



CITY OF
TALLAHASSEE



FLORIDA'S CAPITAL CITY ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

CITY OF TALLAHASSEE, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For The Fiscal Year Ended
September 30, 2021**



**CITY OF
TALLAHASSEE**

PREPARED BY:

**Financial Reporting Division
Financial Services Department**

CITY OF TALLAHASSEE, FLORIDA

CITY COMMISSION

JOHN E. DAILEY, Mayor

CURTIS RICHARDSON, Pro Tem

JEREMY MATLOW, Commissioner

DIANNE WILLIAMS-COX, Commissioner

JACQUELINE PORTER, Commissioner

REESE GOAD, City Manager

CYNTHIA BARBER, Deputy City Manager

RAOUL LAVIN
Assistant City Manager

WAYNE TEDDER
Assistant City Manager

DENNIS R. SUTTON
Inspector General

JIM COOKE
City Treasurer-Clerk

CASSANDRA JACKSON
City Attorney

**CITY OF TALLAHASSEE, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2021
TABLE OF CONTENTS**

	PAGE
I. Introductory Section	
Letter of Transmittal.....	8
Government Finance Officers Association Certificate of Achievement.....	12
Organization Chart.....	13
List of City Officials and Directors.....	14
List of Financial Services Staff.....	15
II. Financial Section	
Independent Auditors' Report.....	18
A. Management's Discussion and Analysis	21
B. Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position.....	36
Statement of Activities.....	38
Fund Financial Statements:	
Governmental Funds Financial Statements:	
Balance Sheet.....	42
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	43
Statement of Revenues, Expenditures and Changes in Fund Balance.....	44
Reconciliation of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	45
Proprietary Funds Financial Statements:	
Statement of Net Position.....	46
Statement of Revenues, Expenses and Changes in Net Position.....	48
Statement of Cash Flows.....	50
Fiduciary Funds Financial Statements:	
Statement of Net Position.....	52
Statement of Changes in Net Position.....	53
Notes to Financial Statements:	
Notes to the Financial Statements.....	56
C. Required Supplementary Information (Other than MD&A):	
Budgetary Comparison Schedule - General Fund.....	128
Note to Required Supplementary Information - General Fund.....	129
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - General	130
Schedule of Net Pension Liability by Employer - General Employees.....	131
Schedule of Contributions - General Employees.....	132
Notes to Schedule of Contributions - General Employees.....	132
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - Police Officers.....	133
Schedule of Contributions - Police Officers.....	134
Notes to Schedule of Contributions - Police Officers.....	134
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - Firefighters.....	135
Schedule of Contributions - Firefighters.....	136
Notes to Schedule of Contributions - Firefighters.....	136
Schedule of Investment Returns - Pension Plans.....	137
Schedule of Changes in Net OPEB Liability and Related Ratio.....	138
Schedule of Net OPEB Liability.....	139
Notes to Schedule of Net OPEB Liability.....	139
Schedule of Contributions - OPEB.....	140
Notes to Schedule of Contributions - OPEB.....	140
Schedule of Investment Returns - OPEB.....	141

**CITY OF TALLAHASSEE, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

TABLE OF CONTENTS

CONTENTS

	PAGE
D. Combining Financial Statements:	
Nonmajor Governmental Funds:	
Balance Sheet.....	146
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	148
Nonmajor Enterprise Funds:	
Statement of Net Position.....	151
Statement of Revenues, Expenses, and Changes in Net Position.....	152
Statement of Cash Flows.....	153
Internal Service Funds:	
Statement of Net Position.....	156
Statement of Revenues, Expenses, and Changes in Net Position.....	158
Statement of Cash Flows.....	160
Pension and Other Employee Benefit Trust Funds:	
Statement of Net Position.....	164
Statement of Changes in Net Position.....	165
E. Supplementary Information:	
Capital Bonds, Series 2009.....	168
Capital Bonds, Series 2012.....	169
Capital Bonds, Series 2014.....	170
Capital Bonds, Series 2018.....	171
Energy System Revenue Bonds, Series 2010B	172
Energy System Refunding Revenue Bonds, Series 2015.....	173
Energy System Refunding Revenue Bonds, Series 2017.....	174
Energy System Revenue Bonds, Series 2018.....	175
Energy System Revenue Bonds, Series 2020.....	176
Consolidated Utility System Revenue Bonds, Series 2010A.....	177
Consolidated Utility System Refunding Revenue Bonds, Series 2015.....	178
Consolidated Utility System Refunding Revenue Bonds, Series 2017.....	179
Consolidated Utility System Revenue Bonds, Series 2018.....	180
Consolidated Utility System Refunding Revenue Bonds, Series 2020.....	181
Transportation Improvement Bond, Series 2019.....	182
III. Statistical Section	
Net Position by Component.....	185
Changes in Net Position.....	186
Fund Balances, Governmental Funds.....	190
Changes in Fund Balances, Governmental Funds.....	190
Assessed Value and Estimated Actual Value of Taxable Property.....	191
Direct and Overlapping Property Tax Rates	192
Principal Property Taxpayers.....	193
Property Tax Levies and Collections.....	194
Assessed Valuations, Millage, and Taxes Levied and Collected.....	195
Ratios of Outstanding Debt by Type.....	196
Ratios of General Bonded Debt Outstanding.....	197
Direct and Overlapping Governmental Activities Debt.....	198
Legal Debt Margin.....	199
Revenue Bond Coverage - Energy Revenue Bonds.....	200
Revenue Bond Coverage - Consolidated Utility Revenue Bonds.....	201
Demographic Statistics	202
Principal Employers.....	203
Full-time Equivalent City Government Employees by Function/Program.....	204

**CITY OF TALLAHASSEE, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2021
TABLE OF CONTENTS**

CONTENTS

	PAGE
Operating Indicators by Function / Program.....	205
Capital Asset Statistics by Function/Program.....	206
Miscellaneous Statistical Data.....	207
Schedule of Insurance.....	208
IV. Single Audit and Other Reports	
Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	212
Independent Auditors' Report on Compliance for Each Major Federal Program, Major State Project, and the Passenger Facility Charge Program and on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance and Schedule of Passenger Facility Charges Required by the Uniform Guidance, Chapter 10.550, Rules of the Auditor General, and Passenger Facility Charge Audit Guide for Public Agencies.....	214
Schedule of Findings and Questioned Costs.....	217
Summary Schedule of Prior Audit Findings.....	219
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	220
Schedule of Expenditures of Passenger Facility Charges.....	223
Independent Accountants' Report.....	224
Independent Auditors' Management Letter.....	225



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TALLAHASSEE**

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INTRODUCTORY SECTION

Letter of Transmittal

Government Finance Officers Association Certificate of Achievement

Organizational Chart

List of Elected and Appointed Officials and Directors

List of Financial Reporting Staff



April 28, 2022

Honorable Mayor, Commissioners, and City Manager City of Tallahassee, Florida

The Annual Comprehensive Financial Report of the City of Tallahassee, Florida, for the fiscal year ended September 30, 2021, is hereby submitted pursuant to Section 11.45, Florida Statutes and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. This report represents the official report of the City's financial operations and condition to the citizens, City Commission, City management, rating agencies, and other interested persons.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, but not absolute, assurance that the financial statements are free of any material misstatements.

The certified public accounting firm of MSL, P.A. has issued an unmodified opinion on the City's financial statements for the year ended September 30, 2021. The independent auditors' report is located at the front of the financial section of this report.

The City is also required to undergo an annual audit to obtain reasonable assurance about compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects. These independent auditors' reports are presented in the single audit section of this report.

Management's Discussion and Analysis (MD & A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD & A and should be read in conjunction with it.

PROFILE OF THE CITY

Tallahassee, the capital city of Florida, was incorporated in 1825, twenty years before Florida was admitted to the Union. The City is governed by a Mayor and four Commissioners elected at-large.

The City Commission appoints the City Manager, the City Treasurer-Clerk, the City Inspector General, and the City Attorney. Collectively the appointed officials are responsible for all administrative aspects of the government, with most falling under the purview of the City Manager.

The City provides a full range of municipal services. These services include public safety (police and fire), construction and maintenance of streets and sidewalks, stormwater management, recreation, planning and zoning, general administrative services, five utilities (electric, gas, water, sewer, and solid waste collection), a mass transit bus system, and an international airport.

The Commission is required to adopt a final budget no later than the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is approved at the fund level. Transfers between funds require approval by the Commission.

CITY HALL
300 South Adams Street
Tallahassee, FL 32301-1731
850-891-0000
TDD: 711 • Talgov.com

JOHN E. DAILEY
Mayor

REESE GOAD
City Manager

CURTIS RICHARDSON
Mayor Pro Tem

CASSANDRA K. JACKSON
City Attorney

JACQUELINE "JACK" PORTER
Commissioner

JAMES O. COOKE, IV
City Treasurer-Clerk

JEREMY MATLOW
Commissioner

DENNIS R. SUTTON
Inspector General

DIANNE WILLIAMS-COX
Commissioner

The budget process is a formalized annual occurrence that involves input, collaboration, and coordination between the respective City departments, the Office of Resource Management, the executive team, the City Commission, and the citizens of Tallahassee.

A budget review team composed of various members of the leadership and executive teams is established to set budget direction and priorities for the City. Annually, issues are selected by the City Commission to represent those programs and community needs, which are to be given priority attention during the year.

Prior to the development of the budget citizen input is solicited, using a citizen survey, on any program changes as well as on performance of all major programs.

FACTORS AFFECTING FINANCIAL CONDITION

The economy of Leon County is strongly influenced by governmental and educational activities. The presence of the State Capital and two major universities help to shape Leon County's population as relatively young, well educated, and affluent.

Leon County is a racially diverse community. Minorities account for 38.50% of the population, with African-Americans comprising 32.0%.

Leon County residents have historically attained a very high level of education. Forty six percent of area residents aged 25 or older have completed at least four years of college.

The 2015-2019 American Community Survey 5-year estimates report median family income in Leon County is \$53,106, which is comparable to the national median.

The level of governmental employment has a stabilizing effect on the economy and helps to minimize unemployment. In December 2021, the unemployment rate was 4.0% in the City as compared to the State's unemployment rate of 4.4%. The percentage of employees employed by local, state, and federal government is approximately 32.89% of the work force. The unemployment rate is one of many economic indicators utilized to evaluate the condition of the economy.

POPULATION GROWTH

Population growth trends for Leon County are presented in the following table:

Year	Tallahassee	Unincorporated	Leon
1960	48,174	26,051	74,225
1970	71,897	31,150	103,047
1980	81,548	67,107	148,655
1990	124,773	67,720	192,493
2000	150,624	88,828	239,452
2010	181,736	94,111	275,487
2020	198,627	100,857	299,484
2025	208,300	104,600	312,300
2030	216,900	106,100	323,000
2035	223,600	107,800	331,400
2040	229,300	109,200	338,500
2045	234,200	110,400	344,600

CONSTRUCTION TRENDS

Residential Construction

Single-family residential building permits in Leon County were up 22% in fiscal year 2021, following a 13% increase in fiscal year 2020. Permits for multi-family units were up 16% in fiscal year 2021 following a 48% increase in fiscal year 2020. Year-over-year new multi-family construction can be volatile given the number of units included in each development.

Commercial Development

In fiscal year 2021, nearly \$63 million in new commercial construction was permitted in Leon County, below the approximately \$97 million permitted in fiscal year 2020. Larger new commercial permits in fiscal year 2021 include the estimated \$30 million, 250,000 square foot 4Forty North Monroe Mixed-Use Development, the \$6.6 million, 104,000 square foot Par Self-Storage Timberlane, and the \$6.4 million, 63 room Tallahassee Suites Hotel.

MILLAGE RATES

As indicated below, the City enjoys the lowest millage rate of the comparable largest cities in Florida for 2021 and 2020. Tallahassee's low and stable millage rate should act as an incentive to economic growth and stability.

Comparable City	Millage Rate	
	2021	2020
Clearwater	5.96	5.96
Daytona	5.53	5.86
Fort Lauderdale	4.34	4.12
Gainesville	5.29	5.29
Hollywood	7.47	7.92
Lakeland	5.56	5.46
Largo	5.63	5.62
Orlando	6.65	6.65
Pensacola	4.29	4.29
Tallahassee	4.1	4.1
West Palm Beach	8.35	8.35

LONG-TERM FINANCIAL PLANNING

The financial viability of the City continues to be a high priority for the City Commission and management. An integral part of the budgeting process is the development of the City's Five-Year Financial Plan (the Plan). The Plan is updated annually during the budget process and serves as a blueprint for decision-making and allows for flexibility to address issues as they arise.

The Plan resulted in an approved fiscal year 2021 operating budget of \$743.1 million and an approved capital budget of \$152.2 million. The Plan for the ensuing five years (including 2021) results in projected capital expenditures of approximately \$878 million.

AWARDS AND ACKNOWLEDGEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tallahassee, Florida for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial

reports. To be awarded a Certificate of Achievement, the City must publish an annual comprehensive financial report, whose contents satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for a new certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Financial Reporting Division who participated in the compilation of the report. We would also like to thank the members of the City Commission for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Raoul A. Lavin Assistant City Manager



Patrick Twyman
Director of Financial Services



Government Finance Officers Association

Certificate Of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Tallahassee
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO



CITY OF TALLAHASSEE

ORGANIZATIONAL VALUES

- Honor public trust through ethical behavior
- Provide exceptional citizen service
- Lead with integrity at every level
- Collaborate to reach common goals
- Invest in employee excellence
- Promote equity and celebrate diversity

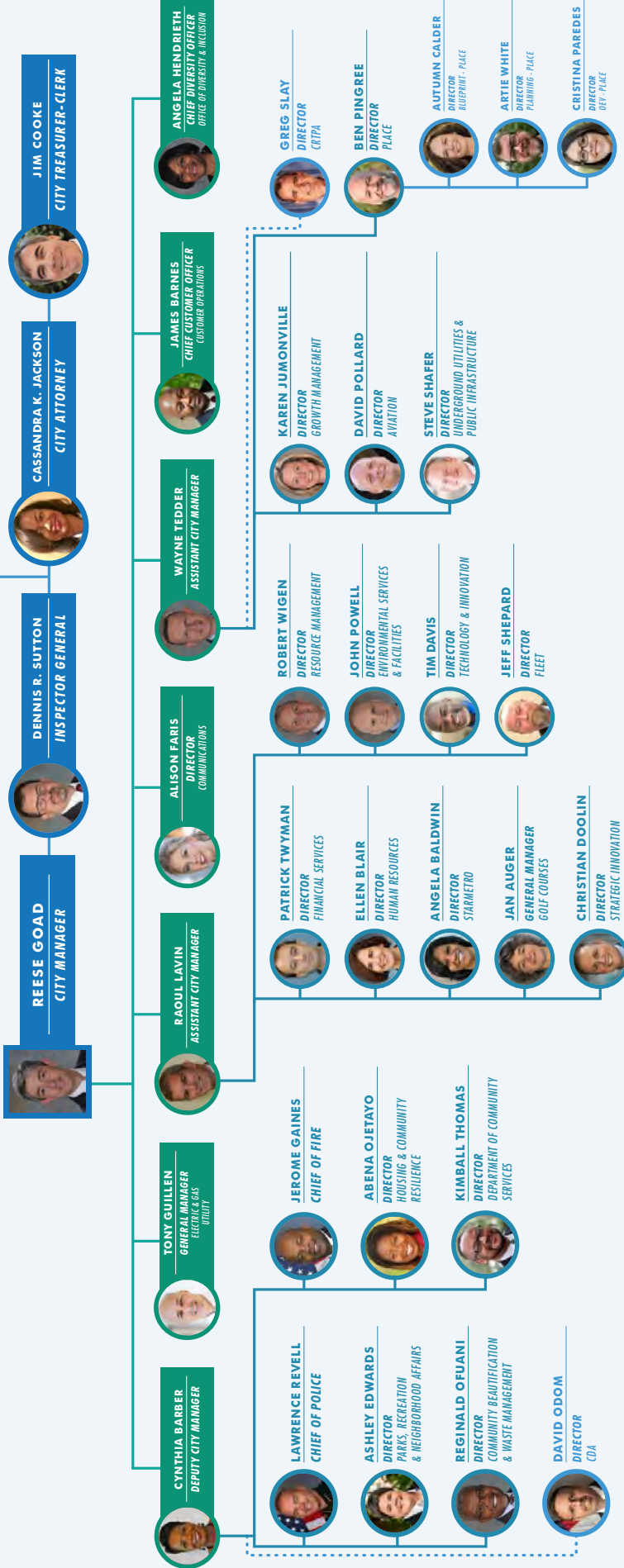
THE CITIZENS OF TALLAHASSEE



THE CITY COMMISSION



MEMBERS OF THE CITY COMMISSION (L TO R):
 Commissioner Jeremy Malloff
 Commissioner Dianne Williams-Cox
 Mayor John E. Drilley
 Commissioner Jacqueline "Jackie" Porter
 Mayor Pro Tem Curtis Richardson



**CITY OF TALLAHASSEE, FLORIDA
LISTING OF CITY OFFICIALS AND DIRECTORS**

Elected Officials

Mayor..... John E. Dailey
 Mayor Pro Tem Curtis Richardson
 Commissioner Dianne Williams-Cox
 Commissioner Jacqueline “Jack” Porter
 Commissioner Jeremy Matlow

Appointed Officials

City Manager..... Reese Goad
 City Treasurer-Clerk..... Jim Cooke
 Inspector General Dennis R. Sutton
 City Attorney Cassandra Jackson

Deputy City Manager and Assistant City Managers

Deputy City Manager Cynthia Barber
 Assistant City Manager Raoul Lavin
 Assistant City Manager Wayne Tedder

Department Directors

Aviation David Pollard
 Communications Alison Faris
 Community Beautification and Waste Management Reginald Ofuani
 Community Redevelopment Agency Stephen Cox
 Community Services Kimball Thomas
 Customer Operations Chief Customer Officer James Barnes
 Diversity and Inclusion Chief Diversity Officer Angela Hendrieth
 Energy Services, Electric and Gas General Manager..... Tony Guillen
 Environmental Services and Facilities John Powell
 Financial Services Patrick Twyman
 Fire Chief Jerome Gaines
 Fleet..... Jeff Shepard
 Golf Courses General Manager..... Jan Auger
 Growth Management..... Karen Jumonville
 Housing and Community Resilience..... Abena Ojetayo
 Human Resources Ellen Blair
 Parks, Recreation and Neighborhood Affairs Ashley Edwards
 Planning, Land Management and Community Enhancement Benjamin Pingree
 Police Chief..... Lawrence Revell
 Resource Management..... Robert Wigen
 StarMetro Angela Baldwin
 Strategic Innovation Christian Doolin
 Technology and Innovation Tim Davis
 Underground Utilities & Public Infrastructure Steve Shafer

The Annual Comprehensive Financial Report for the City of Tallahassee, Florida was produced by the combined efforts of the Financial Reporting Division of the Financial Services Department as well as the accounting staff of the Tallahassee International Airport and the Grants Management Division. The following staff had primary responsibility for preparing and ensuring the accuracy of this report.

