028</u>	<u>\$ 1,875,106</u>

INTERNAL SERVICE FUNDS

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

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

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

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CITY OF FERNANDINA BEACH, FLORIDA

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2025**

	Central Garage Fund	Utility Billing Fund	Utility Administration Fund	Total
Assets				
Current assets:				
Cash and investments	\$ -	\$ 184,370	\$ 140,232	\$ 324,602
Accounts receivable, net of allowance	968	6,284	-	7,252
Prepaid expenses	-	-	1,054	1,054
Inventory	47,261	-	-	47,261
Total current assets	<u>48,229</u>	<u>190,654</u>	<u>141,286</u>	<u>380,169</u>
Noncurrent assets:				
Capital assets, net	281,376	-	62,069	343,445
Total noncurrent assets	<u>281,376</u>	<u>-</u>	<u>62,069</u>	<u>343,445</u>
Total assets	<u>329,605</u>	<u>190,654</u>	<u>203,355</u>	<u>723,614</u>
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	36,610	53,414	142,973	232,997
Due to other funds	42,995	-	-	42,995
Compensated absences	12,406	31,215	77,413	121,034
Total current liabilities	<u>92,011</u>	<u>84,629</u>	<u>220,386</u>	<u>397,026</u>
Total liabilities	<u>92,011</u>	<u>84,629</u>	<u>220,386</u>	<u>397,026</u>
Net position (deficit)				
Investment in capital assets	281,376	-	4,212	285,588
Unrestricted	(43,782)	106,025	(21,243)	41,000
Total net position (deficit)	<u>\$ 237,594</u>	<u>\$ 106,025</u>	<u>\$ (17,031)</u>	<u>\$ 326,588</u>

CITY OF FERNANDINA BEACH, FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Central Garage Fund	Utility Billing Fund	Utility Administration Fund	Total
Operating revenues				
Charges for services	\$ 1,095,553	\$ 555,551	\$ 881,560	\$ 2,532,664
Fees, rentals and miscellaneous	934	-	1,743	2,677
Total operating revenues	<u>1,096,487</u>	<u>555,551</u>	<u>883,303</u>	<u>2,535,341</u>
Operating expenses				
Personnel services and benefits	341,399	501,757	929,450	1,772,606
Materials, supplies and other	808,737	137,286	90,058	1,036,081
Depreciation and amortization	30,620	-	1,625	32,245
Total operating expenses	<u>1,180,756</u>	<u>639,043</u>	<u>1,021,133</u>	<u>2,840,932</u>
Operating loss	<u>(84,269)</u>	<u>(83,492)</u>	<u>(137,830)</u>	<u>(305,591)</u>
Nonoperating revenues				
Interest income	-	3,151	2,316	5,467
Gain on sale of capital assets	46,343	-	-	46,343
Total nonoperating revenues	<u>46,343</u>	<u>3,151</u>	<u>2,316</u>	<u>51,810</u>
Change in net position	<u>(37,926)</u>	<u>(80,341)</u>	<u>(135,514)</u>	<u>(253,781)</u>
Total net position, beginning of year	275,520	186,366	118,483	580,369
Total net position (deficit), end of year	<u>\$ 237,594</u>	<u>\$ 106,025</u>	<u>\$ (17,031)</u>	<u>\$ 326,588</u>

CITY OF FERNANDINA BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Central Garage Fund	Utility Billing Fund	Utility Administration Fund	Total
Cash flows from operating activities				
Cash received for interfund services	\$ 1,135,677	\$ 555,925	\$ 883,303	\$ 2,574,905
Cash paid to suppliers for goods and services	(788,099)	(105,485)	24,047	(869,537)
Cash paid to employees for services and benefits	(340,072)	(497,408)	(902,678)	(1,740,158)
Net cash provided by (used in) operating activities	<u>7,506</u>	<u>(46,968)</u>	<u>4,672</u>	<u>(34,790)</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(65,712)	-	(62,426)	(128,138)
Cash received from sale of capital assets	58,206	-	-	58,206
Net cash used in capital and related financing activities	<u>(7,506)</u>	<u>-</u>	<u>(62,426)</u>	<u>(69,932)</u>
Cash flows from investing activities				
Interest received	-	3,151	2,316	5,467
Net cash provided by investing activities	<u>-</u>	<u>3,151</u>	<u>2,316</u>	<u>5,467</u>
Net change in cash and investments	-	(43,817)	(55,438)	(99,255)
Cash and investments, beginning of year	-	228,187	195,670	423,857
Cash and investments, end of year	<u>\$ -</u>	<u>\$ 184,370</u>	<u>\$ 140,232</u>	<u>\$ 324,602</u>
Cash and investments classified as				
Cash and investments	<u>\$ -</u>	<u>\$ 184,370</u>	<u>\$ 140,232</u>	<u>\$ 324,602</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities				
Operating loss	\$ (84,269)	\$ (83,492)	\$ (137,830)	\$ (305,591)
Adjustment to reconcile operating loss to net cash provided by (used in) operating activities:				
Depreciation	30,620	-	1,625	32,245
Change in operating assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	879	374	-	1,253
Prepays	-	-	(529)	(529)
Inventory	11,736	-	-	11,736
Increase (decrease) in liabilities:				
Accounts payable	8,902	31,801	114,634	155,337
Due to other funds	38,311	-	-	38,311
Compensated absences payable	1,327	4,349	26,772	32,448
Net cash provided by (used in) operating activities	<u>\$ 7,506</u>	<u>\$ (46,968)</u>	<u>\$ 4,672</u>	<u>\$ (34,790)</u>

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Fiduciary Funds

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

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

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

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CITY OF FERNANDINA BEACH, FLORIDA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2025**

	<u>General Employees' Pension Plan</u>	<u>Firefighters' and Police Officers' Pension Plan</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 3,225,821	\$ 2,910,066	\$ 6,135,887
Interest receivable	45,688	53,915	99,603
Prepaid benefits	-	11,610	11,610
Investments, at fair value			
U.S. government and agency securities	848,773	1,127,671	1,976,444
Mortgages and federal agency securities	2,215,105	2,905,163	5,120,268
Corporate bonds	1,852,781	2,418,678	4,271,459
Real estate fund	2,628,229	3,009,792	5,638,021
Equity securities	28,927,095	34,846,787	63,773,882
Total investments	<u>36,471,983</u>	<u>44,308,091</u>	<u>80,780,074</u>
 Total assets	 <u>\$ 39,743,492</u>	 <u>\$ 47,283,682</u>	 <u>\$ 87,027,174</u>
LIABILITIES			
Accounts payable	\$ 43,408	\$ 41,532	\$ 84,940
Total liabilities	<u>43,408</u>	<u>41,532</u>	<u>84,940</u>
NET POSITION			
Restricted for pension benefits	<u>39,700,084</u>	<u>47,242,150</u>	<u>86,942,234</u>
Total liabilities and net position	<u>\$ 39,743,492</u>	<u>\$ 47,283,682</u>	<u>\$ 87,027,174</u>