Assistant City Manager
Raoul A. Lavin

Director of Financial Services
Patrick Twyman

Assistant Director of Financial Services
Roberta McManus, CPA

Manager, Financial Reporting
Rita Stevens, CPA

Manager, Fixed Assets and Accounts Receivable
Robert Bechtol, CPA

Financial Reporting Staff

Linda Caines	Mazie Crumbie	Julie Paniucki	Angela Roberts
Shea Tillmon	Latrenda Johnson	Rosie Tu	Lajja Patel, CPA, CGFM
Kereen Jones	Keith Srinivasan	George Robbins, CPA	Vernessa McMillon
Emerson Thompson	Ben Halvorsen, CPA*	Shenika McNear^	Kristina Seymour^
Cameisha Smith^			

* Tallahassee International Airport Staff
^Grants Management Staff



**CITY OF
TALLAHASSEE**

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FINANCIAL SECTION

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining Financial Statements

Supplementary Information



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Commission
City of Tallahassee, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Tallahassee, Florida (the "City") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

The Honorable Mayor and
Members of the City Commission
City of Tallahassee, Florida

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter - Correction of an Error

As discussed in Note III. D to the financial statements, in the year ended September 30, 2021, the City made an adjustment to the debt service fund to correct the recording of advances which required the restatement of the October 1, 2020 fund balance in the debt service fund. Our opinions are not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note III. D to the financial statements, in the year ended September 30, 2021, the City adopted the provisions of Government Accounting Standards Board Statement (“GASBS”) Number 84, *Fiduciary Activities*. As a result of the implementation of GASBS 84, the City reported a restatement for the change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The introductory section, combining financial statements and schedules, the other supplemental information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

The Honorable Mayor and
Members of the City Commission
City of Tallahassee, Florida

The combining financial statements and schedules, and other supplemental information are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
April 28, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Tallahassee (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year that ended September 30, 2021. Management's Discussion and Analysis is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activities, (c) identify changes in the City's financial position, and (d) identify individual fund concerns or issues. It should be read in conjunction with the Transmittal Letter at the front of this report and the City's financial statements, which follow this section. Notes mentioned below are Notes to the Financial Statements, which follow the statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of September 30, 2021 by \$1.9 billion. After accounting for net position reserved for Investment in Capital Assets and for other restrictions, the unrestricted net position is negative \$2.2 million. This negative net position is primarily the result of the City's net pension and net OPEB liabilities.
- The City's total net position decreased by \$61.0 million as a result of fiscal year 2021 operations.
- As of September 30, 2021, the City's governmental funds reported combined ending fund balances of \$108.2 million, an increase of \$25.4 million from the prior year. This increase results from a current year operations surplus of \$9.6 million in addition to a prior period restatement of \$15.8 million related to a prior period adjustment explained in Note 3.D. Approximately \$1.4 million of the governmental funds fund balance is available for spending at the City's discretion.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$2.6 million, or 1.8% of general fund expenditures.
- As of September 30, 2021, the City's enterprise funds reported combined net position of \$1.20 billion, a decrease of \$20.2 million from the prior year. This decrease is the net result from current year operations. Approximately \$149.9 million of the net position is unrestricted.
- Capital assets, net of accumulated depreciation, as of September 30, 2021, totaled \$2.55 billion, a decrease of \$65.3 million in comparison with prior year (Note IV.D.).
- The City's outstanding long-term debt (Note IV.G.) decreased from \$1.46 billion to \$1.41 billion, or 3.4%.

AN OVERVIEW OF THE FINANCIAL STATEMENTS

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* are designed to report information about the City as a whole using accounting methods similar to those used by private-sector companies. Two statements, the *statement of net position* and the *statement of activities*, are utilized to provide information on a government-wide basis.

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

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

The government-wide financial statements of the City are divided into three categories:

Governmental activities — These include the basic services provided by the City including police, parks and recreation, public works, and general administration. Property, sales, and other taxes finance the majority of these activities.

Business-type activities — These include services for which the City charges specific fees which are meant to cover the cost of providing the services. These services include electric, gas, airport, fire protection, solid waste collection, water, sewer, stormwater management, transit services, and the Hilaman Golf Course.

Component units — These are legally separate organizations for which the City Commission appoints the governing board and the City has financial reporting responsibilities. The City has one discretely presented component unit, the Downtown Improvement Authority, which is an agency created by the Florida Legislature to regulate downtown growth. The City also has a blended component unit, the Community Redevelopment Agency, which is blended as a major special revenue fund into the primary government (see Note I-A for more details).

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 focus is on major funds, which provides detailed information about the most significant funds. The City, like other governmental entities, uses funds to ensure and demonstrate compliance with financial requirements imposed by law, bond covenants, and local administrative and legislative actions. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

GOVERNMENTAL FUNDS — Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare 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 City'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 thirteen (13) individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General and the Community Redevelopment Agency Funds, both of which are considered major funds. Data from the other eleven (11) funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided on pages 146 - 149 of this report.

PROPRIETARY FUNDS — The City maintains two different types of proprietary funds, enterprise and internal service.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains ten (10) individual enterprise funds. Information is presented separately in the proprietary funds statement of net position and in the proprietary funds statement of revenues, expenses, and changes in net position for the Electric, Gas, Sewer, Water, Airport, and Stormwater Management Funds, all of which are considered major funds. Data from the other four (4) funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major proprietary funds is provided on pages 151 - 153 of this report.

Internal Service Funds are used to account for activities that provide goods and services to the City's other programs and activities. The City maintains fifteen (15) individual internal service funds. These internal service funds are allocated between governmental activities and business-type activities in the government-wide financial statements based upon the activity that receives the predominant benefit. Internal service funds are combined into a single, aggregate presentation in the proprietary fund financial statements. Individual fund data for each of these internal service funds is provided on pages 156 - 161 of this report.

FIDUCIARY FUNDS — Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's programs and activities. The City reports three fiduciary funds, two of which are combined into a single, aggregate presentation in the fiduciary fund statements. Individual fund data for each of these two fiduciary funds is provided on pages 164 - 165 of this report. The basic financial statements for all three fiduciary funds are provided on pages 52 - 53 of this report.

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

This report additionally includes required supplementary information (RSI) including a budget comparison schedule, with related notes, for the General Fund and information concerning the City's progress in funding its obligation to provide pension and other post employment benefits to its employees.

The combining statements in connection with non-major governmental funds, non-major enterprise funds, internal service funds, and pension and other employee benefit fiduciary funds are presented in the combining statements section of the report.

Information regarding the City's debt service requirements, statistical information, and economic data is also presented to give report users a historical perspective of the City and to allow for broader understanding of the economic and social environment in which the City operates.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table is a summary of the fiscal year 2021 Statement of Net Position found on pages 36 - 37 with comparative information for fiscal year 2020.

Table 1
Statement of Net Position
As of September 30
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and Other Assets	\$ 157.6	\$ 139.4	\$ 646.2	\$ 580.4	\$ 803.8	\$ 719.8
Capital Assets	786.1	802.5	1,766.0	1,814.9	2,552.1	2,617.4
Total Assets	943.7	941.9	2,412.2	2,395.3	3,355.9	3,337.2
Deferred Outflow of Resources	115.6	134.3	48.7	55.9	164.3	190.2
Total Assets and Deferred Outflows	1,059.3	1,076.2	2,460.9	2,451.2	3,520.2	3,527.4
Liabilities						
Current and Other Liabilities	343.9	324.6	235.6	231.5	579.5	556.1
Long-term Debt Outstanding	90.4	90.7	881.1	919.3	971.5	1,010.0
Total Liabilities	434.3	415.3	1,116.7	1,150.8	1,551.0	1,566.1
Deferred Inflows of Resources	12.7	10.5	82.1	15.5	94.8	26.0
Total Liabilities and Deferred Inflows	447.0	425.8	1,198.8	1,166.3	1,645.8	1,592.1
Net Investment in Capital Assets	683.8	718.2	866.4	895.2	1,550.2	1,613.4
Restricted	93.3	82.8	233.1	195.0	326.4	277.8
Unrestricted	(164.8)	(150.6)	162.6	194.7	(2.2)	44.1
Total Net Position	612.3	650.4	1,262.1	1,284.9	1,874.4	1,935.3
Total Liabilities, Deferred Inflows and Net Position	\$ 1,059.3	\$ 1,076.2	\$ 2,460.9	\$ 2,451.2	\$ 3,520.2	\$ 3,527.4

Changes in net position over time can be one of the best and most useful indicators of financial position. Total net position of the City decreased from \$1,935.3 million in 2020 to \$1,874.4 million in 2021, a decrease of \$60.9 million or 3.15%.

The largest portion of the City's net position, \$1.55 billion or 82.7%, reflects its substantial investment in capital assets (e.g., land, buildings, equipment, etc.), less the related outstanding debt used to acquire or construct those assets. The City uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In addition, a portion of the City's net position, \$326.4 million or 17.4%, represents resources that are subject to external restrictions or restrictions imposed by formal action of the City Commission on how they may be used.

After accounting for net position related to Investments in Capital Assets and other restrictions and commitments on net position, the City has negative unrestricted net position of \$2.2 million primarily resulting from the City's net pension and net OPEB liabilities.

At the end of the fiscal year, the City is able to report positive balances in all reported categories of net position for the government as a whole with the exception of unrestricted net position. The unrestricted net position in governmental activities is primarily negative as a result of the City's net pension and net OPEB liabilities. The remaining net position categories for governmental activities and all of the net position for business-type activities have positive balances.

The following table is a summary of the fiscal year 2021 Statement of Activities found on pages 38 - 39 with comparative information for fiscal year 2020.

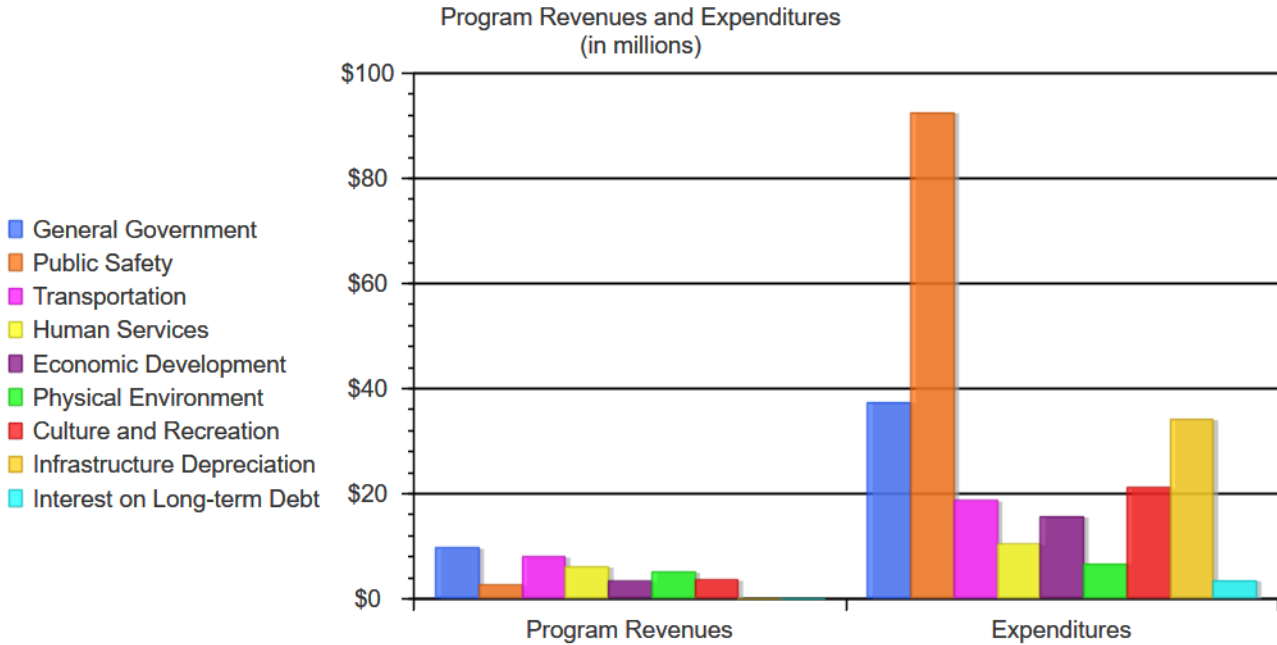
Table 2
Changes in Net Position
For the Year Ended September 30
(in millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program revenues						
Charges for Services	\$ 13.3	\$ 12.6	\$ 531.8	\$ 523.1	\$ 545.1	\$ 535.7
Operating Grants and Contributions	20.2	13.3	8.4	26.1	28.6	39.4
Capital Grants and Contributions	5.1	4.2	15.2	15.5	20.3	19.7
General revenues						
Property Taxes	50.2	47.2	-	-	50.2	47.2
Public Service Taxes	24.4	24.4	-	-	24.4	24.4
Grants and Contributions	35.1	35.2	2.0	2.0	37.1	37.2
Net Investment Revenue	1.4	3.5	(0.1)	19.9	1.3	23.4
Other Revenues	11.4	7.3	0.6	0.2	12.0	7.5
Total Revenues	161.1	147.7	557.9	586.8	719.0	734.5
Expenses						
General Government	37.4	43.3	-	-	37.4	43.3
Public Safety	92.5	95.8	-	-	92.5	95.8
Transportation	18.7	23.0	-	-	18.7	23.0
Cultural and Recreation	21.2	22.2	-	-	21.2	22.2
Depreciation on Infrastructure	34.2	33.3	-	-	34.2	33.3
Other Primary Government	32.8	27.2	-	-	32.8	(27.2)
Interest on Long-Term Debt	3.5	3.9	-	-	3.5	3.9
Electric	-	-	252.3	272.7	252.3	272.7
Gas	-	-	21.7	21.9	21.7	21.9
Sewer	-	-	77.4	83.6	77.4	83.6
Water	-	-	40.5	36.5	40.5	36.5
Airport	-	-	20.7	20.8	20.7	20.8
StarMetro	-	-	27.1	27.0	27.1	27.0
Solid Waste	-	-	29.8	27.7	29.8	27.7
Golf	-	-	1.0	0.9	1.0	0.9
Stormwater Management	-	-	21.0	14.9	21.0	14.9
Fire Services	-	-	48.1	48.4	48.1	48.4
Total Expenses	240.3	248.7	539.6	554.4	779.9	803.1
Increase (Decrease) in Net Position						
Before Transfers	(79.2)	(101.0)	18.3	32.4	(60.9)	(6.4)
Transfers	41.1	57.4	(41.1)	(57.4)	-	-
Increase (Decrease) in Net Position						
From Operations	(38.1)	(43.6)	(22.8)	(25.0)	(60.9)	(68.6)
Net Position - October 1	650.4	694.0	1,284.9	1,309.9	1,935.3	2,003.9
Net Position - September 30	<u>\$ 612.3</u>	<u>\$ 650.4</u>	<u>\$ 1,262.1</u>	<u>\$ 1,284.9</u>	<u>\$ 1,874.4</u>	<u>\$ 1,935.3</u>

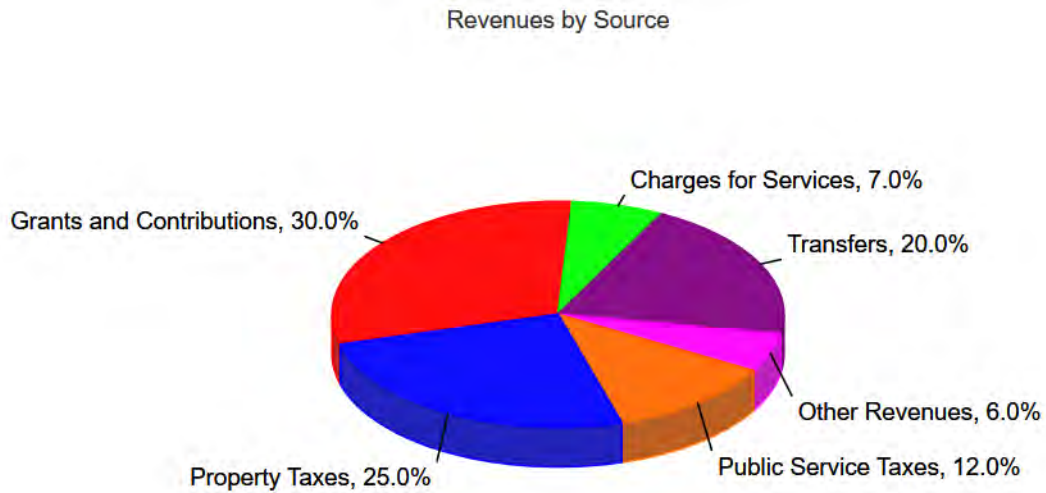
GOVERNMENTAL ACTIVITIES

During the fiscal year, net position for governmental activities decreased \$38.1 million for current year operations resulting in an ending balance of \$612.3 million.