CITY OF FERNANDINA BEACH, FLORIDA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>General Employees' Pension Plan</u>	<u>Firefighters' and Police Officers' Pension Plan</u>	<u>Total</u>
ADDITIONS			
Contributions			
City	\$ 2,204,520	\$ 1,930,370	\$ 4,134,890
Employees	676,183	473,690	1,149,873
State of Florida	-	562,923	562,923
Total contributions	<u>2,880,703</u>	<u>2,966,983</u>	<u>5,847,686</u>
Investment income			
Interest and dividends	775,076	761,859	1,536,935
Net appreciation in the fair value of investments	3,157,611	4,985,937	8,143,548
Investment expense	<u>(119,364)</u>	<u>(148,583)</u>	<u>(267,947)</u>
Net investment income	<u>3,813,323</u>	<u>5,599,213</u>	<u>9,412,536</u>
Total additions	<u>6,694,026</u>	<u>8,566,196</u>	<u>15,260,222</u>
DEDUCTIONS			
Pension benefits	1,989,457	1,889,948	3,879,405
Administrative expenses	105,198	90,814	196,012
Total deductions	<u>2,094,655</u>	<u>1,980,762</u>	<u>4,075,417</u>
Net change in plan net position	4,599,371	6,585,434	11,184,805
Plan net position, restricted for pension benefits:			
Beginning of year	35,100,713	40,656,716	75,757,429
End of year	<u>\$ 39,700,084</u>	<u>\$ 47,242,150</u>	<u>\$ 86,942,234</u>

Statistical Section

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

Contents

Financial Trends (Pages 93 – 97) (Tables 1 – 4)

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

Revenue Capacity (Pages 98 – 102) (Tables 5 – 9)

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

Debt Capacity (Pages 103 – 106) (Tables 10 – 13)

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

Demographics and Economic Information (Pages 107 and 108) (Tables 14 and 15)

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

Operating Information (Pages 109 – 111) (Tables 16 – 18)

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

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

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CITY OF FERNANDINA BEACH, FLORIDA

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

	FISCAL YEAR									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities:										
Net Investment in Capital Assets	\$ 45,614,055	\$ 42,984,986	\$ 39,406,087	\$ 31,979,561	\$ 29,263,400	\$ 27,439,500	\$ 24,367,016	\$ 23,584,000	\$ 22,959,982	\$ 22,255,738
Restricted	9,604,383	10,627,548	10,968,240	10,987,278	8,949,357	8,493,508	8,287,039	7,320,960	4,133,646	3,126,644
Unrestricted	10,796,370	8,400,870	10,192,248	10,084,403	2,040,093	(1,886,395)	(1,795,780)	(4,860,371)	(4,182,808)	(4,916,921)
Total Governmental Activities Net Position	<u>\$ 66,014,808</u>	<u>\$ 62,013,404</u>	<u>\$ 60,566,575</u>	<u>\$ 53,051,242</u>	<u>\$ 40,252,850</u>	<u>\$ 34,046,613</u>	<u>\$ 30,858,275</u>	<u>\$ 26,044,589</u>	<u>\$ 22,910,820</u>	<u>\$ 20,465,461</u>
Business-Type Activities:										
Net Investment in Capital Assets	\$ 50,367,857	\$ 43,917,431	\$ 41,626,262	\$ 41,820,253	\$ 31,656,480	\$ 29,141,671	\$ 26,496,040	\$ 24,293,174	\$ 19,971,800	\$ 21,758,186
Restricted	1,480,409	1,457,409	1,461,690	1,554,176	1,929,642	2,056,475	2,187,063	1,510,257	1,346,122	631,824
Unrestricted	20,911,561	19,064,765	19,520,229	18,104,426	17,556,704	14,561,303	11,074,620	10,467,704	9,570,979	8,012,813
Total Business-Type Activities Net Position	<u>\$ 72,759,827</u>	<u>\$ 64,439,605</u>	<u>\$ 62,608,181</u>	<u>\$ 61,478,855</u>	<u>\$ 51,142,826</u>	<u>\$ 45,759,449</u>	<u>\$ 39,757,723</u>	<u>\$ 36,271,135</u>	<u>\$ 30,888,901</u>	<u>\$ 30,402,823</u>
Total:										
Net Investment in Capital Assets	\$ 95,981,912	\$ 86,902,417	\$ 81,032,349	\$ 73,799,814	\$ 60,919,880	\$ 56,581,171	\$ 50,863,056	\$ 47,877,174	\$ 42,931,782	\$ 44,013,924
Restricted	11,084,792	12,084,957	12,429,930	12,541,454	10,878,999	10,549,983	10,474,102	8,831,217	5,479,768	3,758,468
Unrestricted	31,707,931	27,465,635	29,712,477	28,188,829	19,596,797	12,674,908	9,278,840	5,607,333	5,388,171	3,095,892
Total Net Position	<u>\$ 138,774,635</u>	<u>\$ 126,453,009</u>	<u>\$ 123,174,756</u>	<u>\$ 114,530,097</u>	<u>\$ 91,395,676</u>	<u>\$ 79,806,062</u>	<u>\$ 70,615,998</u>	<u>\$ 62,315,724</u>	<u>\$ 53,799,721</u>	<u>\$ 50,868,284</u>