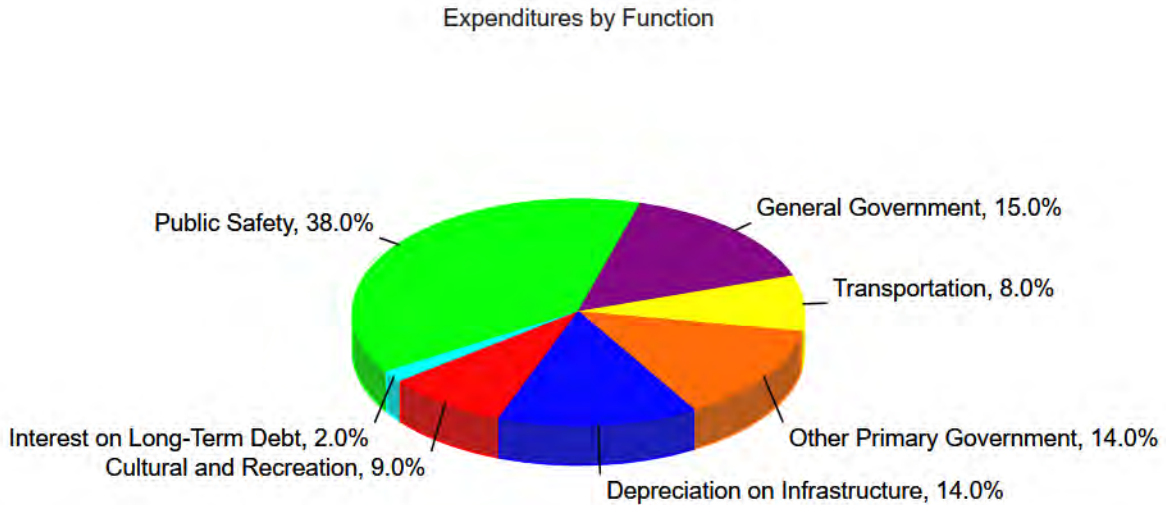
The following chart compares expenditures and program revenues for the governmental activities.



The following chart illustrates the City's revenues by source for the City's governmental activities.



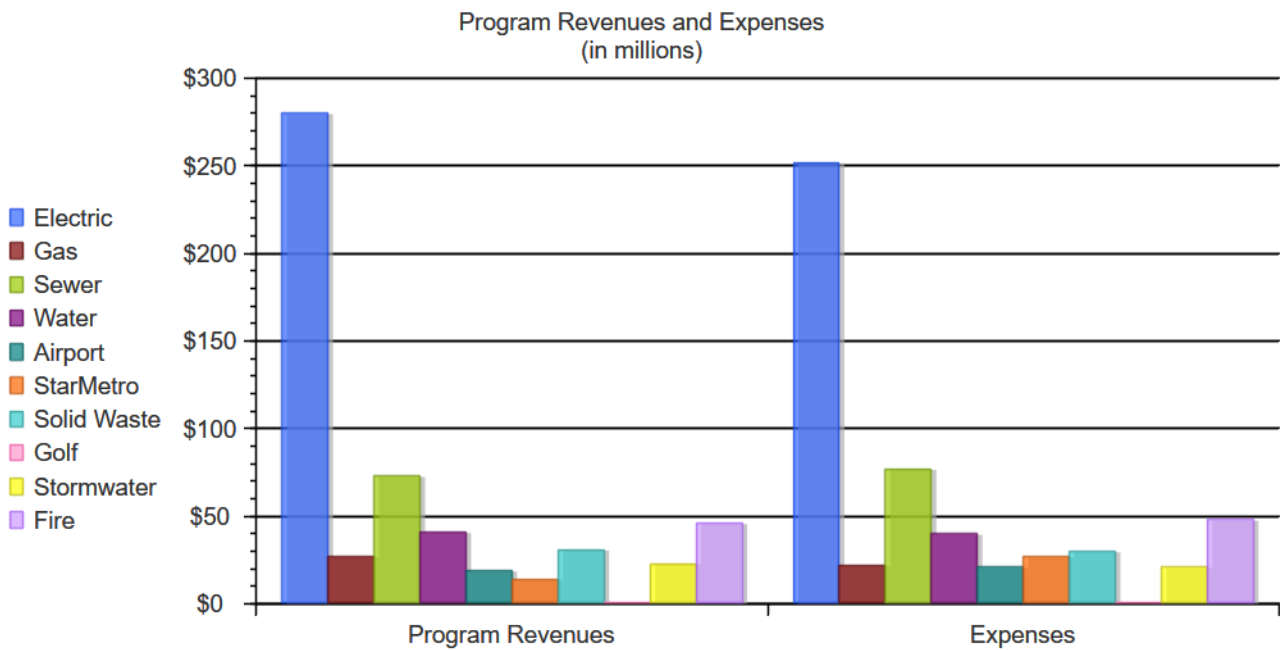
The following chart illustrates the City's expenditures by function for the City's governmental activities.



BUSINESS-TYPE ACTIVITIES

For the City's Business-type activities, the results for the current fiscal year were negative resulting in an ending net position of \$1.26 billion. The decrease of \$22.8 million is the result of current year operations.

The following chart compares program revenues and expenses for the City's business-type activities.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The fund financial statements for the governmental funds are provided on pages 42 - 45. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2021, the City's governmental funds reported combined ending fund balances of \$108.2 million, an increase of \$25.4 million in comparison with the prior year. This increase is the result of current year operations of \$9.6 million and a prior period adjustment for \$15.8 million. Of this amount \$1.5 million is considered non-spendable; \$54.5 million is restricted for purposes which are externally imposed by providers; \$48.8 million is committed for specific purposes that are internally imposed by the City Commission; \$2.0 million is assigned to projects under the control of the department budgeted to receive the funds; and \$1.4 million is unassigned.

The following table summarizes the change in fund balance for the governmental funds:

Table 3
Financial Analysis of the City's Governmental Funds
(in millions)

Fund	Fund Balances 9/30/2020 as restated*	Sources	Uses	Sources Over (Under) Uses	Fund Balances 9/30/2021 as restated*
General Fund	\$ 23.1	\$ 168.2	\$ 164.4	\$ 3.8	\$ 26.9
Community Redevelopment	15.9	13.9	12.8	1.1	17.0
Other Funds	59.6	67.3	62.6	4.7	64.3
Total City Funds	<u>\$ 98.6</u>	<u>\$ 249.4</u>	<u>\$ 239.8</u>	<u>\$ 9.6</u>	<u>\$ 108.2</u>

*restatement is related to a \$15.8 million reclassification of advances from the general long-term debt account group to the debt service fund

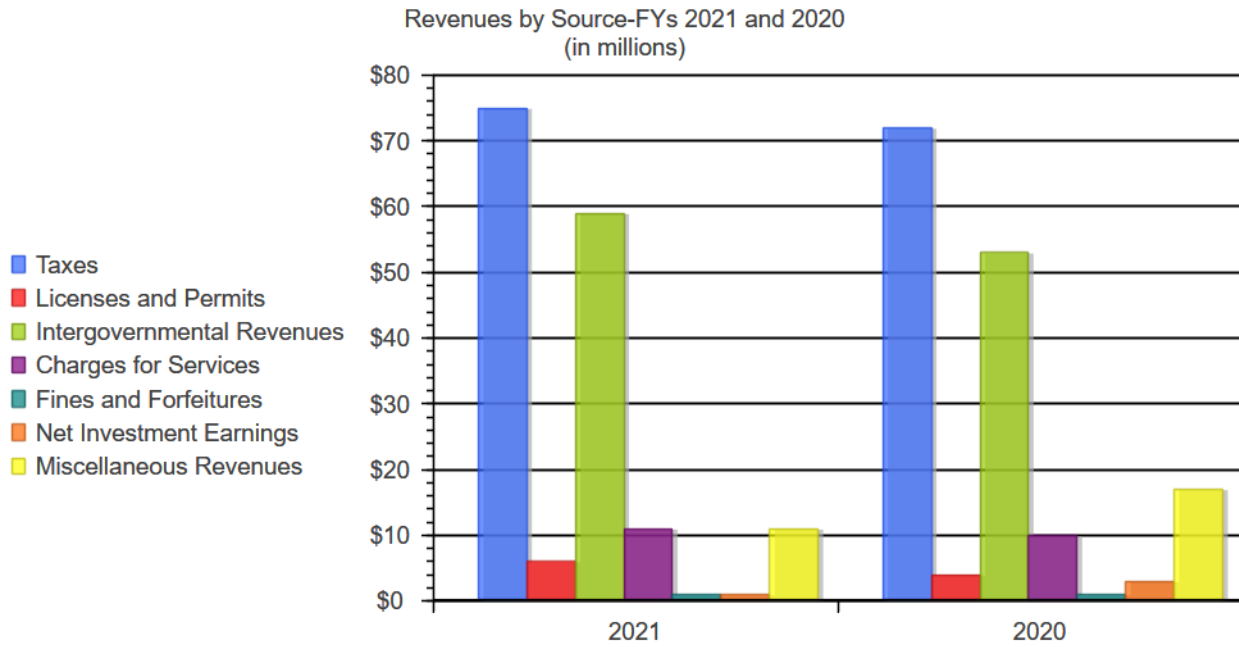
The General Fund is the chief operating fund of the City. At the end of the fiscal year, fund balance for the general fund was \$26.9 million, or 16.3% of general fund expenditures and other financing uses. Of this amount, \$1.2 million is non-spendable and \$2.6 million is unassigned.

The fund balance for the City's General Fund increased \$3.8 million during fiscal year 2021. This increase is primarily due to an increase in sale of land proceeds from the sale of two properties totaling \$3.6 million for which there was no comparable sale in the prior year.

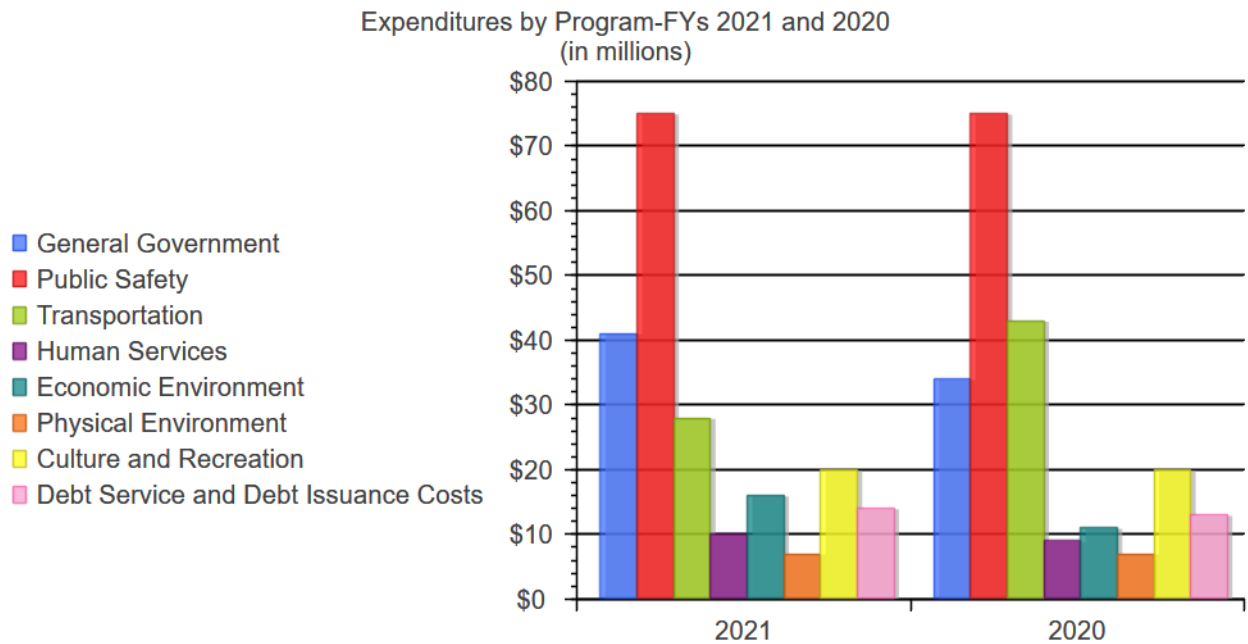
The fund balance for the City's Community Redevelopment Agency (CRA) Fund increased \$1.1 million from 2020. This increase is the result of current year operations which included loan proceeds of \$3.95 million for the purchase of the Cascades West Parking Garage, additional revenue increases from Tourist Development Tax funds in the amount of \$2.25 million for the purchase of Parkview at Cascades (formerly the Amphitheater Support Space), and \$1.0 million for the LeMoyne Arts for Always project. Expenses included funding of \$1.5 million for Phase II of the Tallahassee Housing Authority Orange Avenue Apartments Redevelopment project and funding of \$2.8 million in infrastructure projects in the Downtown District, including the Cascades Redevelopment project. The CRA also assisted in the purchase of the Amphitheater Support Space (now known as Parkview at Cascades) at the cost of \$2.4 million, along with \$4.0 million for the purchase of the Cascades West Parking Garage. The net results for the year were a net income of \$1.1 million.

The fund balance in the City's other non-major governmental funds increased \$20.5 million from the prior year. The increase was the result of current year operations of \$4.7 million (primarily due to a \$6 million American Rescue Plan grant obtained to offset revenue losses caused by the Covid 19 pandemic) and a \$15.8 million prior period restatement of fund balance related to a reclassification of advances from the General Long-Term Debt Account Group to the debt service fund.

The following chart compares revenue by source for the governmental funds.



The following chart compares expenditures by program for the governmental funds.



PROPRIETARY FUNDS

The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Factors addressing the finances of these funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

A schedule comparing the original to the final budget and the variance from the final budget to the actual results is included on page 128 of the financial statements.

There was a net increase to the original budget for \$1.5 across several categories for various adjustments throughout the fiscal year.

The City's general fund generated a positive variance of approximately \$578,000 between the final amended budget and actual results of operation. Actual revenues for the year were in line with the budget overall but the revenues by category varied from the budget in all cases. Overall expenses were under budget by \$578,000. These variances were spread across all expense categories.

CAPITAL ASSETS

The City's capital assets for its governmental and business-type activities, net of depreciation, as of September 30, 2021, were approximately \$2.6 billion. This represents a net decrease of approximately \$65.3 million, or 2.5%, under last year. See Note IV.D. for more information about the City's capital assets.

Table 4
Capital Assets, net of accumulated depreciation
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 368,567	\$ 368,567	\$ 154,043	\$ 153,103	\$ 522,610	\$ 521,670
Buildings	38,988	41,810	124,162	130,542	163,150	172,352
Equipment	18,682	20,756	392,157	438,732	410,839	459,488
Improvements (Other than Buildings)	6,359	6,469	32,654	30,133	39,013	36,602
Infrastructure	323,248	348,930	793,627	784,041	1,116,875	1,132,971
Intangibles	181	185	179,011	191,511	179,192	191,696
Construction in Progress	30,056	15,785	90,311	86,795	120,367	102,580
Total	\$ 786,081	\$ 802,502	\$ 1,765,965	\$ 1,814,857	\$ 2,552,046	\$ 2,617,359

Major capital acquisitions and improvements during the year included the following:

- Aviation infrastructure - \$3.6 million
- Electric generation, transmission and distribution infrastructure - \$24.3 million
- Gas transmission and distribution infrastructure - \$1.8 million
- Sewer collection, treatment, and disposal infrastructure - \$13.5 million
- StarMetro acquisition of buses and system improvements - \$1.0 million
- Stormwater infrastructure - \$4.9 million
- Street construction, widening and expansion projects improvements, park improvements, and vehicles and equipment for public safety purposes, - \$15.4 million
- Water transmission and distribution infrastructure - \$10.5 million
- Technology and Innovation - \$11.1 million

LONG-TERM DEBT

As shown in the following table, as of September 30, 2021, the City had \$912.9 million in total debt outstanding. This amount represents bonds and loans secured by specified revenue sources and excludes issuance premium and discounts.

Table 5
Outstanding Debt at September 30
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
	General Revenue Bonds	78,585	87,595	-	-	78,585
Proprietary Revenue Bonds	-	-	812,966	841,170	812,966	841,170
Other Loans/Notes	11,785	780	9,589	12,589	21,374	13,369
Total	90,370	88,375	822,555	853,759	912,925	942,134

The City's total debt decreased by \$29.2 million, or 3.10%, during the current fiscal year. This is due to the net effect of principal paydowns of approximately \$40.4 million netted with the execution of two new Revenues Notes, a public improvement revenue note for \$7.3 million and a community redevelopment revenue note for \$3.9 million.

Bond ratings have a significant influence in establishing the rate of interest expense the City must pay when the bonds are sold. Ratings for the City's debt have been consistently judged to be of good investment quality as indicated in the following table:

Table 6
Bond Ratings

	Moody's Investors Service, Inc	Standard & Poor's Rating Services	Fitch Ratings, Inc
	Capital Bonds	Aa2	NR
Consolidated Utility Systems Bonds	Aa1	AA	AA+
Energy System Bonds	Aa3	AA	AA

Additional information about the City's long-term liabilities is included in Note IV-G to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Significant Revenue Factors

Funding for the City's governmental activities comes from property taxes and a limited number of other taxes as authorized by the State Legislature (sales, gasoline, utility services, and telecommunications) and other fees to recover the costs of services provided. Revenue is also received from state-shared revenues and grants from state and federal governments. Revenues for the business-type activities and certain governmental activities (permitting, recreational programs, etc.) come from user fees or service charges. The consumption of the City's utilities is impacted by local weather patterns and the growth of new homes and businesses in the market. Beginning in March 2020, it has also been impacted by the COVID-19 pandemic. In recent years, there has been a decreasing consumption trend per capita in all of the utilities due mainly to the City's demand side management programs. The resulting slower growth in demand has allowed the City to defer adding generating capacity for its electric utility. The cost of fuel is recovered from customers through cost recovery adjustments that are not part of base rates to customers. The Electric Fund maintains a reserve account that has been used in the past to reduce the impact to electric customers of steep increases in the market price of fuel. The balance in this fund as of September 30, 2021 was approximately \$95.3 million.

Economic and other Factors that may Impact the City's Financial Position

The presence of two state universities, a community college and the state government provide a stabilizing influence on the City of Tallahassee's financial position. Leon County's unemployment has consistently been lower than both the state and national levels, and that was the case again in 2021.

As with any capital city, the health of the state government will continue to have a substantial impact on the economic or financial health of the City of Tallahassee. The impact of the COVID-19 pandemic temporarily reduced the state government's sales tax revenues. FY2020 saw a decrease of 1.28% in deposits compared to the prior year. Since then, revenues have rebounded with FY2021 showing an increase of 10.28% in sales and use tax. The City continues to monitor other state and local revenue streams, such as the Communication Services Tax, and contracts lobbying services to advocate for its financial interest at both the state and federal level. Additionally, the City is deliberate in seeking out state and federal grant opportunities to support the services it provides to its citizens.

Alongside the state workforce, Tallahassee's institutions of higher learning continue to be major economic drivers in the community. Ongoing partnership with these institutions represents significant economic and development opportunities for the City. Most recently, increased partnership between the universities and the City have helped attract companies to relocate to Tallahassee, especially those companies that are interested in the research being performed by Florida State University's National High Magnetic Field Laboratory. Furthermore, while the cost of college education has come under increased scrutiny in the past couple of years, tuition at the state universities remains affordable when compared to public universities in other states.

The City is actively involved in recruiting new businesses and employers to the area by providing a number of incentives and funding for eligible businesses as well as planning tools designed to promote economic development. This strategy has been successful in attracting new businesses and supporting existing businesses. In 2021, Amazon began construction of a 635,000 square foot robotics fulfillment center. When completed in 2022; the center will provide 1,000 full-time jobs. In addition to this initial location on the east side of town, Amazon has acquired another 30 acres on the west side of Tallahassee for construction of a second facility; specifics for that site have not yet been announced. In Innovation Park, Danfoss Turbocor broke ground on construction of a new 167,000 square foot manufacturing facility. The expansion will nearly double its current workforce of 260 employees.

Another sign of economic activity is the number of new developments that have been completed or are under construction throughout the City. The first phase of The Cascades Project was completed in 2021. Adjacent to Cascades Park downtown, the mixed-use development includes a new 150-room AC Hotel, 161 apartments and office space. Another downtown development project, 4Forty North Apartments, will feature 231 apartments, 17 townhouses and 15,000 square feet of retail space. Construction is underway with completion expected in 2023 The Canopy Project, a mixed-use development of 505 acres, continues to build out apartments and hundreds of new single-family homes. Redevelopment of the Market District includes a Springhill Suites that opened in 2021 and construction of new retail space for an REI store among others. South of downtown, SoMo Walls has announced plans for 33,000 square feet of dining, retail, service, and office space. New subdivisions continue their construction of single-family homes in various sectors of the City while a number of apartment complexes and condominium units are planned or underway across the community. In addition to commercial activity, the Blueprint Intergovernmental Agency, has a 5-year capital plan of over \$500 million. Projects include more than 20 miles of roadway improvements, 78 miles of bike and pedestrian facilities, 250 acres of developed public space and 8 new public parks.

These indicators, as well as others, were taken into account when adopting the City's budget for fiscal year 2022. The total fiscal year 2022 Citywide operating budget totals \$774.2 million, an increase of \$31.1million from fiscal year 2021. Personnel expenditures account for approximately 31% of the City's operating budget. The City's fiscal year 2022 operating budget has a net increase of 99.5 positions bringing total positions to 2,950.5.

The capital budget for fiscal year 2022 totals \$262.4 million, an increase of \$110.8 million from fiscal year 2021. The City's utilities account for \$113.4 million or 43.2% of the capital budget; other major uses include transportation, general government, public safety, technology, and culture and recreation. Bond proceeds (new and existing) will fund approximately 36.9% of these capital projects with the balance of funding coming primarily from capital improvement funds reserved for projects, federal funds, state funds, and general government resources. The City has a five year plan for capital improvements for all projects planned through fiscal year 2026 which totals \$1 billion with appropriations of funding made on an annual basis.

FINANCIAL CONTACT

This financial report is designed to provide residents, taxpayers, customers, and creditors with a general overview of the City of Tallahassee's finances and to demonstrate the City's accountability for the money it receives. If you have questions about the report or need additional financial information, contact the Financial Reporting Manager at Mailbox A-29, 300 South Adams Street, Tallahassee, Florida 32301-1731 or via email at Rita.Stevens@talgov.com.



**CITY OF
TALLAHASSEE**

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BASIC FINANCIAL STATEMENTS

These basic financial statements provide a summary overview of the financial position as well as the operating results of the City of Tallahassee. They also serve as an introduction to the more detailed statements and schedules that follow in subsequent sections:

- Government-wide Financial Statements
- Governmental Funds Financial Statements
- Proprietary Funds Financial Statements
- Fiduciary Funds Financial Statements
- Notes to Financial Statements

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF NET POSITION
September 30, 2021
(in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Improvement Authority
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current Assets				
Cash and Cash Equivalents	\$ 87,468	\$ 207,533	\$ 295,001	\$ 161
Securities Lending Collateral	406	983	1,389	1
Receivables:				
Accrued Interest	187	599	786	-
Customers and Other	951	68,280	69,231	-
Notes	168	6,914	7,082	-
Special Assessments	69	-	69	-
Less: Allowance for Doubtful Accounts	38	(2,470)	(2,432)	-
Due From Other Governments	15,534	13,378	28,912	-
Prepaid Expenses	-	2,861	2,861	7
Inventory	689	54,372	55,061	-
Cash and Cash Equivalents - Restricted	23,745	247,721	271,466	-
Securities Lending Collateral - Restricted	120	1,173	1,293	-
Receivables - Restricted:				
Accrued Interest	65	686	751	-
Other	16	-	16	-
Notes	507	-	507	-
Due From Other Governments	4,129	1,737	5,866	-
Total Current Assets	<u>134,092</u>	<u>603,767</u>	<u>737,859</u>	<u>169</u>
Noncurrent Assets				
Internal Balances	23,525	(23,525)	-	-
Derivative Instrument Asset	-	65,981	65,981	-
Capital Assets				
Land and Construction in Progress	398,623	244,354	642,977	-
Other, Net of Accumulated Depreciation	387,458	1,521,611	1,909,069	-
Total Noncurrent Assets	<u>809,606</u>	<u>1,808,421</u>	<u>2,618,027</u>	<u>-</u>
Total Assets	<u>943,698</u>	<u>2,412,188</u>	<u>3,355,886</u>	<u>169</u>
Deferred Outflows of Resources				
Deferred Outflows on Bond Refundings	1,205	1,311	2,516	-
Pension related deferred outflows	107,420	41,764	149,184	90
OPEB related deferred outflows	7,010	5,597	12,607	16
Total Deferred Outflows of Resources	<u>115,635</u>	<u>48,672</u>	<u>164,307</u>	<u>106</u>
Assets and Deferred Outflows of Resources	<u>\$ 1,059,333</u>	<u>\$ 2,460,860</u>	<u>\$ 3,520,193</u>	<u>\$ 275</u>

The notes to the financial statements are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF NET POSITION
September 30, 2021
(in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Improvement Authority
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
Current Liabilities				
Obligations Under Securities Lending	\$ 406	\$ 983	\$ 1,389	\$ 1
Accounts Payable	13,538	52,719	66,257	33
Utility Deposits Payable	-	25,460	25,460	-
Unearned Revenue	17,381	54	17,435	33
Due to Other Governments	1,438	120	1,558	-
Capital Lease Payable	667	291	958	-
Compensated Absences	7,947	10,859	18,806	6
Accounts Payable - Restricted	1,470	2,513	3,983	-
Obligations Under Securities Lending - Restricted	120	1,173	1,293	-
Unearned Revenue - Restricted	1,756	-	1,756	-
Bonds and Loans Payable	10,215	33,514	43,729	-
Total Current Liabilities	54,938	127,686	182,624	73
Noncurrent Liabilities				
Compensated Absences	3,768	4,034	7,802	-
Customer Contracts Payable	-	1,128	1,128	-
Claims Payable	-	15,528	15,528	-
Capital Lease Payable	702	3,082	3,784	-
Net OPEB Liability	45,612	32,497	78,109	115
Net Pension Liability	238,983	51,711	290,694	103
Bonds and Loans Payable	90,385	881,100	971,485	-
Total Noncurrent Liabilities	379,450	989,080	1,368,530	218
Total Liabilities	434,388	1,116,766	1,551,154	291
Deferred Inflows of Resources				
Deferred Inflows on Bond Refundings	-	6,797	6,797	-
Pension Related Deferred Inflows	2,519	697	3,216	2
OPEB Related Deferred Inflows	10,165	8,598	18,763	15
Fuel Hedging Related Deferred Inflows	-	65,981	65,981	-
Total Deferred Inflows of Resources	12,684	82,073	94,757	17
Total Liabilities and Deferred Inflows of Resources	447,072	1,198,839	1,645,911	308
Net Position				
Net Investment in Capital Assets	683,773	866,359	1,550,132	-
Restricted for:				
Capital Projects	39,350	233,085	272,435	-
Other Purposes	53,914	-	53,914	-
Unrestricted	(164,776)	162,577	(2,199)	(33)
Total Net Position	612,261	1,262,021	1,874,282	(33)
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 1,059,333	\$ 2,460,860	\$ 3,520,193	\$ 275

The notes to the financial statements are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF ACTIVITIES
For the fiscal year ended September 30, 2021
(in thousands)

Function/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 37,418	\$ 2,259	\$ 7,437	\$ -
Public Safety	92,546	1,263	1,413	-
Transportation	18,692	3,181	1,860	2,993
Human Services	10,398	1,143	5,007	-
Economic Development	15,709	56	3,274	-
Physical Environment	6,683	2,286	743	2,125
Culture and Recreation	21,187	3,125	500	-
Unallocated Depreciation on Infrastructure	34,173	-	-	-
Interest on Long-Term Debt	3,542	-	-	-
Total governmental activities	<u>240,348</u>	<u>13,313</u>	<u>20,234</u>	<u>5,118</u>
Business-type Activities:				
Electric	252,323	275,631	2,203	1,880
Gas	21,751	27,034	-	-
Sewer	77,383	73,002	57	-
Water	40,472	40,725	57	-
Airport	20,658	11,396	3,771	4,235
StarMetro	27,085	4,261	2,286	7,448
Solid Waste	29,798	31,144	6	-
Golf	1,057	1,146	-	-
Stormwater Management	20,965	21,043	-	1,597
Fire Services	48,090	46,310	10	-
Total business-type activities	<u>539,582</u>	<u>531,692</u>	<u>8,390</u>	<u>15,160</u>
Total primary government	<u>\$ 779,930</u>	<u>\$ 545,005</u>	<u>\$ 28,624</u>	<u>\$ 20,278</u>
Component Unit:				
Downtown Improvement Authority	<u>\$ 290</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes:

Property Taxes, levied for general purposes

Public Service Taxes

Permits and Fees

Grants and Contributions, not restricted to specific programs

Net Unrestricted Investment Earnings

Net Securities Lending Income

Change in Fair Value of Investments

Miscellaneous

Net Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - October 1

Net Position - September 30

The notes to the financial statements are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF ACTIVITIES
For the fiscal year ended September 30, 2021
(in thousands)

Net (Expense) Revenue and Changes in Net Position

Primary Government

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Unit</u>
\$ (27,722)	\$ -	\$ (27,722)	\$ -
(89,870)	-	(89,870)	-
(10,658)	-	(10,658)	-
(4,248)	-	(4,248)	-
(12,379)	-	(12,379)	-
(1,529)	-	(1,529)	-
(17,562)	-	(17,562)	-
(34,173)	-	(34,173)	-
(3,542)	-	(3,542)	-
<u>(201,683)</u>	<u>-</u>	<u>(201,683)</u>	<u>-</u>
-	27,391	27,391	-
-	5,283	5,283	-
-	(4,324)	(4,324)	-
-	310	310	-
-	(1,256)	(1,256)	-
-	(13,090)	(13,090)	-
-	1,352	1,352	-
-	89	89	-
-	1,675	1,675	-
-	(1,770)	(1,770)	-
-	<u>15,660</u>	<u>15,660</u>	<u>-</u>
<u>(201,683)</u>	<u>15,660</u>	<u>(186,023)</u>	<u>-</u>
			<u>(290)</u>
50,169	-	50,169	236
24,432	-	24,432	-
3,582	-	3,582	-
35,095	2,008	37,103	-
1,997	6,430	8,427	2
3	12	15	-
(619)	(6,544)	(7,163)	(3)
7,834	627	8,461	101
41,073	(41,073)	-	-
<u>163,566</u>	<u>(38,540)</u>	<u>125,026</u>	<u>336</u>
<u>(38,117)</u>	<u>(22,880)</u>	<u>(60,997)</u>	<u>46</u>
<u>650,378</u>	<u>1,284,901</u>	<u>1,935,279</u>	<u>(79)</u>
<u>\$ 612,261</u>	<u>\$ 1,262,021</u>	<u>\$ 1,874,282</u>	<u>\$ (33)</u>

The notes to the financial statements are an integral part of these financial statements.



**CITY OF
TALLAHASSEE**

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GOVERNMENTAL FUNDS

General	Accounts for all financial resources except those required to be accounted for in another fund. The functions paid for by the general fund include police, protective inspection, code enforcement, culture and recreation, general government, transportation, human services, economic development, and physical environment.
Community Redevelopment Agency	Accounts for the general tax revenue collected on and the expenses incurred in the redevelopment of properties in the community redevelopment area.
Other Governmental Funds	Detailed descriptions of these funds are provided on page 145.

PROPRIETARY FUNDS

Electric	Accounts for the assets, operation and maintenance of the City-owned electric generation, transmission, and distribution system.
Gas	Accounts for the assets, operation and maintenance of the City-owned gas system.
Sewer	Accounts for the assets, operation and maintenance of the City's wastewater collection and treatment system.
Water	Accounts for the assets, operation and maintenance of the City's water production and distribution system.
Airport	Accounts for the assets, operation and maintenance of the City-owned international airport.
Stormwater Management	Accounts for the operation, maintenance, and expansion of the City-owned stormwater utility system.
Other Enterprise Funds	Detailed descriptions of these funds are provided on page 150.
Internal Service Funds	Detailed description of these funds are provided on page 155.

FIDUCIARY FUNDS

Pension and OPEB Trust Funds	Detailed descriptions of these funds are provided on page 163
Custodial Fund	Reports Fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

CITY OF TALLAHASSEE, FLORIDA
BALANCE SHEET
Governmental Funds
September 30, 2021
(in thousands)

	General	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 24,222	\$ -	\$ 57,884	\$ 82,106
Securities Lending Collateral	117	-	274	391
Receivables:				
Accrued Interest	69	-	121	190
Customers and Others	947	-	42	989
Notes	-	-	168	168
Special Assessments	-	-	69	69
Less: Allowance for Doubtful Accounts	(5)	-	-	(5)
Due From Other Governments	9,650	-	5,191	14,841
Advances To Other Funds	-	-	14,890	14,890
Inventory	689	-	-	689
Cash and Cash Equivalents	552	16,912	8,304	25,768
Securities Lending Collateral	-	80	40	120
Receivables - Restricted:				
Accrued Interest	-	47	8	55
Customers and Others	-	12	4	16
Notes	-	205	303	508
Due From Other Governments	-	-	4,129	4,129
Total Assets	<u>\$ 36,241</u>	<u>\$ 17,256</u>	<u>\$ 91,427</u>	<u>\$ 144,924</u>
LIABILITIES				
Obligations Under Securities Lending	\$ 117	\$ -	\$ 274	\$ 391
Accounts and Retainage Payable	6,613	-	3,515	10,128
Accounts and Retainage Payable - Restricted	552	106	626	1,284
Obligations Under Securities Lending - Restricted	-	80	40	120
Due To Other Funds	53	-	661	714
Due To Other Governments	1,017	-	-	1,017
Advances from Other Funds	909	23	3,048	3,980
Unearned Revenue	151	-	17,230	17,381
Unearned Revenue - Restricted	-	-	1,756	1,756
Total Liabilities	<u>9,412</u>	<u>209</u>	<u>27,150</u>	<u>36,771</u>
FUND BALANCES				
Nonspendable	1,241	205	-	1,446
Spendable:				
Restricted	-	16,842	37,623	54,465
Committed	21,011	-	27,826	48,837
Assigned	2,012	-	-	2,012
Unassigned	2,565	-	(1,172)	1,393
Total Fund Balances	<u>26,829</u>	<u>17,047</u>	<u>64,277</u>	<u>108,153</u>
Total Liabilities and Fund Balances	<u>\$ 36,241</u>	<u>\$ 17,256</u>	<u>\$ 91,427</u>	<u>\$ 144,924</u>

The notes to the financial statements are an integral part of these financial statements.