CITY OF FERNANDINA BEACH, FLORIDA

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

	FISCAL YEAR									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
EXPENSES										
Governmental Activities:										
General Government	\$ 8,864,498	\$ 8,107,667	\$ 7,644,271	\$ 6,624,029	\$ 6,331,488	\$ 5,071,080	\$ 4,794,176	\$ 4,645,880	\$ 4,163,808	\$ 3,789,868
Public Safety	16,325,744	17,516,186	14,809,871	11,869,832	12,171,877	12,632,726	11,595,342	11,077,039	10,358,556	9,830,929
Physical Environment	134,171	202,894	131,630	162,880	164,652	232,336	1,506,579	1,639,299	-	-
Transportation	2,435,797	2,256,206	2,262,409	2,128,742	2,180,181	2,296,521	2,694,817	3,403,051	3,429,751	2,094,050
Economic Environment	273,308	122,943	113,135	75,432	73,461	69,185	77,153	783,494	52,414	47,184
Human Services	130,883	129,802	125,853	121,025	399,486	383,930	55,418	52,811	45,666	42,871
Culture and Recreation	5,206,990	4,829,120	4,866,811	4,191,941	3,972,297	3,769,815	2,813,869	2,631,741	2,639,833	2,685,529
Interest on Long-Term Debt	130,807	121,196	35,037	49,856	33,009	34,211	54,271	73,810	90,328	93,298
Total Governmental Activities Expenses	<u>33,502,198</u>	<u>33,286,014</u>	<u>29,989,017</u>	<u>25,223,737</u>	<u>25,326,451</u>	<u>24,489,804</u>	<u>23,591,625</u>	<u>24,307,125</u>	<u>20,780,356</u>	<u>18,583,729</u>
Business-Type Activities:										
Golf Course	2,631,802	2,621,431	2,123,172	2,186,032	1,603,647	1,591,193	1,701,757	1,644,592	1,666,591	1,649,065
Airport	1,763,601	1,746,270	1,825,946	1,621,213	1,414,228	1,293,876	1,423,977	1,474,615	1,047,074	1,147,472
Sanitation	2,912,150	3,153,750	3,502,958	3,265,807	2,869,263	2,652,962	2,377,519	2,362,448	2,263,923	2,307,671
Sewer and Water	11,317,545	11,519,168	10,028,410	9,152,170	7,890,975	7,459,307	7,324,589	7,562,630	7,714,073	7,274,661
Stormwater	1,220,782	1,828,276	1,167,574	938,917	1,146,349	1,100,082	1,175,464	649,258	553,591	435,834
Marina	4,580,164	4,085,472	2,746,124	4,059,198	2,051,096	1,133,208	1,157,961	679,833	4,587,827	2,177,505
Total Business-Type Activities Expenses	<u>24,426,044</u>	<u>24,954,367</u>	<u>21,394,184</u>	<u>21,223,337</u>	<u>16,975,558</u>	<u>15,230,628</u>	<u>15,161,267</u>	<u>14,373,376</u>	<u>17,833,079</u>	<u>14,992,208</u>
Total Expenses	<u>\$ 57,928,242</u>	<u>\$ 58,240,381</u>	<u>\$ 51,383,201</u>	<u>\$ 46,447,074</u>	<u>\$ 42,302,009</u>	<u>\$ 39,720,432</u>	<u>\$ 38,752,892</u>	<u>\$ 38,680,501</u>	<u>\$ 38,613,435</u>	<u>\$ 33,575,937</u>
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 1,504,026	\$ 1,707,087	\$ 1,705,290	\$ 1,472,583	\$ 1,820,424	\$ 129,411	\$ 223,716	\$ 343,119	\$ 159,242	\$ 105,652
Public Safety	2,559,869	1,496,922	2,045,257	1,814,404	1,488,415	2,205,266	3,107,967	3,528,505	2,271,875	1,925,961
Physical Environment	1,065,033	921,599	1,260,500	1,388,857	1,736,117	129,126	185,444	198,011	-	-
Transportation	-	-	-	1,000	-	-	-	-	-	-
Economic Environment	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	809,699	849,203	970,969	1,012,725	906,245	1,107,278	1,595,600	1,941,137	1,588,940	1,432,328
Operating Grants and Contributions	1,132,353	888,480	675,758	7,155,612	1,532,917	574,767	2,966,057	2,313,984	1,262,691	217,650
Capital Grants and Contributions	2,512,101	542,209	210,302	1,387,897	434,394	866,495	-	63,450	10,226	632,805
Total Governmental Activities Program Revenues	<u>9,583,081</u>	<u>6,405,500</u>	<u>6,868,076</u>	<u>14,233,078</u>	<u>7,918,512</u>	<u>5,012,343</u>	<u>8,078,784</u>	<u>8,388,206</u>	<u>5,292,974</u>	<u>4,314,396</u>
Business-Type Activities:										
Charges for Services:										
Golf Course	2,346,070	1,975,189	1,877,447	1,690,005	1,313,641	1,148,859	1,327,190	1,297,173	1,257,703	1,270,514
Airport	1,100,410	1,128,955	1,002,810	888,178	847,756	860,670	875,909	674,692	651,350	663,190
Sanitation	2,951,806	3,128,402	3,564,933	3,408,896	2,949,533	2,707,115	2,385,670	2,395,312	2,330,575	2,254,588
Sewer and Water	14,867,412	13,843,528	12,948,151	12,124,398	11,671,844	11,417,150	11,664,072	11,120,309	11,114,482	9,897,960
Stormwater	1,107,003	1,035,337	933,460	1,072,418	901,400	907,234	879,548	847,771	303,450	277,181
Marina	3,393,445	3,458,556	2,674,898	3,518,932	1,718,845	509,354	125,939	296,773	333,876	2,264,613
Operating Grants and Contributions	-	-	-	-	-	708	216,618	13,562	2,184	-
Capital Grants and Contributions	3,543,424	766,442	2,006,455	7,667,339	3,180,345	2,951,271	1,017,264	2,842,464	2,025,660	289,864
Total Business-Type Activities Program Revenues	<u>29,309,570</u>	<u>25,336,409</u>	<u>25,008,154</u>	<u>30,370,166</u>	<u>22,583,364</u>	<u>20,502,361</u>	<u>18,492,210</u>	<u>19,488,056</u>	<u>18,019,280</u>	<u>16,917,910</u>
Total Program Revenue	<u>\$ 38,892,651</u>	<u>\$ 31,741,909</u>	<u>\$ 31,876,230</u>	<u>\$ 44,603,244</u>	<u>\$ 30,501,876</u>	<u>\$ 25,514,704</u>	<u>\$ 26,570,994</u>	<u>\$ 27,876,262</u>	<u>\$ 23,312,254</u>	<u>\$ 21,232,306</u>
NET (EXPENSE)/REVENUE										
Governmental Activities	\$ (23,919,117)	\$ (26,880,514)	\$ (23,120,941)	\$ (10,990,659)	\$ (17,407,939)	\$ (19,477,461)	\$ (15,512,841)	\$ (15,918,919)	\$ (15,487,382)	\$ (14,269,333)
Business-Type Activities	4,883,526	382,042	3,613,970	9,146,829	5,607,806	5,271,733	3,330,943	5,114,680	186,201	1,925,702
Total (Expense)/Revenue	<u>\$ (19,035,591)</u>	<u>\$ (26,498,472)</u>	<u>\$ (19,506,971)</u>	<u>\$ (1,843,830)</u>	<u>\$ (11,800,133)</u>	<u>\$ (14,205,728)</u>	<u>\$ (12,181,898)</u>	<u>\$ (10,804,239)</u>	<u>\$ (15,301,181)</u>	<u>\$ (12,343,631)</u>

CITY OF FERNANDINA BEACH, FLORIDA

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

	FISCAL YEAR									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 19,537,947	\$ 18,396,365	\$ 17,732,778	\$ 15,473,422	\$ 14,952,463	\$ 15,798,230	\$ 12,859,437	\$ 12,104,097	\$ 11,040,874	\$ 10,356,519
Franchise and Utility Taxes	4,730,677	4,380,916	4,098,710	3,620,897	3,582,576	3,324,199	3,296,296	3,234,806	3,216,047	3,188,719
Half-Cent Sales Tax	1,133,093	1,135,776	1,149,171	1,174,985	999,957	836,880	910,955	877,989	810,556	772,617
State Revenue Sharing	384,763	367,541	384,325	372,319	249,366	338,250	357,847	341,595	325,671	309,451
Discretionary Sales Surtax	2,725,081	2,496,550	2,550,906	2,581,374	2,099,009	2,126,109	2,179,554	1,941,118	1,873,713	1,778,306
Other Taxes	1,269,840	1,233,610	1,227,043	1,007,434	1,028,918	262,511	247,774	225,101	228,954	224,176
Other Miscellaneous	-	-	-	-	-	175,226	218,561	216,543	331,378	412,372
Investment Earnings	885,124	857,556	553,456	215,968	194,064	212,694	174,403	90,392	63,263	41,351
Gain on Disposal of Capital Assets	27,547	123,394	35,655	143,632	51,995	-	-	2,272	-	-
Transfers	(2,773,551)	(664,365)	2,904,230	(800,980)	485,828	(408,300)	81,700	58,685	42,285	(136,215)
Total Governmental Activities	<u>27,920,521</u>	<u>28,327,343</u>	<u>30,636,274</u>	<u>23,789,051</u>	<u>23,644,176</u>	<u>22,665,799</u>	<u>20,326,527</u>	<u>19,092,598</u>	<u>17,932,741</u>	<u>16,947,296</u>
Business-Type Activities:										
Other Miscellaneous	-	-	-	-	-	74,266	88,374	174,222	310,193	153,837
Investment Earnings	611,018	561,492	342,929	312,136	201,634	247,427	148,971	38,213	31,969	14,086
Gain on Disposal of Capital Assets	52,127	223,525	76,657	76,084	59,765	-	-	157,969	-	-
Transfers	2,773,551	664,365	(2,904,230)	800,980	(485,828)	408,300	(81,700)	(58,685)	(42,285)	136,215
Total Business-Type Activities	<u>3,436,696</u>	<u>1,449,382</u>	<u>(2,484,644)</u>	<u>1,189,200</u>	<u>(224,429)</u>	<u>729,993</u>	<u>155,645</u>	<u>311,719</u>	<u>299,877</u>	<u>304,138</u>
Total	<u>\$ 31,357,217</u>	<u>\$ 29,776,725</u>	<u>\$ 28,151,630</u>	<u>\$ 24,978,251</u>	<u>\$ 23,419,747</u>	<u>\$ 23,395,792</u>	<u>\$ 20,482,172</u>	<u>\$ 19,404,317</u>	<u>\$ 18,232,618</u>	<u>\$ 17,251,434</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ 4,001,404	\$ 1,446,829	\$ 7,515,333	\$ 12,798,392	\$ 6,236,237	\$ 3,188,338	\$ 4,813,686	\$ 3,173,679	\$ 2,445,359	\$ 2,677,963
Business-Type Activities	8,320,222	1,831,424	1,129,326	10,336,029	5,383,377	6,001,726	3,486,588	5,426,399	486,078	2,229,840
Total	<u>\$ 12,321,626</u>	<u>\$ 3,278,253</u>	<u>\$ 8,644,659</u>	<u>\$ 23,134,421</u>	<u>\$ 11,619,614</u>	<u>\$ 9,190,064</u>	<u>\$ 8,300,274</u>	<u>\$ 8,600,078</u>	<u>\$ 2,931,437</u>	<u>\$ 4,907,803</u>