**CITY OF TALLAHASSEE, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2021
(in thousands)**

Total Fund Balances - Governmental Funds	\$	108,153
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		756,080
Long-term receivables will not be collected in the current period and, therefore, are not reported in the funds.		15,344
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the governmental-type internal service funds are included in the Statement of Net Position.		26,420
Certain amounts related to the Net Pension Liability and Net OPEB liability are deferred and amortized over time and are not reported in the funds.		65,862
Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the fund statements but must be deferred in the Statement of Net Position.		35,884
Long-term liabilities, including bonds payable, compensated absences, deferred outflows of resources, net pension liability, and net OPEB liability are not due and payable in the current period and therefore are not reported in the funds.		<u>(395,482)</u>
Net Position - Governmental Activities	\$	<u>612,261</u>

The notes to the financial statements are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
Governmental Funds
for the fiscal year ended September 30, 2021
(in thousands)

	General	Community Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 71,445	\$ 3,157	\$ -	\$ 74,602
Licenses and Permits	2,236	-	3,583	5,819
Intergovernmental Revenues	22,055	6,627	30,451	59,133
Charges for Services	10,167	192	386	10,745
Fines and Forfeitures	719	-	160	879
Net Investment Earnings	366	252	1,338	1,956
Securities Lending Income	1	-	2	3
Change in Fair Value of Investments	(211)	(307)	(66)	(584)
Miscellaneous Revenues	9,764	43	1,074	10,881
Total Revenues	<u>116,542</u>	<u>9,964</u>	<u>36,928</u>	<u>163,434</u>
EXPENDITURES				
General Government	29,278	-	11,627	40,905
Public Safety	64,682	-	9,951	74,633
Transportation	16,362	-	11,634	27,996
Human Services	8,856	-	834	9,690
Economic Environment	271	10,332	5,038	15,641
Physical Environment	4,934	-	1,918	6,852
Culture and Recreation	17,574	-	2,905	20,479
Securities Lending Expense:				
Debt Service:				
Principal Retired	-	-	9,266	9,266
Interest and Fiscal Charges	24	-	4,315	4,339
Debt Issuance Costs	41	43	-	84
Total Expenditures	<u>142,022</u>	<u>10,375</u>	<u>57,488</u>	<u>209,885</u>
Excess of Revenues Over (Under) Expenditures	<u>(25,480)</u>	<u>(411)</u>	<u>(20,560)</u>	<u>(46,451)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	47,990	-	23,157	71,147
Transfers Out	(22,422)	(2,400)	(5,137)	(29,959)
Loan Proceeds	41	3,950	7,269	11,260
Proceeds from Sale of Capital Assets	3,641	-	-	3,641
Total Other Financing Sources (Uses)	<u>29,250</u>	<u>1,550</u>	<u>25,289</u>	<u>56,089</u>
Net Change in Fund Balances	3,770	1,139	4,729	9,638
Fund Balances - October 1	23,059	15,908	43,802	82,769
Adjustments to October 1 Fund Balance	-	-	15,746	15,746
Fund Balances - September 30	<u>\$ 26,829</u>	<u>\$ 17,047</u>	<u>\$ 64,277</u>	<u>\$ 108,153</u>

The notes to the financial statements are an integral part of these financial statements.

**CITY OF TALLAHASSEE, FLORIDA
RECONCILIATION OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
for the fiscal year ended September 30, 2021
(in thousands)**

Net Change in Fund Balances - Total Governmental Funds \$ 9,638

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (24,993)

Internal Service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain internal service funds is reported with governmental activities. (1,012)

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 premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (1,815)

The net change in compensated absences which is reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds. (704)

Pension and OPEB related items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as an expenditure in governmental funds. (19,231)

Change in Net Position of Governmental Activities \$ (38,117)

The notes to the financial statements are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF NET POSITION
Proprietary Funds
September 30, 2021
(in thousands)

	Enterprise Funds							Total Enterprise	Internal Service
	Electric	Gas	Sewer	Water	Airport	Stormwater Management	Other Enterprise		
Assets and Deferred Outflows									
Current Assets									
Cash and Cash Equivalents	\$ 79,494	\$ 4,479	\$ 3,255	\$ 591	\$ 755	\$ 36,005	\$ 6,134	\$ 130,713	\$ 79,661
Securities Lending Collateral	378	22	16	2	4	170	29	621	377
Receivables:									
Accrued Interest	249	13	13	1	2	100	17	395	221
Notes	6,000	-	770	-	-	-	-	6,770	-
Customers and Others	38,374	2,391	7,354	4,178	779	2,241	8,294	63,611	5,451
Due From Other Governments	5,449	-	228	57	11	20	7,363	13,128	711
Less: Allowance for Doubtful Accounts	(1,133)	(62)	(306)	(235)	(353)	(74)	(309)	(2,472)	-
Prepaid Expenses	-	-	-	-	-	-	-	-	2,861
Due From Other Funds	48,690	-	-	-	-	-	-	48,690	67
Inventory	45,683	203	1,001	73	223	-	812	47,995	730
Current Assets - Restricted:									
Cash and Cash Equivalents	129,658	8,863	56,928	24,881	27,628	-	39	247,997	-
Securities Lending Collateral	613	42	269	118	131	-	-	1,173	-
Accrued Interest	359	25	154	69	73	-	-	680	-
Due From Other Governments	-	-	57	-	1,681	-	232	1,970	-
Total Current Assets	353,814	15,976	69,739	29,735	30,934	38,462	22,611	561,271	90,079
Noncurrent Assets									
Advances To Other Funds	3,000	-	-	-	-	48	-	3,048	2,665
Deposits	-	-	-	-	-	-	-	-	5,647
Derivative Instruments	-	-	-	-	-	-	-	-	65,981
Capital Assets:									
Land and Construction in Progress	73,970	1,972	17,489	9,273	19,361	114,868	6,501	243,434	15,349
Other, Net of Accumulated Depreciation	626,990	56,511	426,976	150,363	89,483	77,676	46,394	1,474,393	62,792
Total Noncurrent Assets	703,960	58,483	444,465	159,636	108,844	192,592	52,895	1,720,875	152,434
Total Assets	1,057,774	74,459	514,204	189,371	139,778	231,054	75,506	2,282,146	242,513
Deferred Outflows of Resources									
Deferred Outflows on Refunding of Bonds	826	48	437	-	-	-	-	1,311	-
Pension Related Deferred Outflows	15,798	1,294	7,858	3,844	2,885	3,471	6,614	41,764	-
OPEB Related Deferred Outflows	1,578	131	848	393	247	266	2,134	5,597	-
Total Assets and Deferred Outflows of Resources	1,075,976	75,932	523,347	193,608	142,910	234,791	84,254	2,330,818	242,513

The notes to the financial statements are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF NET POSITION
Proprietary Funds
September 30, 2021
(in thousands)

	Enterprise Funds							Total Enterprise	Internal Service
	Electric	Gas	Sewer	Water	Airport	Stormwater Management	Other Enterprise		
Liabilities, Deferred Inflows and Net Position									
Current Liabilities									
Accounts and Retainage Payable	26,761	2,928	1,814	978	797	1,039	4,087	38,404	18,241
Due To Other Funds	-	-	-	-	3	-	13,665	13,668	34,375
Due To Other Governments	-	-	-	-	-	-	-	-	541
Compensated Absences	2,315	196	1,171	613	425	476	3,582	8,778	3,158
Capital Lease Payable	-	-	-	-	-	-	291	291	667
Obligations Under Securities Lending	378	22	16	2	4	170	29	621	377
Unearned Revenue	-	-	-	-	-	-	54	54	-
Utility Deposits Payable	23,211	557	-	1,692	-	-	-	25,460	-
Obligations Under Securities Lending - Restricted	613	42	269	118	131	-	-	1,173	-
Accounts and Retainage Payable - Restricted	1,085	33	285	501	613	-	308	2,825	-
Loans Payable	1,556	228	33	1,300	-	-	-	3,117	-
Bonds Payable	18,729	431	7,679	2,711	-	-	848	30,398	-
Total Current Liabilities	74,648	4,437	11,267	7,915	1,973	1,685	22,864	124,789	57,359
Noncurrent Liabilities									
Loans Payable	3,300	454	34	2,684	-	-	-	6,472	-
Claims Payable	-	-	-	-	-	-	-	-	15,528
Customer Contracts Payable	-	-	758	370	-	-	-	1,128	-
Advances from Other Funds	5,460	-	-	-	247	-	10,285	15,992	631
Compensated Absences	1,228	110	318	203	253	169	809	3,090	1,597
Net OPEB Liability	7,735	864	5,195	2,293	1,284	571	14,555	32,497	-
Net Pension Liability	19,519	1,608	9,750	4,850	3,425	4,310	8,249	51,711	-
Bonds Payable	536,866	4,038	246,512	81,703	-	-	5,509	874,628	-
Capital Lease Payable	-	-	-	-	-	-	3,082	3,082	702
Total Noncurrent Liabilities	574,108	7,074	262,567	92,103	5,209	5,050	42,489	988,600	18,458
Total Liabilities	648,756	11,511	273,834	100,018	7,182	6,735	65,353	1,113,389	75,817
Deferred Inflows of Resources									
Deferred Inflows on Refunding of Bonds	2,662	12	3,136	987	-	-	-	6,797	-
Pension Related Deferred Inflows	257	20	133	70	47	59	111	697	-
OPEB Related Deferred Inflows	2,592	191	1,265	606	398	520	3,026	8,598	-
Accumulated Increase in Fair Value of Hedging Derivatives	-	-	-	-	-	-	-	-	65,981
Total Liabilities and Deferred Inflows of Resources	654,267	11,734	278,368	101,681	7,627	7,314	68,490	1,129,481	141,798
Net Investment in Capital Assets	136,573	53,482	201,701	82,666	108,721	192,002	43,166	818,311	74,913
Restricted for Renewal, Replacement and Improvements	136,281	8,567	24,435	8,803	26,335	28,212	452	233,085	-
Unrestricted:	148,855	2,149	18,843	458	227	7,263	(27,854)	149,941	25,802
Total Net Position	421,709	64,198	244,979	91,927	135,283	227,477	15,764	1,201,337	100,715
Total Liabilities, Deferred Inflows, and Net Position	1,075,976	75,932	523,347	193,608	142,910	234,791	84,254		242,513
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds								60,684	
Net Position of Business-type Activities								\$ 1,262,021	

The notes to the financial statements are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Proprietary Funds
For the fiscal year ended September 30, 2021
(in thousands)

	Enterprise Funds								Internal Service Funds
	Electric	Gas	Sewer	Water	Airport	Stormwater Management	Other Enterprise Funds	Total Enterprise Funds	
Operating Revenues:									
Charges for Services:									
Residential Sales	\$ 126,032	\$ 11,418	\$ 36,052	\$ 19,591	\$ -	\$ 9,052	\$ 38,079	\$ 240,224	\$ -
Commercial and Industrial Sales	115,719	14,889	25,191	12,069	-	10,263	35,085	213,216	-
Public Street and Highway Lighting	4,568	-	-	-	-	-	-	4,568	-
Sales for Resale	7,514	-	-	-	-	-	-	7,514	-
Surcharge	2,788	310	1,601	2,290	-	-	-	6,989	-
Tapping Fees	-	14	130	525	-	-	-	669	-
Landing Fees	-	-	-	-	1,272	-	-	1,272	-
Late Fees	708	89	-	129	-	-	-	926	-
Initiating Service	793	125	-	421	-	-	-	1,339	-
Rentals	1,202	-	-	560	7,607	-	-	9,369	-
Cut-ins and Cut Fees	761	14	-	47	-	-	-	822	-
County Government	-	-	-	-	-	-	3,386	3,386	-
Recreation Fees	-	-	-	-	-	-	1,143	1,143	-
Transportation Fees	-	-	-	-	-	-	4,470	4,470	-
Other Charges	11,441	173	3,468	4,182	838	1,550	1,913	23,565	212,841
Total Operating Revenues	271,526	27,032	66,442	39,814	9,717	20,865	84,076	519,472	212,841
Operating Expenses:									
Personnel Services	37,074	2,801	16,802	9,606	6,028	7,145	51,037	130,493	46,767
Fossil Fuel	67,878	9,951	-	-	-	-	-	77,829	-
Power Purchased	5,832	-	-	-	-	-	-	5,832	-
Contractual Services	47,286	4,910	21,145	14,956	5,392	9,679	40,525	143,893	28,054
Materials and Supplies	10,134	184	3,105	1,469	219	561	3,864	19,536	114,946
Other	5,357	1,155	2,252	1,872	91	613	1,871	13,211	16,684
Depreciation	53,474	2,307	20,693	6,727	8,367	2,108	5,880	99,556	11,283
Total Operating Expenses	227,035	21,308	63,997	34,630	20,097	20,106	103,177	490,350	217,734
Operating Income (Loss)	\$ 44,491	\$ 5,724	\$ 2,445	\$ 5,184	\$ (10,380)	\$ 759	\$ (19,101)	\$ 29,122	\$ (4,893)

The notes to the financial statements are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Proprietary Funds
For the fiscal year ended September 30, 2021
(in thousands)

	Enterprise Funds								
	Electric	Gas	Sewer	Water	Airport	Stormwater Management	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Non-Operating Revenues (Expenses):									
Net Investment Earnings	\$ 3,042	\$ 156	\$ 908	\$ 414	\$ 373	\$ 486	\$ 46	\$ 5,425	\$ 1,046
Change in Fair Value of Investments	(4,111)	(222)	(616)	(152)	(81)	(8)	(46)	(5,236)	(1,344)
Securities Lending:									
Securities Lending Income	6	-	2	1	1	1	-	11	2
Interest Expense	3	-	1	-	-	-	-	4	-
Agent Fees	(2)	-	(1)	-	-	-	-	(3)	-
Intergovernmental Revenues	2,203	-	57	57	3,771	-	2,196	8,284	-
Other Revenues	4,108	60	8,002	1,509	368	178	348	14,573	2,373
Interest Expense	(24,363)	(398)	(10,752)	(3,666)	(3)	-	(844)	(40,026)	(90)
Debt Issuance Costs	(5)	-	(1)	(3)	-	-	-	(9)	-
Gain (Loss) on Sale of Assets	-	-	-	-	(6)	-	-	(6)	-
Other Expenses	(344)	-	(2,195)	(2,202)	(486)	(874)	(1,108)	(7,209)	(591)
Total Non-Operating Revenues (Expenses)	<u>(19,463)</u>	<u>(404)</u>	<u>(4,595)</u>	<u>(4,042)</u>	<u>3,937</u>	<u>(217)</u>	<u>592</u>	<u>(24,192)</u>	<u>1,396</u>
Income (Loss) Before Capital Contributions and Operating Transfers	<u>25,028</u>	<u>5,320</u>	<u>(2,150)</u>	<u>1,142</u>	<u>(6,443)</u>	<u>542</u>	<u>(18,509)</u>	<u>4,930</u>	<u>(3,497)</u>
Capital Contributions and Transfers:									
Capital Contributions	1,880	-	-	-	4,235	1,597	7,448	15,160	-
Transfers In	11	1	244	361	202	4	7,210	8,033	373
Transfers Out	(32,157)	(3,477)	(5,180)	(3,794)	(3)	(545)	(3,172)	(48,328)	(1,266)
Total Capital Contributions and Transfers	<u>(30,266)</u>	<u>(3,476)</u>	<u>(4,936)</u>	<u>(3,433)</u>	<u>4,434</u>	<u>1,056</u>	<u>11,486</u>	<u>(25,135)</u>	<u>(893)</u>
Change in Net Position	(5,238)	1,844	(7,086)	(2,291)	(2,009)	1,598	(7,023)	(20,205)	(4,390)
Net Position - October 1	<u>426,947</u>	<u>62,354</u>	<u>252,065</u>	<u>94,218</u>	<u>137,292</u>	<u>225,879</u>	<u>22,787</u>		<u>105,105</u>
Net Position - September 30	<u>\$ 421,709</u>	<u>\$ 64,198</u>	<u>\$ 244,979</u>	<u>\$ 91,927</u>	<u>\$ 135,283</u>	<u>\$ 227,477</u>	<u>\$ 15,764</u>		<u>\$ 100,715</u>
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds								(2,675)	
Change in net position of Business-type Activities								<u>\$ (22,880)</u>	

The notes to the financial statements are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF CASH FLOWS
Proprietary Funds
For the fiscal year ended September 30, 2021
(in thousands)

	Electric	Gas	Sewer	Water	Airport	Stormwater Management	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities									
Cash Received from Customers	\$ 275,381	\$ 26,920	\$ 66,153	\$ 39,695	\$ 9,801	\$ 20,760	\$ 85,886	\$ 524,596	\$ -
Cash Received for Interfund Services	-	-	-	-	-	-	-	-	208,190
Cash Received from Other Revenues	4,108	60	4,279	598	-	178	347	9,570	-
Cash Paid to Suppliers for Goods and Services	(97,741)	(19,115)	(15,316)	(9,161)	(4,644)	(4,287)	(24,253)	(174,517)	(144,658)
Cash Paid to Employees for Services	(36,397)	(2,735)	(16,348)	(9,362)	(5,898)	(7,042)	(50,503)	(128,285)	(45,960)
Cash Paid to Other Funds	(25,834)	3,218	(11,021)	(9,765)	(1,902)	(6,340)	(21,307)	(72,951)	(10,103)
Cash Paid for Other Expenses	(344)	-	-	(2,202)	(628)	(874)	-	(4,048)	-
Net Cash Provided by (Used for) Operating Activities	<u>119,173</u>	<u>8,348</u>	<u>27,747</u>	<u>9,803</u>	<u>(3,271)</u>	<u>2,395</u>	<u>(9,830)</u>	<u>154,365</u>	<u>7,469</u>
Cash Flows from Noncapital Financing Activities									
Transfers In from Other Funds	11	1	244	361	202	4	7,209	8,032	4,323
Operating Grants Received	2,203	-	-	-	2,707	-	2,197	7,107	-
Cash Received From Other Non-operating Revenues	-	-	-	-	-	-	-	-	2,373
Cash Paid For Other Non-operating Expenses	-	-	-	-	-	-	-	-	(390)
Cash Received From Interfund Balances	-	-	-	-	3	-	4,910	4,913	335
Cash Paid For Interfund Balances	(2,832)	-	-	-	-	-	-	(2,832)	86
Transfers Out to Other Funds	(32,157)	(3,477)	(5,180)	(3,794)	(3)	(545)	(3,172)	(48,328)	(1,015)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(32,775)</u>	<u>(3,476)</u>	<u>(4,936)</u>	<u>(3,433)</u>	<u>2,909</u>	<u>(541)</u>	<u>11,144</u>	<u>(31,108)</u>	<u>5,712</u>
Cash Flows from Capital and Related Financing Activities									
Capital Contributions	1,880	-	-	-	4,673	1,597	7,448	15,598	-
Systems Charges	-	-	3,723	911	-	-	-	4,634	-
Bond Issuance Costs	(5)	-	-	(3)	-	-	516	508	-
Acquisition, Construction and Sale of Capital Assets	(25,624)	(1,924)	(12,154)	(8,390)	(3,374)	(4,043)	(1,394)	(56,903)	(17,628)
Intergovernmental Revenues	-	-	57	57	-	-	-	114	-
Principal and Refunding Payments	(20,319)	(694)	(7,322)	(2,388)	-	-	(1,154)	(31,877)	-
Repayment of Loans Payable	-	-	(32)	(1,254)	-	-	-	(1,286)	-
Repayment of Loans from Other Funds	-	-	-	-	(48)	2	(504)	(550)	-
Interest Paid	(25,962)	(467)	(12,257)	(4,146)	(3)	-	(844)	(43,679)	(91)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(70,030)</u>	<u>(3,085)</u>	<u>(27,985)</u>	<u>(15,213)</u>	<u>1,248</u>	<u>(2,444)</u>	<u>4,068</u>	<u>(113,441)</u>	<u>(17,719)</u>