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

	FISCAL YEAR									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	\$ 347,149	\$ 653,214	\$ 239,357	\$ 246,089	\$ 822,822	\$ 694,290	\$ 618,052	\$ 1,043,011	\$ 1,023,966	\$ 905,428
Restricted	4,190	4,117	2,803	2,803	2,781	2,759	3,253,168	2,429,327	1,398,046	1,004,250
Committed	6,266,635	6,155,336	5,213,387	5,213,387	4,691,137	4,556,811	4,548,761	4,510,708	4,402,869	3,987,271
Assigned	4,170,741	3,243,245	2,549,510	2,549,510	1,882,521	1,544,522	728,532	769,951	1,167,461	1,191,699
Unassigned	3,265,002	3,401,874	5,666,707	4,535,844	4,201,241	2,311,489	2,519,317	1,132,201	623,782	975,530
Total General Fund	<u>\$ 14,053,717</u>	<u>\$ 13,457,786</u>	<u>\$ 13,671,764</u>	<u>\$ 12,547,633</u>	<u>\$ 11,600,502</u>	<u>\$ 9,109,871</u>	<u>\$ 11,667,830</u>	<u>\$ 9,885,198</u>	<u>\$ 8,616,124</u>	<u>\$ 8,064,178</u>
All Other Governmental Funds										
Nonspendable	\$ 885,435	\$ -	\$ -	\$ 6,622	\$ -	\$ -	\$ -	\$ 122,371	\$ 1,600,000	\$ -
Restricted	9,600,193	10,623,431	10,965,437	10,984,475	8,946,576	8,490,749	5,033,871	4,925,247	3,896,645	3,633,965
Committed	2,160,520	1,997,898	1,965,775	1,759,214	1,556,224	1,434,242	1,268,487	1,026,918	974,146	933,449
Assigned	4,585,488	6,085,469	6,567,183	6,763,125	828,857	(15,171)	56,720	416,836	92,048	1,133,821
Unassigned	-	-	-	-	-	-	(444,589)	-	(293,149)	-
Total All Other Governmental Funds	<u>\$ 17,231,636</u>	<u>\$ 18,706,798</u>	<u>\$ 19,498,395</u>	<u>\$ 19,513,436</u>	<u>\$ 11,331,657</u>	<u>\$ 9,909,820</u>	<u>\$ 5,914,489</u>	<u>\$ 6,491,372</u>	<u>\$ 6,269,690</u>	<u>\$ 5,701,235</u>

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

CITY OF FERNANDINA BEACH, FLORIDA

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

	FISCAL YEAR									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Taxes, Licenses and Permits	\$ 28,382,107	\$ 26,362,647	\$ 25,761,882	\$ 22,974,598	\$ 22,333,758	\$ 23,757,338	\$ 22,058,467	\$ 22,009,415	\$ 17,958,345	\$ 16,798,549
Intergovernmental	5,388,128	3,790,063	3,752,489	9,754,622	3,664,986	3,093,190	2,766,962	3,565,064	2,350,148	1,661,536
Charges for Services	2,295,724	1,369,529	1,969,118	1,804,592	1,756,738	1,259,089	1,598,099	1,477,078	1,446,796	1,494,628
Fines and Forfeitures	63,008	67,959	75,072	74,504	43,917	59,413	214,329	58,643	87,785	89,123
Other	2,501,940	2,029,261	2,422,173	2,526,117	2,347,263	1,144,757	322,598	263,060	1,244,664	1,036,059
Total Revenues	38,630,907	33,619,459	33,980,734	37,134,433	30,146,662	29,313,787	26,960,455	27,373,260	23,087,738	21,079,895
Expenditures										
General Government	7,352,549	6,490,921	6,128,849	5,340,770	5,224,171	4,767,791	4,692,625	4,461,902	4,069,837	3,514,919
Public Safety	16,259,893	15,772,997	13,400,434	12,232,549	11,470,658	11,556,807	11,258,634	10,625,934	9,758,426	9,769,412
Physical Environment	134,171	202,894	133,435	167,966	165,478	195,850	1,506,579	1,639,299	-	-
Transportation	1,773,364	1,676,445	1,642,146	1,403,805	1,539,639	1,684,830	2,146,026	2,930,090	2,948,493	1,719,952
Economic Environment	273,308	122,943	113,135	75,432	73,461	69,185	74,459	782,268	52,414	47,184
Human Services	130,883	129,802	125,853	121,025	399,486	383,930	55,418	52,811	45,666	37,913
Culture and Recreation	4,015,786	3,747,215	3,864,965	3,427,939	3,221,774	2,998,611	2,285,030	2,138,614	2,093,649	2,291,180
Debt Service:										
Principal	481,878	307,524	189,431	163,285	1,105,126	1,206,426	1,186,339	1,168,951	977,860	694,999
Interest	118,803	99,777	37,780	52,678	21,153	38,977	58,932	78,365	94,812	97,652
Capital Outlay	9,021,357	6,583,838	6,754,602	5,386,391	3,974,760	4,545,708	2,572,364	2,491,609	1,954,965	2,268,612
Total Expenditures	39,561,992	35,134,356	32,390,630	28,371,840	27,195,706	27,448,115	25,836,406	26,369,843	21,996,122	20,441,823
Excess (Deficiency) of Revenues										
Over (Under) Expenditure	(931,085)	(1,514,897)	1,590,104	8,762,593	2,950,956	1,865,672	1,124,049	1,003,417	1,091,616	638,072
Other Financing Sources (Uses)										
Capital Lease	-	-	-	-	-	-	-	427,154	-	-
Proceeds from Sale of Capital Assets	7,660	111,950	45,026	37,297	23,975	-	-	-	-	-
SBITA issuance	-	-	132,481	-	-	-	-	-	-	-
Proceeds from Notes Payable	1,797,522	1,190,811	-	1,150,000	770,837	-	-	-	-	3,216,109
Payment on Note Refunding	-	-	-	-	-	-	-	-	-	(1,030,784)
Transfers In	2,585,772	3,699,126	4,458,369	10,172,486	2,978,919	6,960,624	2,749,688	2,164,466	2,209,800	1,962,550
Transfers Out	(4,339,100)	(4,492,565)	(5,116,890)	(10,993,466)	(2,812,219)	(7,388,924)	(2,667,988)	(2,104,281)	(2,181,015)	(2,148,765)
Total Other Financing Sources (Uses)	51,854	509,322	(481,014)	366,317	961,512	(428,300)	81,700	487,339	28,785	1,999,110
Net Change in Fund Balance	\$ (879,231)	\$ (1,005,575)	\$ 1,109,090	\$ 9,128,910	\$ 3,912,468	\$ 1,437,372	\$ 1,205,749	\$ 1,490,756	\$ 1,120,401	\$ 2,637,182
Debt Service as a Percentage of										
Non Capital Expenditures	1.91%	1.46%	1.03%	0.93%	4.88%	5.44%	5.35%	5.22%	5.35%	4.36%