The notes to the financial statements are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF CASH FLOWS
Proprietary Funds
For the fiscal year ended September 30, 2021
(in thousands)

	Electric	Gas	Sewer	Water	Airport	Stormwater Management	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Cash Flows from Investing Activities									
Interest Received on Investments	3,094	158	960	457	391	509	31	5,600	1,048
Increase (Decrease) in the Fair Value of Investments	(4,111)	(222)	(616)	(152)	(81)	(8)	(46)	(5,236)	(1,269)
Net Cash Provided by (Used for) Investing Activities	\$ (1,017)	\$ (64)	\$ 344	\$ 305	\$ 310	\$ 501	\$ (15)	\$ 364	\$ (221)
Net Increase (Decrease) in Cash and Cash Equivalents	15,351	1,723	(4,830)	(8,538)	1,196	(89)	5,367	10,180	(4,759)
Cash and Cash Equivalents - October 1	193,801	11,619	65,013	34,010	27,187	36,094	806	368,530	84,420
Cash and Cash Equivalents - September 30	<u>\$ 209,152</u>	<u>\$ 13,342</u>	<u>\$ 60,183</u>	<u>\$ 25,472</u>	<u>\$ 28,383</u>	<u>\$ 36,005</u>	<u>\$ 6,173</u>	<u>\$ 378,710</u>	<u>\$ 79,661</u>
Classified As:									
Unrestricted Assets	\$ 79,494	\$ 4,479	\$ 3,255	\$ 591	\$ 755	\$ 36,005	\$ 6,134	\$ 130,713	\$ 79,661
Restricted Assets	129,658	8,863	56,928	24,881	27,628	-	39	247,997	-
	<u>\$ 209,152</u>	<u>\$ 13,342</u>	<u>\$ 60,183</u>	<u>\$ 25,472</u>	<u>\$ 28,383</u>	<u>\$ 36,005</u>	<u>\$ 6,173</u>	<u>\$ 378,710</u>	<u>\$ 79,661</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:									
Operating Income (Loss)	\$ 44,491	\$ 5,724	\$ 2,445	\$ 5,184	\$ (10,380)	\$ 759	\$ (19,101)	\$ 29,122	\$ (4,893)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:									
Depreciation	53,474	2,307	20,693	6,727	8,367	2,108	5,880	99,556	11,283
Net pension and OPEB liability changes	657	60	339	175	126	155	95	1,607	-
Provision for Uncollectible Accounts	1,374	11	307	209	1	(131)	(112)	1,659	-
Other	3,764	60	4,279	(1,604)	(743)	(696)	347	5,407	-
(Increase) Decrease in Accounts Receivable	(4,466)	(110)	(305)	(57)	203	26	(293)	(5,002)	(4,757)
(Increase) Decrease in Inventory	837	(9)	215	-	-	-	(97)	946	(2,495)
(Increase) Decrease in Deposits	-	-	-	-	(1)	-	-	(1)	-
(Increase) Decrease in Notes Receivables	510	-	9	-	-	-	-	519	-
(Increase) Decrease in Due From Other Funds	-	-	-	-	-	2	-	2	-
(Increase) Decrease in Due From Other Governments	7,582	-	7	(57)	(3)	-	2,314	9,843	110
Increase (Decrease) in Accounts Payable	10,700	301	(338)	(821)	(827)	224	790	10,029	7,733
Increase (Decrease) in Due to Other Governments	-	-	-	-	-	-	(92)	(92)	-
Increase (Decrease) in Utility Deposits Payable	230	(2)	-	(5)	-	-	-	223	-
Increase (Decrease) in Customer Contracts Payable	-	-	(18)	(17)	-	-	-	(35)	-
Increase (Decrease) in Compensated Absences	20	6	114	69	(14)	(52)	439	582	804
Increase (Decrease) in Insurance Deposits	-	-	-	-	-	-	-	-	(316)
Total Adjustments	74,682	2,624	25,302	4,619	7,109	1,636	9,271	125,243	12,362
Net Cash Provided by (Used for) Operating Activities	<u>\$ 119,173</u>	<u>\$ 8,348</u>	<u>\$ 27,747</u>	<u>\$ 9,803</u>	<u>\$ (3,271)</u>	<u>\$ 2,395</u>	<u>\$ (9,830)</u>	<u>\$ 154,365</u>	<u>\$ 7,469</u>

The notes to the financial statements are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2021
(in thousands)

	Pension and Other Employee Benefit	
ASSETS	Trust Funds	Custodial Fund
Cash and Cash Equivalents	\$ 33,191	\$ 107,196
Receivables		
Other Receivables	47	-
Accrued Interest	2,896	-
Taxes for Other Governments	-	10,255
Total Receivables	2,943	10,255
Investments, at Fair Value		
Mutual Index Funds	186,122	-
Private Equities	274,137	-
Fixed Income Securities	261,046	-
Domestic Equities	837,322	-
International Equities	194,002	-
Private Credit Funds	42,458	-
Bank Loan	112,277	-
Real Estate	320,211	-
Timber	107,220	-
Total Investments	2,334,795	-
Securities Lending Collateral	119,532	-
Total Assets	\$ 2,490,461	\$ 117,451
LIABILITIES AND NET POSITION		
LIABILITIES		
Obligations Under Securities Lending	\$ 119,532	\$ -
Accounts Payable	-	3,374
Total Liabilities	119,532	3,374
NET POSITION		
Net Position Restricted for Pensions	2,370,929	-
Net Position Restricted for Other Governments	-	114,077
Total Net Position	2,370,929	114,077
Total Liabilities and Net Position	\$ 2,490,461	\$ 117,451

The notes to the financial statements are an integral part of these financial statements.

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
for the fiscal year ended September 30, 2021
(in thousands)

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
ADDITIONS		
Contributions:		
Employer	\$ 47,557	\$ -
Plan Members	12,772	-
Miscellaneous Contributions	146	-
Total Contributions	<u>60,475</u>	<u>-</u>
Investment Return		
From Investment and Custodial Activities:		
Gain/Loss on Sale of Investments	165,039	-
Change in Fair Value of Investments	303,873	-
Interest Income	20,735	1,419
Dividends	20,813	-
Sales Taxes Collected for Other Governments	-	39,813
Grants Collected for Other Governments	-	855
Total Income From Investment and Custodial Activities	<u>510,460</u>	<u>42,087</u>
Less Investment Expenses:		
Investment Management Fees	7,391	-
Interest Expense	64	-
Net Income from Investing Activities	<u>503,005</u>	<u>42,087</u>
From Securities Lending Activities:		
Securities Lending Income	319	-
Less Securities Lending Expenses:		
Investment Management Fees	31	-
Net Income from Securities Lending Activities	<u>288</u>	<u>-</u>
Total Net Income from Investment and Custodial Activities	<u>503,293</u>	<u>42,087</u>
Total Additions	<u>563,768</u>	<u>42,087</u>
DEDUCTIONS		
Benefits	119,887	-
Refunds of Contributions	1,109	-
Administrative Expense	1,012	-
Payments on Behalf of BPIA	-	22,686
Payments on Behalf of CRTPA	-	714
Total Deductions	<u>122,008</u>	<u>23,400</u>
Change in Net Position	441,760	18,687
Net Position - October 1	1,929,169	-
Adjustment to October 1 Net Position	-	95,390
Net Position - October 1 as Restated	<u>1,929,169</u>	<u>95,390</u>
Net Position - September 30	<u>\$ 2,370,929</u>	<u>\$ 114,077</u>

The notes to the financial statements are an integral part of these financial statements.



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TALLAHASSEE**

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NOTES TO THE FINANCIAL STATEMENTS

Note I - Summary of Significant Accounting Policies

Note II - Reconciliation of Government-Wide and Fund Financial Statements

Note III - Stewardship, Compliance, and Accountability

Note IV - Detailed Notes - All Funds

Note V - Other Information

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This Summary of Significant Accounting Policies is presented to assist the reader in interpreting the financial statements. The policies are considered essential and should be read in conjunction with the accompanying financial statements. The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

The City is a political subdivision of the State of Florida, located in Leon County in the center of the Florida Panhandle. It is approximately 104.5 square miles in area. It is the capital of Florida, the county seat, and the only incorporated municipality in Leon County. The City was incorporated in 1825 following a decision by the Florida Legislature to locate the capital of the new Florida Territory midway between the population centers of St. Augustine and Pensacola.

In the Code of Ordinances, Chapter 8374, Laws of Florida, Special Acts 1919, the City was granted a new City Charter by the State Legislature authorizing a Commission-Manager form of government. In the original charter, the five City Commissioners were elected at large for four-year terms and each year, the Commissioners selected the Mayor for a one-year term to act as the official representative for the City. Tallahassee voters approved a charter change in November 1996 calling for a separately elected Mayor, thereby changing the structure of the Tallahassee City Commission. The first elected Mayor was elected in February 1997 for a four-year term. The elected Mayor has powers commensurate with the other four members of the City Commission; however, he/she is able to serve as an ongoing contact for matters involving other governmental or institutional organizations, including the state legislature, county government, and local universities.

The City provides a full range of municipal services to its citizens. These services include public safety (police and fire), construction and maintenance of streets and sidewalks, stormwater management, recreation, public improvements, planning and zoning, and general administrative services. In addition, the City owns and operates ten enterprise funds which include an international airport, a bus system, a golf course, a solid waste collection system, four utilities (an electric generation transmission and distribution system, a natural gas distribution system, a water production and distribution system, and a sewage collection and treatment system), fire services, and a stormwater system.

In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may or may not be financially accountable and, as such, be includable within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which exclusion of the nature and significance of their relationship with the City would cause the reporting entity's financial statements to be misleading or incomplete.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the City's operation. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

1. BLENDED COMPONENT UNIT

The City of Tallahassee Community Redevelopment Agency (CRA) was created in August 1998. The CRA Board was established in September 1998, and the Board membership was amended in September 2002, October 2007 and May 2018. The CRA was governed by an interlocal agreement between the City of Tallahassee, Leon County and the CRA that addresses, among other things, Board membership. Until May 24, 2018 the CRA Board membership included four Leon County Commissioners. However, on that date County participation as members to the CRA Board ended with the execution of the fourth amendment to the interlocal agreement. The CRA board is now composed of the same members of City Commission therefore the City Commission and has influence and operational responsibility over CRA. The City of Tallahassee provides the CRA with professional and technical services such as, but not limited to, accounting, procurement, human resources, in-house legal, treasurer- clerk support and information systems. All revenues of the CRA are used in the following two districts to fund capital improvements within each district or to fund the debt service requirements of debt related to the CRA.

Greater Frenchtown/Southside Community Redevelopment Area (GFSCRA) - The City Commission adopted the Greater Frenchtown/Southside Community Redevelopment Plan in June 2000. The GFSCRA consists of three distinct geographical sections of 1,859 acres of residential, commercial/retail and industrial land uses, located within the greater Frenchtown and Southside neighborhoods. The City Commission approved two expansions for the GFSCRA, one in 2016 and another in 2018, adding 578 parcels and over 400 acres, increasing the GFSCRA to 1,859 acres.

Downtown District Community Redevelopment Area (DDCRA) - The City Commission adopted the Downtown Community Redevelopment Plan in June 2004. The DDCRA consists of approximately 440 acres located in downtown and between the northern and southern portions of the Greater Frenchtown/South Community Redevelopment Area.

2. DISCRETELY PRESENTED COMPONENT UNIT

Downtown Improvement Authority - The Downtown Improvement Authority (DIA) is an agency created by the Florida Legislature to regulate downtown growth. The City Commission appoints the governing board of the DIA. The City can impose its will on the DIA by approving and/or modifying its budget. There are no separately issued financial statements for the DIA. The DIA utilizes governmental fund accounting.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

3. JOINT VENTURES EXCLUDED FROM THE REPORTING ENTITY

Sunshine State Governmental Financing Commission

The Sunshine State Governmental Financing Commission (the "Commission") was created in November 1985, initially by the cities of Tallahassee and Orlando, Florida to operate and administer a loan program. As of September 30, 2021, the Commission's membership consists of the following governmental units: City of Coral Gables, Florida; City of Coral Springs, Florida; City of Daytona Beach, Florida; City of Ft. Lauderdale, Florida; City of Hollywood, Florida; City of Jacksonville, Florida; City of Lakeland, Florida; City of Miami, Florida; City of Miami Beach, Florida; City of Orlando, Florida; City of St. Petersburg, Florida; City of Tallahassee, Florida; City of Vero Beach, Florida; Miami-Dade County, Florida; Palm Beach County, Florida; and Polk County, Florida. In addition, the City of West Palm Beach, Florida, participates in the Commission's programs as a non-member participant. Other Florida local governments may in the future become members or non-member participants including units of government such as special districts or other qualifying public agencies. Each member government appoints a representative to the Commission. These representatives elect a five-member board of directors to administer the loan program.

As a joint venture among the member governmental units, the Commission enables a limited number of qualifying governments to participate in pooled debt financings with pricing and cost structures not normally available to governmental entities acting individually. Loan obligations from the Commission are reflected as debt by the participating governmental units.

The City of Tallahassee has no obligation and minimal event risk associated with the Commission other than the repayment of its loans from the Commission. Financial statements may be obtained from the Sunshine State Governmental Financing Commission at website: www.ssgfc.com.

Capital Region Transportation Planning Agency

In December 2004, the Capital Region Transportation Planning Agency (CRTPA) was created through an inter-local agreement between the Florida Department of Transportation; the Counties of Leon, Gadsden, Jefferson and Wakulla; the Cities of Chattahoochee, Gretna, Midway, Monticello, Quincy, St. Marks, Sopchoppy and Tallahassee; the Towns of Greensboro, Havana and the Leon County School Board as authorized by Section 163.01 Florida Statutes. It was established in order for the members to participate cooperatively in the development of transportation related plans and programs. The governing board consists of voting representatives from the Counties of Leon, Gadsden, Jefferson and Wakulla; the Cities of Midway, Quincy, Tallahassee, Chattahoochee and Gretna; the Towns of Greensboro and Havana, the Leon County School Board, and three nonvoting representatives from the Florida Department of Transportation, the Federal Highway Administration, and StarMetro.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

3. JOINT VENTURES EXCLUDED FROM THE REPORTING ENTITY

The CRTPA receives federal and state transportation funds for the performance of its transportation planning and programming activities. If operating expenses exceed the external funding obtained, the deficit is funded by the members of the CRTPA in proportion to their weighted votes. As a participating member of CRTPA, the City therefore has a limited share of financial responsibility for any such deficits.

Current audited financial statements may be obtained from the Capital Region Transportation Planning Agency, 300 S. Adams Street, Box A-19, Tallahassee, Florida 32301.

Consolidated Dispatch Agency

In December 2006, the Consolidated Dispatch Agency (CDA) was created through an inter-local agreement between the City of Tallahassee (City) and Leon County, Florida (County), and the Leon County Sheriff (Sheriff). The purpose of the CDA is to provide law enforcement and emergency dispatch services to the City and Leon County, Florida. On April 1, 2014, the commencement date, all existing dispatch operations personnel of the City, Sheriff, and the County became part of the CDA. The City of Tallahassee City Manager, the Leon County Administrator and the Leon County Sheriff constitute the CDA's Board of Directors.

The CDA is primarily funded by the City of Tallahassee and the Leon County Sheriff based upon the per capita population within the incorporated limits of the City of Tallahassee and within the unincorporated area of Leon County. For the twelve month period ended September 30, 2021, the City's contribution to the CDA was \$5,699,266.

Current audited financial statements may be obtained from the Consolidated Dispatch Agency, 300 S. Adams Street, Box A-19, Tallahassee, Florida 32301.

4. JOINTLY GOVERNED ORGANIZATION

City of Tallahassee-Leon County Blueprint Intergovernmental Agency

In October 2000, the City entered into an inter-local agreement with Leon County as authorized by Section 163.01(7) Florida Statutes. This agreement created the Blueprint Intergovernmental Agency (Blueprint) to govern the project management for the project planning and construction of a list of projects known as the Blueprint projects. The Board of County Commissioners and the City Commission constitute the Blueprint Intergovernmental Agency. The revenues to fund the projects under this agreement are the collections of the local government infrastructure sales surtax, which began December 1, 2004. This tax was extended pursuant to the provisions in Section 212.055, Florida Statutes, until December 31, 2039. In response to the passage of the extension, Blueprint also opened the Office of Economic Vitality whose purpose is to invest in and cultivate the evolving economic development landscape.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

4. JOINTLY GOVERNED ORGANIZATION

Periodically, Blueprint provides construction management services to the City. For these services, Blueprint and the City enter into Joint Participation Agreements (JPAs) whereby the City agrees to pay an administrative fee to Blueprint. There were no fees paid to Blueprint under these agreements in the current year.

Current audited financial statements may be obtained from Blueprint Intergovernmental Agency, 315 S. Calhoun St., Suite 450, Tallahassee, Florida 32301.

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 nonfiduciary activities of the primary government and its component units. With the exception of interfund services provided and used, the effect of interfund activity has been eliminated in the process of consolidation. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements 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.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Basis of accounting refers to when revenues, expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period with the exception of grant revenues which are considered available if collected within 270 days. Revenues susceptible to accrual include grant and shared revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government 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 Community Redevelopment Agency Fund accounts for the general tax revenue collected and the expenses incurred in the redevelopment of properties in the Community Redevelopment area.

The government reports the following major proprietary funds:

The Electric Fund accounts for the assets, operation and maintenance of the City-owned electric generation, transmission, and distribution system.

The Gas Fund accounts for the assets, operation and maintenance of the City-owned gas system.

The Sewer Fund accounts for the assets, operation and maintenance of the City's wastewater system.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The Water Fund accounts for the assets, operation, and maintenance of the City's water production and distribution system.

The Airport Fund accounts for the assets, operation, and maintenance of the City-owned international airport.

The Stormwater Management Fund accounts for the assets, operation, maintenance, and expansion of the City-owned stormwater utility system.

Additionally, the government reports the following fund types:

Internal Service Funds account for various services provided to other departments of the government and to other governments on a cost reimbursement basis. The services provided include an 800 MHz system, revenue collection, technology and information services, accounting, purchasing, fleet management, human resources, employee retirement plan administration, risk management, internal loan program, utility services functions, wholesale energy services, environmental services and facilities management, diversity and inclusion, and community relations.

The Pension and Other Employee Benefits Trust Funds include the Pension Trust Fund and the OPEB Trust Fund. The Pension Trust Fund includes a Defined Benefit Plan and a Defined Contribution Plan. It is used to account for the accumulation of resources to be used for retirement annuity payments to City employees. The Defined Benefit Plan accounts for general employees, police officers, and fire fighters separately. The Defined Contribution Plan covers all employees who elect to contribute a portion of their salary to the plan. 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 general employees, police officers and fire fighters pension plans, and additions to/deductions from the respective plan's fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The OPEB Trust Fund accounts for the accumulation of resources to be used for benefit payments for retirees health care costs.

The Custodial Fund is used to account for the funds held on behalf of two of the related but legally separate entities listed in Note 1.A. The first is the Capital Regional Transportation Planning Agency (CRTPA), a joint venture, and the second is the Blueprint Intergovernmental Agency (BPIA), a jointly governed organization. The City collects, invests and disburses funds on behalf of these two entities and there are also agreements in place with both for the City to carry out several administrative functions.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and fines and forfeitures, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 enterprise funds, and of the City's internal service funds, are charges to customers for sales and services. The water and sewer funds also recognize as operating revenue the portion of the 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 costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenue and expenses. 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.

D. ASSETS, LIABILITIES, AND NET POSITION

1. CASH AND CASH EQUIVALENTS

The City considers cash on hand, demand deposits, liquid investments with an original maturity of 90 days or less, and balances included within its cash and investments pool to be cash and cash equivalents. The City's cash and investments pool is an internal cash management pool used to obtain efficiencies of operation and improved financial performance, and includes certain non-pension cash, cash equivalent, and investment securities. Each fund maintains a share in the equity of the pool which is reported as cash and cash equivalents in the statements of net position since cash may be withdrawn from the pool at any time without penalty. Liquid investments classified as cash and cash equivalents include repurchase agreements purchased under the terms of the City's depository contract, open repurchase agreements, certificates of deposit, banker's acceptances, commercial paper, U.S. Treasury direct and agency obligations, holdings at the FLCLASS investment pool and the Florida League of Cities 1-3 Year Pool funds. Interest earned by the cash and investments pool is distributed to each fund monthly based on daily balances.

The City's bank balances are insured by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Depository Act (the Act). Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, AND NET POSITION

2. INVESTMENTS

The City's investments are pension and other trust fund assets held in the fiduciary funds. Investments are carried at fair value, except for those investments for which net asset value or amortized cost is the most appropriate measurement.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets. Only equities (stock holdings) held by the City's pension trust fund are classified as Level 1 investments. Investments classified in Level 2 of the fair value hierarchy are based upon observable, market-based inputs for similar, but not identical, investments. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The City's custodian uses the pricing services of multiple vendors to price the same assets to determine the most accurate price. Investments classified in Level 3 of the fair value hierarchy are based upon extrapolated data, proprietary pricing models and indicative quotes for similar securities. The City has relatively few investments that are classified as Level 3 for securities that are not traded frequently. The City has several investments that have their fair value determined by the net asset value of the investment holding. Investments in this category are not classified according to Levels 1, 2 and 3 of the fair value hierarchy.

3. INVENTORY

The City maintains a variety of inventory types, such as fuel, materials and supplies, and retail merchandise, all of which utilize the consumption method stated at cost which approximates market. Inventory cost is determined using either the first-in, first-out method or the average cost method. Perpetual inventory records are maintained for all significant inventories. Reported inventories of the General Fund are equally offset by a reservation of fund balance(non-spendable), since they are unavailable for appropriation.

4. ADVANCES TO OTHER FUNDS

When applicable, noncurrent portions of interfund loans receivable (reported in "Advances to" asset accounts) of governmental funds are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of interfund receivables (reported in "Due from" asset accounts) are considered "available spendable resources."

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, AND NET POSITION

5. RESTRICTED ASSETS

Certain proceeds of the City's enterprise funds revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants. Assets are set aside for the following uses:

Revenue Bonds Current Debt Service – used to segregate resources accumulated for debt service payments over the next twelve months.

Revenue Bonds Future Debt Service – used to report resources set aside to make up potential future deficiencies in the revenue bonds current debt service account.

Revenue Bonds Renewal and Replacement – used to report resources set aside to fund asset renewals and replacements or to meet unexpected contingencies.

6. CAPITAL ASSETS

Capital assets, which include land, buildings, equipment, improvements other than buildings, intangibles and public domain infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than land and infrastructure, are defined as assets with a cost of \$5,000 or more and an estimated useful life greater than one year. Land and infrastructure assets are long-lived capital assets that are stationary in nature and can be preserved for a significantly greater number of years than most general capital assets. Examples of infrastructure assets are roads, bridges, sidewalks, paved paths, utility systems, stormwater drainage systems, traffic control and lighting systems. In the initial capitalization of general infrastructure assets, the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The capitalization threshold for infrastructure assets has been set at \$100,000 for roadways and \$50,000 for other infrastructure assets. Land assets have no capitalization threshold, therefore all city-owned land is capitalized.

Other capital assets are recorded at historical cost when purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition cost. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Major outlays for constructed capital assets and improvements are capitalized as projects are completed. Interest is capitalized during the construction phase of capital assets for business-type activities constructed with tax-exempt debt. The amount of interest to be capitalized is calculated as the interest expense incurred from the date of the borrowing until completion of the project net of the interest earned on invested proceeds over the same period.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, AND NET POSITION

6. CAPITAL ASSETS

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund's financial statements. These general capital assets are included in the governmental activities column of the government-wide financial statements. Capital assets used in the Enterprise and Internal Service Funds are accounted for in the respective funds. All vehicles of the City are accounted for in the Garage Fund, an Internal Service Fund, with the exception of StarMetro vehicles (generally buses). StarMetro vehicles are accounted for in their own fund. Depreciation on all exhaustible capital assets used in the Enterprise and Internal Service Funds is charged as an expense against their operations. Accumulated depreciation is reported on the respective fund's balance sheet.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

ASSETS	YEARS
Buildings	20 to 40
Improvements other than buildings	10 to 40
Equipment and machinery	5 to 40
Vehicles	5 to 20
Infrastructure	10 to 60

7. COMPENSATED ABSENCES

All non-union employees earn vacation and sick leave starting with the first day of employment; all non-union employees earn vacation and sick leave based on the number of hours worked. Vacation leave is earned based on creditable service hours worked as follows:

EXECUTIVE		SENIOR MANAGEMENT		GENERAL	
Creditable Service Hours	Leave earned per hour	Creditable Service Hours	Leave earned per hour	Creditable Service Hours	Leave earned per hour
0 - 2,079	0.057693	0 - 2,079	0.057693	0 - 10,400	0.057693
2,080 - 10,400	0.080770	2,080 - 10,400	0.069231	10,401 - 20,800	0.069231
10,401 - 20,800	0.092308	10,401 - 20,800	0.080770	20,801 - 41,600	0.080770
over 20,800	0.103847	20,801 - 41,600	0.092308	over 41,600	0.092308
		over 41,600	0.103847		

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, AND NET POSITION

7. COMPENSATED ABSENCES

A maximum of 344 hours of vacation leave time may be carried over from one calendar year to the next for executive employees and a maximum of 264 hours for senior management and general employees. An employee who terminates employment with the City is paid for any unused vacation leave accumulated to the time of termination.

Sick leave is earned at the rate of .023077 hours for each hour of service with no maximum limit on the number of hours which may be accumulated. A non-unionized employee who terminates from the City for any reason other than termination for cause will be paid one-half of the total amount of sick leave (without regard to catastrophic illness leave) accumulated by the employee on the effective date of termination. A unionized employee who terminates from the City for any reason other than termination for cause will be paid one-third of the total amount of sick leave without regard to catastrophic illness leave accumulated by the employee on the effective date of termination. If the employee dies, the sick leave amount will be paid to the employee's beneficiary or estate. Retiring employees can elect the option of using the accumulated sick leave amount to purchase single coverage health insurance in lieu of receiving payment.

Accumulated current and long-term vacation and sick pay amounts are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for the amounts is reported in the governmental funds only if they have matured, as a result of employee resignation and retirements.

Employees covered by the Police and Fire bargaining units shall accrue vacation time on the following basis:

POLICE BARGAINING UNIT		FIRE BARGAINING UNIT			
		Suppression Personnel		Forty-hour Personnel	
Creditable Service Hours	Leave Earned Per Hour	Years of Continuous Service	Hours Accrued Monthly	Years of Continuous Service	Hours Accrued Monthly
0-10,400	0.046154	1-5 years	13.25	1-5 years	10
10,401-20,800	0.057693	6-10 years	15.90	6-10 years	12
20,801-41,600	0.069231	11-15 years	18.55	11-15 years	14
over 41,600	0.080770	16-20 years	21.20	16-20 years	16
		over 20 year	23.85	over 20 year	18

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, AND NET POSITION

7. COMPENSATED ABSENCES

For employees covered by the Police bargaining unit, accrued vacation time may not be carried over in excess of 33 days (264 hours). As of the end of the calendar year, accrued vacation time in excess of 264 hours shall be reduced to no more than 264 hours for any individual employee.

For employees covered by the Fire bargaining unit, accrued vacation at the end of the calendar year may not be carried over in excess of 264 hours for 40-hour supervisory personnel, and 350 hours for 53-hour supervisory personnel. For non-supervisory firefighters who are 40-hour personnel, accrued vacation time may not carry over in excess of 240 hours in a calendar year, and for non-supervisory firefighters who are 53-hour personnel, accrued vacation time may not carry over in excess of 318 hours in a calendar year.

Employees covered by the Police bargaining unit shall accrue sick leave at the rate of .046154 hours per hour worked, which is the fractional equivalent of eight (8) hours per month. There is no maximum limit on the number of hours which may be accumulated by an employee.

Employees covered by the Fire bargaining unit shall accrue sick leave credit at the rate of 10.6 hours of sick leave per month for suppression personnel and 8 hours of sick leave per month for forty-hour personnel. There is no maximum limit on the number of sick leave hours which may be accumulated by an employee.

For employees covered by the Police bargaining unit, payment for sick leave will be made for 33 1/3% (1/3) of the unused sick leave balance credited to an employee at the time of retirement or death, up to a maximum of seven hundred (700) hours, provided that the unused sick leave balance credited to the employee at the time of retirement or death equals at least three hundred (300) hours. If the unused sick leave balance credited to an employee at the time of retirement or death equals less than three hundred (300) hours, payment will be made for 25% (1/4) of the unused balance.

For employees covered by the Fire bargaining unit, a fire suppression employee who retires or dies will be paid for 33 1/3% (1/3) of the unused sick leave balance credited to the employee at the time of retirement or death, provided that the unused sick leave balance credited to the employee at the time of retirement or death equals at least three hundred ninety-eight (398) hours. If the unused sick leave balance credited to the employee at the time of retirement or death equals less than 398 hours, the employee who retires or dies will be paid 25% (1/4) of the unused balance. A 40-hour employee who retires or dies will be paid for 33 1/3% (1/3) of the unused sick leave balance credited to the employee at the time of retirement or death, provided that the unused sick leave balance credited to the employee at the time of retirement or death equals at least three hundred (300) hours. If the unused sick leave balance credited to the employee at the time of retirement or death equals less than three hundred (300) hours, the employee will be paid for 25% (1/4) of the

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, AND NET POSITION

7. COMPENSATED ABSENCES

unused balance. An employee who accidentally dies while engaged in the performance of their firefighter duties, or who receives accidental bodily injury which subsequently results in the loss of their life within one (1) year after being received, provided that such a death is not the result of suicide and that such bodily injury is not intentionally self-inflicted, and the accidental death occurs as a result of the firefighter's response to what is reasonably believed to be an emergency involving the protection of life or property, will be paid 100% of the accrued but unused sick leave credited to them at the time of death.

In either of the above-described cases, the payment for unused sick and vacation leave will be made at the employee's straight time base rate.

8. BOND PREMIUMS, DISCOUNTS AND REFUNDING GAINS AND LOSSES

In the government-wide financial statements and in the proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are amortized over the life of the bonds at the rate at which principal payments are made which approximates the effective interest method. Bond issuance costs are expensed in the year they are incurred. Bond refunding gains and losses are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method. As a result of adopting GASB Statement No. 65, there are deferred inflows and outflows related to gains and losses on bond refundings in the Government Wide Statement of Net Position as well as in the Enterprise Funds Statements of Net Position. 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 and premiums on debt issuances are reported as other financing sources. 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.

9. INDIRECT COST ALLOCATION

The City currently employs an indirect cost allocation system based upon an internal cost analysis. An administrative service fee is charged by the General Fund to the other operating funds to address General Fund administrative services provided (e.g., legal, cash management, internal audit, and executive services). At the fund-level statements, the administrative service fee is included in the General Fund's Miscellaneous Revenue line item and in the other operating funds in the Contractual Services line. This administrative service fee is eliminated at year-end in the government-wide statements.

10. FUELS MANAGEMENT PROGRAM

In connection with the purchase of natural gas, diesel fuel, and unleaded gasoline, the City has developed and implemented a fuels management program intended to manage the risk of changes in the market prices of natural gas, diesel fuel, and unleaded gasoline. Pursuant to this program the City may execute fixed price and option contracts from time to time to help manage fluctuations in the market price of such fuels. The contracts are recorded at fair value on the Statement of Net Position as they have been determined to qualify as derivative instruments under GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments". Such amounts are included

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, AND NET POSITION

10. FUELS MANAGEMENT PROGRAM

in assets and deferred inflows of resources. Any associated margin deposits are recorded in noncurrent assets. The net amounts received or paid under expired or closed contracts are recorded as an adjustment to fuel expense in the period realized. See Note V, section I.

The City uses two different types of transactions to hedge natural gas volumes for future periods. The first is through the Chicago Mercantile Exchange (CME Group) where futures/options contracts are bought and sold through an Introducing Broker (IB) such as ADM Investor Services which the City uses. All "Exchange" based transactions require margining to make trades. The margin is composed of two parts, the initial margin which is meant to capture one day's worth of volatility and the maintenance margin which equals the difference between the hedge price and the market price. Since no credit is extended to any party on the exchange, the City must maintain monies on hand or send enough margin monies to settle the positions on any given day. In order to enable exchange based hedging, the City Commission authorized \$30 million from the electric operating reserve fund for this purpose in November 2008. The majority of the hedging transactions in the fiscal year were bilateral Over-The-Counter (OTC) trades between the City and another counterparty. These types of transactions are subject to negotiated credit limits but not margining.

The biggest risk to the City is the volatile price of natural gas. The goal of the hedging program is to reduce the size of this risk. The ratepayers pay for the natural gas costs through the ECRC and PGRC fuel clauses on their electric and gas bills. Because the City buys nearly \$100 million worth of natural gas each year and market price can easily increase by 100%, it's important for the City to manage this risk. The City is precluded from taking on more hedging positions on the exchange than it can support with the \$30 million margining limit. If the City were to get close to the \$30 million limit no more exchange based trades would be executed. The hedging program is overseen by the Energy Risk Policy Committee (ERPC) which is comprised of the City Manager, City Attorney, Treasurer-Clerk, Assistant City, City Auditor, Assistant City Manager for Administrative and Professional services, General Manager of Electric & Gas and senior utility staff.

As of September 30, 2021, the City no longer had any open positions on the exchange. However, eighty percent of the City's volumes are hedged in the OTC market with J Aron, Shell, BP and Conoco Phillips through September 2024. Because the City's hedged positions are well below the market, the financial statements reflect \$65,981,000 in "deferred inflows" from these counterparties. By trading with multiple, highly rated, counterparties in the OTC market the City diversifies its counterparty risk.