CITY OF FERNANDINA BEACH, FLORIDA

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

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Franchise and Utility Tax</u>	<u>Half-Cent Sales Tax</u>	<u>State Revenue Sharing</u>	<u>Discretionary Sales Surtax</u>	<u>Total</u>
2025	\$ 19,537,947	\$ 4,730,677	\$ 1,133,093	\$ 384,763	\$ 2,725,081	\$ 28,511,561
2024	18,396,365	4,380,916	1,135,776	367,541	2,496,550	26,777,148
2023	17,732,778	4,098,710	1,149,171	384,325	2,550,906	25,915,890
2022	15,473,422	3,620,897	1,174,985	372,319	2,581,374	23,222,997
2021	14,952,463	3,582,576	999,957	249,366	2,099,009	21,883,371
2020	15,798,230	3,324,199	836,880	338,250	1,781,241	22,078,800
2019	12,859,437	3,296,296	910,955	357,847	1,847,705	19,272,240
2018	12,104,097	3,234,806	877,989	341,595	1,941,118	18,499,605
2017	11,040,874	3,216,047	810,556	325,671	1,873,713	17,266,861
2016	10,356,519	3,188,719	772,617	309,451	1,778,306	16,405,612

CITY OF FERNANDINA BEACH, FLORIDA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS) (UNAUDITED)
(Schedule 6)

Fiscal Year	REAL PROPERTY				LESS EXEMPTIONS		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Value
	Residential Property	Commercial Property	Industrial Property	Other	Real Property	Personal Property				
2025	\$ 3,476,223	\$ 398,736	\$ 90,552	\$ 379,836	\$ 641,968	\$ 21,450	\$ 3,681,929	4.6849	\$ 4,345,347	84.73%
2024	3,105,195	391,578	88,730	350,024	599,765	22,034	3,313,728	4.8298	3,935,527	84.20%
2023	2,747,768	337,774	84,910	309,611	545,505	21,627	2,912,931	5.3330	3,480,063	83.70%
2022	2,426,154	272,904	82,194	289,177	531,959	34,756	2,503,714	5.3330	3,070,429	81.54%
2021	2,201,861	261,001	82,194	247,241	475,586	16,448	2,300,263	5.6236	2,792,298	82.38%
2020	1,996,672	252,491	81,288	234,045	448,484	16,037	2,099,976	6.5236	2,564,497	81.89%
2019	1,768,916	239,602	66,426	224,570	424,324	18,043	1,857,147	6.0482	2,299,513	80.76%
2018	1,612,673	222,294	67,728	215,163	379,199	16,010	1,722,649	6.2097	2,117,858	81.34%
2017	1,488,441	211,702	66,971	196,684	378,463	16,717	1,568,618	6.3044	1,963,799	79.88%
2016	1,646,936	202,452	50,893	185,572	367,512	16,797	1,701,543	6.3044	2,085,853	81.58%

Source: Nassau County Property Appraiser.

CITY OF FERNANDINA BEACH, FLORIDA

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

**LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)
(Schedule 7)**

Fiscal Year	Tax Roll Year	City of Fernandina Beach			OVERLAPPING RATES					
		Operating Millage	Debt Service Millage	Total City Millage	Nassau County	St. Johns River Water Management	Nassau County Schools	FL Inland Navigational District	Amelia Island Mosquito Control	Amelia Island Beach MSTU
2025	2024	4.6849	-	4.6849	6.8822	0.1793	6.3290	0.0288	0.1060	0.0960
2024	2023	4.8298	-	4.8298	7.0840	0.1793	6.4600	0.0288	0.1144	0.0960
2023	2022	5.3330	-	5.3330	7.1041	0.1974	5.5030	0.0320	0.1151	0.0960
2022	2021	5.3330	-	5.3330	7.3238	0.2189	5.8800	0.0320	0.1277	0.0960
2021	2020	5.4683	0.1553	5.6236	7.4278	0.2189	5.9640	0.0320	0.1412	0.0960
2020	2019	6.3553	0.1683	6.5236	7.4278	0.2414	6.1360	0.0320	0.1412	0.1021
2019	2018	5.8553	0.1929	6.0482	7.4278	0.2562	6.3170	0.0320	0.1412	0.1021
2018	2017	6.0000	0.2097	6.2097	6.5670	0.2724	6.5980	0.0320	0.1495	0.1021
2017	2016	6.0682	0.2362	6.3044	6.5670	0.2885	6.7940	0.0320	0.1587	-
2016	2015	6.1021	0.2023	6.3044	6.5670	0.3023	7.1530	0.0320	0.1472	-

Source: Nassau County Property Appraiser.

CITY OF FERNANDINA BEACH, FLORIDA

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

TAXPAYER	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Westrock CP, LLC	\$ 313,155,046	1	7.21%	\$ 147,657,728	1	7.08%
Rayonier Performance Fibers	54,786,322	2	1.26%	65,563,098	2	3.14%
PR Amelia Island Propco LLC	48,192,969	3	1.11%			
SREIT Vintage Amelia LLC	47,922,312	4	1.10%			
Eight Flags Energy	44,664,812	5	1.03%			
Lignotech	39,874,322	6	0.92%			
RockTenn CP, LLC	39,419,942	7	0.91%			
Peninsula Pipeline Company	35,632,431	8	0.82%			
Ocean Highway & Port Authority	31,536,115	9	0.73%			
Main Beach Sojourn LLLP	25,436,164	10	0.59%			
Florida Public Utilities Co				13,880,175	3	0.67%
Island Walk Associates LLC				10,937,600	4	0.52%
Amelia Island Hotel Group LLC				9,671,741	5	0.46%
Chesapeake Utilities Corp				8,197,344	6	0.39%
Amelia Harbor View, LLC				5,052,016	7	0.24%
Amelia Improvements LLC				4,617,714	8	0.22%
DBTW at FBFL LLC				4,444,937	9	0.21%
Peoples Gas System				4,204,129	10	0.20%
	<u>\$ 680,620,435</u>		<u>15.66%</u>	<u>\$ 274,226,482</u>		<u>13.15%</u>

Source: Nassau County Property Appraiser and Nassau County.

CITY OF FERNANDINA BEACH, FLORIDA

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

Fiscal Year	Tax Roll Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount*	Percentage of Levy
2025	2024	\$ 20,223,278	\$ 19,264,856	95.26%	\$ -	\$ 19,264,856	95.26%
2024	2023	18,877,180	18,170,496	96.26%	(37,887)	18,132,609	96.06%
2023	2022	18,302,602	17,589,471	96.10%	1,693	17,591,164	96.11%
2022	2021	16,051,729	15,357,697	95.68%	2,303	15,360,000	95.69%
2021	2020	15,031,155	14,866,403	98.90%	7,677	14,874,080	98.96%
2020	2019	15,992,013	15,776,672	98.65%	(963)	15,775,709	98.65%
2019	2018	12,860,995	12,834,672	99.80%	(8,887)	12,825,785	99.73%
2018	2017	12,123,361	12,089,983	99.72%	16,112	12,106,095	99.86%
2017	2016	10,971,228	10,824,778	98.67%	8,725	10,833,503	98.74%
2016	2015	10,447,275	10,350,806	99.08%	45,791	10,396,597	99.51%

*Amounts are for the General Fund operations only and are exclusive of discounts, interest and penalties.

Source: Nassau County Tax Collector.

CITY OF FERNANDINA BEACH, FLORIDA

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total	Percentage of Estimated Actual Taxable Value of Real Property ⁽¹⁾	Per Capita ⁽²⁾
	General Obligation Bonds	Revenue Bonds and Notes	Financed Purchases and SBITAs	Revenue Bonds and Notes	Line of Credit	Financed Purchases			
2025	\$ -	\$ 961,839	\$ 2,874,107	\$ 23,953,905	\$ -	\$ 80,747	\$ 27,870,598	0.64%	\$ 1,997
2024	-	1,013,103	1,507,199	26,659,775	-	184,684	29,364,761	0.75%	2,155
2023	-	1,063,407	573,608	29,467,959	-	292,512	31,397,486	0.90%	2,330
2022	-	1,112,751	581,214	31,526,742	-	397,120	33,617,827	1.09%	2,549
2021	-	-	707,250	36,144,444	-	498,605	37,350,299	1.34%	2,862
2020	417,000	577,933	46,607	30,195,791	7,968,352	188,729	39,394,412	1.54%	2,911
2019	821,000	1,146,796	280,217	32,435,534	4,820,002	-	39,503,549	1.72%	3,059
2018	1,216,000	1,707,115	511,237	34,596,821	695,001	-	38,726,174	1.83%	3,035
2017	1,602,000	2,261,562	312,588	35,643,980	-	41,637	39,861,767	2.03%	3,176
2016	1,982,000	2,775,746	396,264	37,631,402	-	81,927	42,867,339	2.06%	3,505

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

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

⁽²⁾ See Schedule 14 for population data.

CITY OF FERNANDINA BEACH, FLORIDA

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

Fiscal Year	Total Taxable Assessed Value	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Net Bonds Outstanding	Percentage of Estimated Actual Taxable Value of Real Property ⁽¹⁾	Per Capita ⁽²⁾
2025	\$ 4,345,347,708	\$ -	\$ -	\$ -	0.00%	\$ -
2024	3,935,526,925	-	-	-	0.00%	-
2023	3,480,062,823	-	-	-	0.00%	-
2022	3,070,429,543	-	-	-	0.00%	-
2021	2,792,279,703	-	-	-	0.00%	-
2020	2,564,497,031	417,000	4,863	412,137	0.02%	30.45
2019	2,299,513,071	821,000	4,464	816,536	0.04%	63.22
2018	2,117,858,482	1,216,000	4,442	1,211,558	0.06%	94.94
2017	1,963,798,534	1,602,000	4,442	1,597,558	0.08%	127.30
2016	2,085,853,231	1,982,000	4,316	1,977,684	0.09%	161.72

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

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

⁽²⁾ See Schedule 14 for population data.

CITY OF FERNANDINA BEACH, FLORIDA

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2025
(Schedule 12)**

Governmental Unit	Outstanding Debt	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Nassau County*	\$ 15,611,094	23.8%	<u>\$ 3,717,180</u>
Subtotal Overlapping Debt			3,717,180
City direct debt			3,835,946
Totals			<u><u>\$ 7,553,126</u></u>

* Fiscal year 2025 outstanding debt from Nassau County unavailable. Fiscal Year 2024 debt is presented.

Source: Nassau County Clerk of the Court/Comptroller.

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

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

CITY OF FERNANDINA BEACH, FLORIDA

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

Fiscal Year	Operating Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2025	\$ 13,074,473	\$ 6,973,025	\$ 6,101,448	\$ 1,655,000	\$ 839,500	2.45
2024	12,148,850	7,242,358	4,906,492	-	839,500	5.84
2023	11,312,571	6,057,996	5,254,575	1,085,000	893,750	2.66
2022	10,832,150	5,145,781	5,686,369	1,495,000	968,500	2.31
2021	10,250,978	4,222,661	6,028,317	1,425,000	1,039,750	2.45
2020	10,794,271	4,288,932	6,505,339	1,360,000	1,107,750	2.64
2019	10,364,923	4,521,496	5,843,427	1,290,000	1,172,250	2.37
2018	10,221,053	4,283,204	5,937,849	1,230,000	1,233,750	2.41
2017	10,079,472	4,267,823	5,811,649	1,085,000	1,277,150	2.46
2016	9,411,710	3,877,659	5,534,051	1,045,000	1,311,850	2.35

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

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

Fiscal Year	Population	Total Population Income (Amounts in Thousands)	Per Capita Income	Unemployment Rate
2025	13,958	N/A	N/A	3.8
2024	13,625	N/A	N/A	3.2
2023	13,475	N/A	N/A	2.8
2022	13,188	\$ 1,217,815	\$ 58,231	2.4
2021	13,051	1,160,014	50,051	3.2
2020	13,534	1,083,475	49,853	4.4
2019	12,915	995,924	43,693	2.6
2018	12,761	949,609	41,816	3.0
2017	12,550	881,703	38,925	3.5
2016	12,229	818,978	36,577	4.2

N/A - Data is unavailable.

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

CITY OF FERNANDINA BEACH, FLORIDA

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

<u>Employer</u>	<u>2025</u>			<u>2016</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Omni Amelia Island Plantation	1,039	1	7.44%	281	1	2.30%
WestRock CP, LLC	620	2	4.44%	869	3	7.11%
The Ritz-Carlton, Amelia Island	553	3	3.96%	430	2	3.52%
Baptist Medical Center Nassau	412	4	2.95%	565	4	4.62%
Nassau County School District - Fernandi	323	5	2.31%	271	5	2.22%
RYAM (Rayonier Advanced Materials)	316	6	2.26%	- ⁽¹⁾	6	0.00%
City of Fernandina Beach	300	7	2.15%	199	7	1.63%
Walmart - Fernandina Beach	127	8	0.91%	120	8	0.98%
Florida Public Utilities	63	9	0.45%	61	9	0.50%
Relay Terminals	32	10	0.23%	- ⁽¹⁾	10	0.00%
Total	<u>3,785</u>		<u>27.12%</u>	<u>2,796</u>		<u>22.86%</u>

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

⁽¹⁾ 2016 data not available.

CITY OF FERNANDINA BEACH, FLORIDA

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

FUNCTION	FISCAL YEAR									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government										
City Clerk	4.50	3.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
City Manager	2.00	4.70	5.50	4.00	4.00	4.00	4.00	4.25	3.50	4.00
Finance	7.50	7.00	7.00	7.00	7.00	7.00	8.00	7.84	6.90	6.40
Information Technology	5.34	4.84	4.84	4.50	4.50	4.50	3.00	3.00	2.60	2.60
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.17	2.50	2.50
Legal	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Community Development-Planning	6.75	7.00	7.50	7.00	7.00	6.00	6.00	4.38	4.00	3.30
Downtown	1.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public Safety										
Police										
Officers	40.00	37.00	37.00	38.00	38.00	38.00	38.00	37.50	35.50	33.50
Civilians	8.50	8.50	11.00	11.00	11.00	11.00	8.00	5.50	5.50	5.50
Fire										
Firefighters and Officers	39.00	39.00	36.00	34.00	34.00	34.00	34.00	33.00	33.00	31.00
Civilians	6.50	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Building	9.83	8.13	13.33	13.00	12.50	12.00	10.00	9.90	7.70	6.15
Code Enforcement	3.00	3.00	-	3.00	3.00	2.50	2.50	1.73	1.90	2.10
Public Works										
Streets	10.00	10.00	10.00	10.00	10.00	10.50	20.50	18.50	18.50	17.50
Facility Maintenance	8.50	8.50	8.50	9.00	8.50	7.50	6.50	6.50	7.00	6.00
Culture and Recreation	46.00	41.50	37.50	46.00	46.00	46.00	31.00	31.00	29.00	34.00
Enterprise Funds										
Water	16.50	16.50	13.50	13.50	12.50	12.50	12.50	12.50	12.50	11.50
Airport	2.50	2.50	2.50	2.50	2.50	2.50	2.00	2.00	2.00	1.50
Golf Course	35.50	24.00	21.50	22.00	21.00					
Marina										
Wastewater	17.00	15.00	15.00	14.50	13.50	13.50	13.50	13.50	13.50	13.00
Sanitation*	2.00	2.00	2.50	2.00						
Stormwater	5.00	5.00	6.00	7.00	6.00	6.00	6.00	4.75	2.50	0.50
Internal Service Funds										
Central Garage	3.50	3.50	3.50	4.00	3.00	3.00	3.00	3.00	3.00	3.00
Utility Billing	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	4.50
Utilities Administration	7.33	7.30	5.30	4.00	4.00	3.00	3.00	3.00	3.00	3.00

Data obtained from City of Fernandina Beach Finance Department.

*The City assumed the Yard Debris Program from the contracted hauler in 2022.

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

FUNCTION	FISCAL YEAR									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety										
Police										
Physical Arrests	349	243	249	255	266	243	350	386	255	362
Parking Violations	586	493	705	822	811	585	500	430	556	673
Traffic Violations	3,975	2,484	2,658	3,158	2,456	2,462	3,000	3,081	925	1,131
Number of calls answered	30,279	30,171	21,333	22,065	21,904	19,758	19,309	19,309	21,914	21,525
Fire										
Number of calls answered	3,807	3,857	3,653	3,498	3,269	3,279	3,057	3,057	2,678	2,200
Rescue Transports	2,108	2,093	2,067	1,887	1,723	1,573	1,516	1,516	1,448	1,300
Inspections	274	322	257	232	279	306	271	271	198	200
Transportation										
Street Resurfacing (square yards)	27,815	27,372	42,764	29,710	22,650	21,375	N/A	N/A	N/A	N/A
Potholes repaired (in tons of cold mix used)	185	92	55	65	72	22	25	25	30	30
Culture and Recreation *										
Participants - After school tutoring	56	61	109	100	113	70	50	50	50	50
Participants - Summer Camp	488	565	100	126	213	36	220	220	220	166
Participants - Adult Softball Leagues	96	60	290	298	403	251	700	700	700	700
Participants - Senior Programs	87	0	60	0	0	0	935	360	360	360
Water										
Number of Active Accounts	9,684	9,721	6,443	9,310	9,281	9,028	8,675	7,951	8,541	8,064
Annual Daily Pumpage (millions of gallons)	3.715	3.600	3.624	3.673	3.438	3.396	3.340	3.301	3.285	5.071
Wastewater										
Annual daily sewage treatment (millions of gallons)	1.873	1.800	1.657	1.790	1.835	1.704	1.741	1.669	1.593	1.741
Stormwater										
Streets Cleaned (miles)	5,559	5,556	5,735	5,735	5,000	5,000	5,000	5,000	5,000	5,000
Drainage Cleaning (man hours)	100	120 ***	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Golf*										
Rounds Played	44,888	34,430	40,656	39,917	40,814	34,552	39,254	39,057	46,317	41,904
Memberships	163	382	224	187	231	369	358	765	827	190
Marina										
Diesel Pumped (gallons)	370,469	328,178	203,672	334,778	128,643 **	0 **	0 **	0 **	0 **	503,500
Gas Pumped (gallons)	88,630	49,175	31,537	94,818	50,309 **	0 **	0 **	0 **	0 **	79,897
Boat Night Count	29,858	25,220	10,184	11,123	7,175	15,000	15,000	15,145	15,145	19,900

N/A - data not reported.

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

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

*** - Drainage cleaning staff assigned to emergency projects. Multiple storms caused significant impacts in FY2024.

Data obtained from City of Fernandina Beach Finance Department.

CITY OF FERNANDINA BEACH, FLORIDA

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

FUNCTION	FISCAL YEAR									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Transportation										
Streets (Miles)	79.00	79.00	79.00	79.00	79.00	79.00	79.00	77.16	77.16	76.05
Street Lights	1,200	1,190	1,190	1,190	1,178	1,178	1,178	1,178	1,178	1,173
Culture and Recreation										
Community Centers	3	3	3	3	3	3	3	3	3	3
Parks	21	18	18	18	18	18	18	18	18	18
Parks Acreage	453	446	446	446	446	446	446	446	446	446
Pickleball Courts	6	6	6	6	6	4	4	4	0	0
Golf Course	1	1	1	1	1	1	1	1	1	1
Marina	1	1	1	1	1	1	1	1	1	1
Cemetery	1	1	1	1	1	1	1	1	1	1
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Water										
Water Mains (Miles)	132	132	125	120	119	130	130	124	121	120
Maximum Daily Capacity (Thousands of Gallons)	18.2	18.2	18.2	18.2	18.2	18.2	18.2	18.0	18.2	18.2
Treatment Plants	3	3	3	3	3	3	3	3	3	3
Wastewater										
Sewer Lines (Miles)	113	112	112	112	111	102	102	102	98	97
Maximum Daily Treatment Capacity (Millions of Gallons)	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Treatment Plants	2	2	2	2	2	2	2	2	2	2
Stormwater										
Stormwater Pipe (Miles)	27	68	68	68	67	66	66	66	66	N/A
Drainage Structures	7,948	1,528	1,508	1,489	1,464	1,453	1,453	1,453	1,453	N/A
City Maintained Ponds	5	5	5	4	4	4	4	4	4	N/A

N/A - Statistical data not accounted for.

Statistical information obtained from the City's Finance Department.

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

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OTHER REPORTS

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CITY OF FERNANDINA BEACH, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal/State Agency, Pass-Through Grantor/Program Title/State Project	AL / CSFA Number	Contract Grant Number	Expenditures	Passed Through to Subrecipients
Federal Expenditures				
U.S. Department of Justice				
Passed through the Florida Department of Law Enforcement Edward Byrne Memorial Justice Assistance Grant Program	16.738	6N067	\$ 1,424	\$ -
Total U.S. Department of Justice			<u>1,424</u>	<u>-</u>
U.S. Department of Transportation				
Federal Aviation Administration Airport Improvement Program Taxiway A Rehabilitation Construction	20.106	3-12-0022-037-2024	2,227,879	-
T-Hangar Taxilane and Entrance Roadway Rehabilitation Design	20.106	3-12-0022-035-2023	71,280	-
Total U.S. Department of Transportation			<u>2,299,159</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 2,300,583</u>	<u>\$ -</u>
State Financial Assistance				
Florida Department of State Historic Amelia Island Lighthouse Project	45.032	25.H.SC.100.093	\$ 500,000	\$ -
Total Florida Department of State			<u>500,000</u>	<u>-</u>
Florida Department of Environmental Protection Downtown Flooding Prevention Project	37.039	LPA0286	27,417	-
Local Trail Management Grant - Egans Creek Greenway	37.118	TG005	149,763	-
Beach Adaptation Plan	37.098	24PLN37	95,000	-
North Fletcher Basin Area Stormwater Treatment (Basin A-5)	37.039	LP45011	294,707	-
Nassau County Shore Protection Project	37.003	25NA1	27,163	-
Total Florida Department of Environmental Protection			<u>594,050</u>	<u>-</u>
Florida Department of Transportation Aviation Grant Program Grants:				
Stormwater Pipe Lining	55.004	432756-2-94	139,286	-
Hangar B Apron Rehabilitation	55.004	44411-1-94-01	330,720	-
Taxiway A Rehabilitation Construction (FAA Match)	55.004	427545-2-94-25	206,446	-
Taxiway A Rehabilitation Construction (AIP Ineligible)	55.004	427545-4-94	127,114	-
Airport Generators Acquisition	55.004	434909-5-94-24	31,256	-
Taxilane and Entrance Road Design and Construction	55.004	432758-2-94	6,336	-
Total Florida Department of Transportation			<u>841,158</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 1,935,208</u>	<u>\$ -</u>

NOTES:

Note 1 - General

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

The City reporting entity is defined in Note 1 to the City's basic financial statements for the year ended September 30, 2025. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the schedule.

Note 2 - Basis of Accounting

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

Note 3 - De Minimis Indirect Cost Rate Election

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

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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fernandina Beach, Florida (the "City"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 11, 2026.

Report on Internal Control Over Financial Reporting

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

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

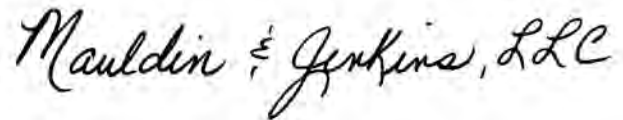
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Bradenton, Florida
March 11, 2026



Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of The Auditor General of the State of Florida

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Fernandina Beach, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2025. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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 for Local Governmental Entity Audits (Chapter 10.550). Our responsibilities under those standards, the Uniform Guidance, and Chapter 10.550 are further described in the Auditors' 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 and state project. 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 and state projects

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, we:

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

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

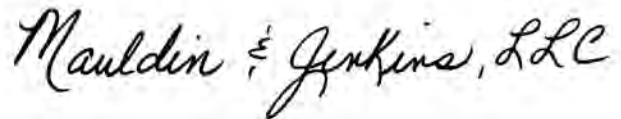
Report on Internal Control Over Compliance

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

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

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

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



Bradenton, Florida
March 11, 2026

City of Fernandina Beach, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2025

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

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

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

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

Noncompliance material to financial statements noted? yes no

Federal Programs and State Financial Assistance Projects

Internal control over major federal programs and state projects:
Material weaknesses identified? yes no

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

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

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

Identification of major federal programs:

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

Identification of major state financial assistance projects:

<u>CSFA Number</u>	<u>Name of State Program or Cluster</u>
45.032	Florida Department of State – Acquisition, Restoration of Historic Properties
55.004	Florida Department of Transportation – Aviation Grant Programs

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

**SECTION I
SUMMARY OF AUDIT RESULTS
(CONTINUED)**

Dollar threshold used to distinguish between Type A and Type B federal programs:	\$1,000,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
Dollar threshold used to distinguish between Type A and Type B state projects:	\$580,562

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None noted.

**SECTION III
FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS**

None noted.

City of Fernandina Beach, Florida

SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED SEPTEMBER 30, 2025

None noted.



Independent Auditor's Management Letter

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

Report on the Financial Statements

We have audited the financial statements of the City of Fernandina Beach, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 11, 2026.

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 Auditors' 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 Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in these reports, which are dated March 11, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did operate within the City's geographical boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6.b., Rules of the Auditor General, a PACE program was operating within the geographical areas of the City and a listing of all program administrators and third-party administrators that administered the program is reflected below:

As required by Section 10.554(1)(i)6.c., Rules of the Auditor General, a PACE program was operating within the geographical areas of the City, and the full names and contact information of each such program administrator and third-party administrator is reflected below:

Florida PACE Funding
Wendi Leach
850-400-7223
info@floridapace.gov

Green Corridor PACE
Willdan Financial Services
866-807-6864
POSR@willdan.com

Special District Component Units

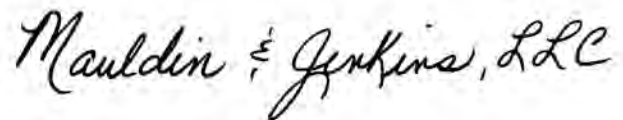
Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within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

Additional Matters

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

Purpose of this Letter

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



Bradenton, Florida
March 11, 2026

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Independent Accountant's Report

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

We have examined the City of Fernandina Beach, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

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

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2025.

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

Mauldin & Jenkins, LLC

Bradenton, Florida
March 11, 2026

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AFFIDAVIT

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

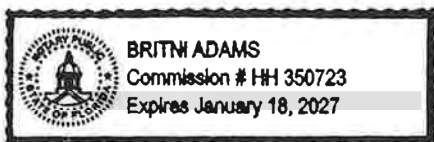
- 1. I am the Chief Financial Officer of the City of Fernandina Beach, which is a municipality of the State of Florida;
2. The City of Fernandina Beach adopted (Ordinance No. 2005-2, 95-6, 2013-21, 2014-35, 2014-36, 2015-16 and 2018-44) implementing an impact fee; and
3. The City of Fernandina Beach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

FUTHER AFFIANT SAYETH NAUGHT.

Susan Carless
Susan Carless

STATE OF FLORIDA
COUNTY OF NASSAU

The foregoing instrument was acknowledged before me by means of [X] physical presence [] online notarization, this 11th day of March, 2020, by Susan Carless.



Britni Adams
NOTARY PUBLIC

Print Name: Britni Adams