The City uses an allowance account to manage fluctuations in future electric and gas costs. These costs are evaluated bi-annually and any amounts over or under recovered are amortized over the following six months. This allowance is included in Accounts and Retainage Payables.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental funds balance sheet includes a reconciliation between fund balances – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, compensated absences, deferred outflows of resources, net pension liability, and net OPEB obligation are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$395,482 difference are as follows (in thousands):

Bonds and Loans Payable including Premiums and Discounts	\$ (100,600)
Effect of Deferred Loss on Refunding	1,205
Compensated Absences	(11,715)
Net OPEB Liability	(45,612)
Net Pension Liability	(238,983)
Cash Balances in Long Term Debt Fund	<u>223</u>
Net adjustments to reduce long-term liabilities of Total Governmental Funds to arrive at Net Position	<u>\$ (395,482)</u>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and net change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states, “Capital Outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.” The details of this \$24,993 difference are as follows (in thousands):

Capital Outlay	\$ 12,160
Depreciation Expense	<u>(37,153)</u>
Net adjustment to increase net change in Fund Balances Total Governmental Funds to arrive at Changes in Net Position Governmental Activities	<u>\$ (24,993)</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General and Enterprise Funds. The budget is adopted at the fund level and administered at the department level. The difference between budgetary revenues and expenditures and modified accrual basis revenues and expenditures as reported in the general fund financial statements are explained in the budgetary comparison schedule notes in the Required Supplementary Information of this report. The City Manager is authorized to transfer budget amounts within funds; however, any revision that alters the total expenditures of any fund must be approved by the City Commission. Unencumbered appropriations are closed at year-end.

Encumbrance accounting, under which requisitions, purchase orders, contracts, and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds.

B. COMPLIANCE WITH FINANCE - RELATED LEGAL AND CONTRACTUAL PROVISIONS

The City had no material violations of finance-related legal or contractual provisions.

C. DEFICIT FUND EQUITY - FUND BALANCE OF INDIVIDUAL FUNDS

At fiscal year end, the Human Resources fund had a deficit of \$411,000 and the Pension Administration fund had a deficit of \$19,000. Both funds are internal service funds. The State Housing Partnership fund, a nonmajor governmental fund, had a deficit of \$89,000 and the Fire Services fund, a nonmajor enterprise fund, had a deficit of \$4,280,000.

D. PRIOR PERIOD ADJUSTMENTS

In this fiscal year, the City adopted GASB 84, "*Fiduciary Activities*", which requires fiduciary activities not required to be reported in pension and OPEB trust funds, investment trust funds, or private-purpose trust funds to be reported in a separate column under the "custodial fund" classification. This implementation resulted in a prior period restatement of \$95.4 million in net position of this custodial fund for initial presentation. Restatement of prior periods was not practicable. This restatement did not affect the government-wide statements since fiduciary activities are not reported in the government-wide statements.

Fund balance as of October 1, 2020 has been restated to reflect a prior period adjustment in the debt service fund to correct the 2009 and 2014 recording of advances to the electric and fire funds from the debt service fund (a non-major governmental fund). During the current fiscal year, it was discovered that the City had correctly reported the advances in the electric and fire funds, however, the offsetting advance receivable was not recorded in the governmental fund statements, instead, it was only recorded in the entity-wide financial statements. The prior period restatement totaled \$15,746,000.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The City reports the following cash, cash equivalents and investments in the statements of net position at September 30, 2021 (in thousands):

	Primary Government	Component Unit	Fiduciary Funds - Pension/OPEB	Fiduciary Funds - Custodial Fund
Cash and cash equivalents	\$ 295,001	\$ 161	\$ 33,191	\$ 107,196
Cash and cash equivalents – restricted	271,466	-	-	-
Investments	-	-	2,334,795	-
Total	<u>\$ 566,467</u>	<u>\$ 161</u>	<u>\$ 2,367,986</u>	<u>\$ 107,196</u>

As discussed in Note I.D. the City’s cash and cash equivalents include cash, cash equivalents, and funds held in a cash and investments pool. The City’s investments are monies held by the City’s pension funds.

According to the City Charter, the City Treasurer-Clerk is designated to invest all monies belonging to the City pursuant to the policies approved by the City Commission, except those monies in the pension funds. Monies in the pension funds are invested under the auspices of the City Charter-created Sinking Fund Commission, which consists of the five City Commissioners and three appointed members. Under the policies approved by the City Commission and the Sinking Fund Commission, the day-to-day investment of all monies is managed by the City Treasurer-Clerk.

The City has two approved investment policies: 1) the Non-Pension Investment Policy, which is approved by the City Commission and governs the investment of all non-pension monies of the City, including the previously referenced cash and investments pool, and 2) the Pension Investment Policy, which is approved by the Sinking Fund Commission and governs the investment of assets of the City’s Pension Funds. The Non-Pension Investment Policy provides for a Core Portfolio, governing the investment of all monies held or controlled by the City, not otherwise classified as Specialized or Pension Fund monies. The Non-Pension Investment Policy specifies the investments that are authorized for purchase within the Core Portfolio. The Non-Pension Investment Policy further provides for the establishment of Specialized Portfolios, with the governing criteria unique to that portfolio, including authorized investments, to be approved on a case-by-case basis by the Investment Advisory Committee. In addition to authorizing investment instruments, the City’s investment policies also identify various portfolio parameters addressing issuer diversification, term to maturity and liquidity, and the requirement of “purchase versus delivery” perfection for securities held by a third party on behalf of and in the name of the City.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

1. CASH AND CASH EQUIVALENTS

The following table presents the City's primary government cash and cash equivalent balances at September 30, 2021 carried at fair value by level within the valuation hierarchy, financial assets carried at net asset value or amortized cost, and other cash and cash equivalent balances. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net position (in thousands).

	Total	Quoted Prices		
		in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Cash equivalents type by fair value level				
Debt securities	\$ 550,121	\$ 21,219	\$ 527,152	\$ 1,750
Total cash equivalents at fair value	550,121	21,219	527,152	1,750
Cash equivalents recorded at net asset value				
Other Cash and Cash Equivalents	11,068			
FL League of Cities 0-2 Year Pool	5,278			
Total cash and cash equivalents	\$ 566,467			

At year-end, the book balance of the City's operating cash deposits was \$5,168,000 and the bank balance was \$5,633,000, which is included in total other cash and cash equivalent balances. The difference between the book balance and bank balance is due to outstanding checks and deposits. Six City funds had deficit cash balances at year end totaling \$18,691,000 which is reported in interfund payables at September 30, 2021.

The City's Core Portfolio includes investments administered internally by the City, funds invested in external investment pools, and funds invested in externally managed portfolios. The external managers for these portfolios include Galliard Capital Management, Income Research and Management and Wellington Management Company. The external investment pools are the Florida Municipal Investment Trust Portfolio 1-3 Year High Quality Bond Fund (the "Florida League of Cities 1-3 Year Pool"), administered by the Florida League of Cities, and Florida Cooperative Liquid Assets Securities System ("FLCLASS"), an intergovernmental investment pool administered by Public Trust Advisors, LLC. FLCLASS is an authorized local government investment pool under Section 218.415(16)(a), Florida Statutes, by and for participating Florida public agencies. A copy of the Florida Municipal Investment Trust audited financial statements may be obtained from the Florida Municipal Investment Trust, 301 South Bronough Street, Suite 300, Tallahassee, FL 32301. A copy of the FLCLASS audited financial statements may be obtained at their offices, 201 E. Pine Street, Suite 750, Orlando, FL 32801.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

1. CASH AND CASH EQUIVALENTS

The Florida League of Cities 1-3 Year Pool is measured at net asset value (NAV). At September 30, 2021, the City owns \$5,277,000 in shares of the Florida League of Cities 1-3 Year Pool, not the individual securities within the portfolio. The modified duration of the Florida League of Cities 1-3 Year Pool as of September 30, 2021, was 1.70 years. The Florida League of Cities 1-3 Year Bond Fund (Florida League of City's Fund) allows the City to withdraw any or all of its assets on the 15th and last day of each month, provided the City gives the Florida League of City's Fund advance notice of at least 10 business days of the withdrawal. The pool is rated AAAf/S1 by Fitch Ratings.

The FLCLASS investment pool is measured at net asset value (NAV). At September 30, 2021, the City owned \$18,202,000 in shares of FLCLASS, not the individual securities within the portfolio. The Pool is a 2a-7 like pool which maintains a stable net asset value of \$1, is rated AAAM by Standard & Poor's, and has a weighted average days to maturity of 48 days. The FLCLASS pool allows the City to withdraw any or all its assets on any business day that the pool is open.

Credit Risk: The structure of the City's non-pension portfolio is designed to minimize credit risk. To limit the City's risk against possible credit losses, a maximum of 5% of the total portfolio may not be held at any one time in all securities of any corporate entity, inclusive of commercial paper, medium term notes, or corporate notes and bonds. No corporate entity represented more than 5% of the portfolio at September 30, 2021. The majority of the securities held are of the highest available credit quality ratings. The non-pension portfolio's credit quality is measured using the Standard & Poor's rating scale.

As of September 30, 2021, the City had the following non-pension investments subject to credit risk in the internal and externally managed portions of the portfolio, in addition to the previously discussed shares in the Florida League of Cities 1-3 Year Pool and FLCLASS:

Quality Breakdown	Portfolio Percentage
U.S. Treasury	11.28 %
U.S. Agency	22.60
AAA	18.32
AA	18.47
A	17.86
BBB	10.98
Other	0.49
Total	<u>100.00 %</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

1. CASH AND CASH EQUIVALENTS

Interest Rate Risk: In accordance with the City's Non-Pension Investment Policy, the City has established maturity limitations for each authorized investment category. The maximum duration of the various investments within the internally managed portion of the non-pension portfolio ranges from 60 days to 3.5 years. The maximum duration for externally managed investments ranges from 3.0 years to 6.0 years. The option adjusted duration of the non-pension portfolio as of September 30, 2021 was 2.78 years.

As of September 30, 2021, the Core Portfolio had the following investments on a time-segmented basis (in thousands):

Investment Type	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	10+ Years
U.S. Treasury	\$ 66,979	\$ 9,135	\$ 54,582	\$ 3,262	\$ -
U.S. Agency	177,183	307	53,732	27,407	95,737
Asset-backed	50,137	20	25,265	3,456	21,396
Corporate Bonds	182,691	9,402	147,897	24,106	1,286
Municipal	68,615	13,221	49,002	3,137	3,255
Other	4,516	4,516	-	-	-
Subtotal	550,121	\$ 36,601	\$ 330,478	\$ 61,368	\$ 121,674
Commingled	16,346				
Total	<u>\$ 566,467</u>				

2. INVESTMENTS

The following table presents investments held in the City's fiduciary funds at September 30, 2021 carried at fair value by level within the valuation hierarchy and investments carried at net asset value or amortized cost (in thousands).

Investment type by fair value level	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt securities	\$ 179,594	\$ 11,986	\$ 167,608	\$ -
Equity securities	1,032,906	1,030,984	-	1,922
REIT securities	39,174	39,174	-	-
Total investments at fair value	<u>1,251,674</u>	<u>\$ 1,082,144</u>	<u>\$ 167,608</u>	<u>\$ 1,922</u>
Investments measured at net asset value				
Mutual funds	186,122			
Debt securities	152,973			
Real estate funds	320,211			
Private equity funds	274,137			
Timber funds	107,220			
Total Private Credit	42,458			
Total investments measured at net asset value	<u>1,083,121</u>			
Total investments	<u>\$ 2,334,795</u>			

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

2. INVESTMENTS

The assets shown as Level 1 Inputs represent those investments for which the City's custodian had directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities. The assets shown as Level 2 Inputs represent those investments for which the City's custodian had inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means. The assets shown as Level 3 Inputs represent those investments for which the City's custodian utilized unobservable inputs when relevant Level 1 and Level 2 inputs were unavailable. The level in which an asset is assigned is not indicative of its quality but an indication of the source of valuation. There were no changes in the valuation techniques used by the City's custodian from the end of the prior fiscal year.

The Mutual funds category is comprised of the invested assets of the defined contribution portion of the City's pension plan, which are used to pay matching contributions to City retirees, and the invested assets of the OPEB Trust. As of September 30, 2021, these investments totaled \$186,122,000 and \$13,075,000, respectively.

The Debt securities category is comprised of two, commingled accounts in the Pension Fund: one investing in core fixed-income, the second investing in bank loans. The Pension Fund may withdraw from the core fixed-income account at any time with reasonable notice (five business days are recommended); the fund may withdraw from the bank loans account by providing advance notice of 30 days, with redemptions made on the 15th day of the month.

The real estate investment consists of commingled funds and a number of limited partnerships. The City has invested in two commingled funds. The commingled funds permit withdrawals once per quarter by providing advance notice of 45 days prior to the end of the quarter; all withdrawals are subject to available cash, as determined by the fund's Trustee. Available cash is defined as excess cash after provision for outstanding future capital commitments and other operating reserves. If withdrawal requests exceed available cash, distributions are made on a pro rata basis. Withdrawal requests are typically paid on the final day of the quarter. As of September 30, 2021, the commingled funds had a NAV of approximately \$105 million.

Real estate limited partnerships cannot be redeemed at the option of the Pension Fund; the Pension Fund will receive distributions over the life of each limited partnership. Each partnership is expected to distribute the principal and earnings to the Pension Fund over a period of approximately 12 years from the establishment date of the partnership. The Pension Fund has investment commitments in 20 active limited partnerships, all of which have varying start dates and commitment amounts. As of September 30, 2021, the Pension Fund had approximately \$96 million in remaining commitments to these various real estate partnerships, with an expectation that the total contributions to each partnership will ultimately reach about 95% of the total commitment amount for each individual partnership.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

2. INVESTMENTS

Private equity funds consist of several limited partnerships as of September 30, 2021. The limited partnerships cannot be redeemed at the option of the Pension Fund; the Pension Fund will receive distributions over the life of each limited partnership. Each partnership is expected to distribute the principal and earnings to the pension fund over a period of approximately 12 years from the establishment date of the partnership. The Pension Fund has investment commitments in ten active limited partnerships, all of which have varying start dates and commitment amounts. As of September 30, 2021, the Pension Fund had approximately \$30 million in remaining commitments to these various partnerships, with an expectation that the total contributions to each partnership will ultimately reach about 85% of the total commitment amount for each individual partnership.

Timber funds are comprised of several limited partnerships. The limited partnerships cannot be redeemed at the option of the Pension Fund; the Pension Fund will receive distributions over the life of each limited partnership. Each partnership is expected to distribute the principal and earnings to the Pension Fund over a period of approximately 12 years from the establishment date of the partnership. The Pension Fund has investment commitments in five active limited partnerships, all of which have varying start dates and commitment amounts. As of September 30, 2021, the Pension Fund had approximately \$10 million in remaining commitments to these various timber partnerships, with an expectation that the total contributions to each partnership will ultimately reach about 95% of the total commitment amount.

Private credit funds are comprised of several limited partnerships. The limited partnerships cannot be redeemed at the option of the Pension Fund; the Pension Fund will receive distributions over the life of each limited partnership. Each partnership is expected to distribute the principal and earnings to the Pension Fund over a period of approximately six to ten years from the establishment date of the partnership. The Pension Fund has investment commitments in six active limited partnerships, all of which have varying start dates and commitment amounts. As of September 30, 2021, the Pension Fund had approximately \$60 million in remaining commitments to these various private credit partnerships, with an expectation that the total contributions to each partnership will ultimately reach about 85% of the total commitment amount.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

2. INVESTMENTS

Credit Risk: The City's Investment Policy for the Pension Plan requires its fixed-income managers to manage a high-grade portfolio of bonds. The individual money managers evaluate risk in their selection of bond securities to hold in their portfolios. The Pension Plan measures credit quality using the Standard & Poor's rating scale.

As of September 30, 2021, the City had the following pension investments subject to credit risk:

<u>Quality Breakdown</u>	<u>Portfolio Percentage</u>
US Treasury	29.49 %
US Agency	0.26
AAA	1.02
AA	0.84
A	1.85
BBB	6.79
BB	0.32
B	0.24
CCC	0.11
D	0.17
NR	5.35
Commingled	<u>53.56</u>
Total	<u><u>100.00 %</u></u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

2. INVESTMENTS

Foreign Currency Risk: The City's Investment Policy for the Pension Plan does not explicitly address foreign currency risk. The investment policy specifies the market sectors of the investments and the benchmark for each sector. Individual money managers are hired to manage each sector and are evaluated on their performance against that benchmark. The individual money managers evaluate risk in their selection of securities to hold in their portfolios.

The following table below shows the Foreign Currency Risk for the City's Pension Plan with the amount (in thousands) and the percentage each currency represents for the Pension Plan's cash, cash equivalents and investments:

	<u>Exposure</u>	<u>Percentage</u>
United States Dollar	\$ 1,980,917	92.04 %
Euro	84,743	3.94
Japanese Yen	27,017	1.26
British Pound Sterling	17,658	0.82
Swiss Franc	15,527	0.72
Danish Krone	6,189	0.29
Canadian Dollar	4,471	0.21
Australian Dollar	3,884	0.18
Swedish Krona	3,824	0.18
South Korean Won	1,920	0.09
Hong Kong Dollar	1,881	0.09
Brazilian Real	927	0.04
Israeli Shekel	786	0.04
Polish Zloty	732	0.03
Norwegian Krone	637	0.03
Singapore Dollar	505	0.02
Taiwan Dollar	462	0.02
Total	<u>\$ 2,152,080</u>	<u>100 %</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

2. INVESTMENTS

Interest Rate Risk: The City of Tallahassee's Investment Policy for the Pension Plan does not explicitly address interest rate risk. The investment policy specifies the market sectors of the investments and the benchmark for each sector. Individual money managers are hired to manage each sector and are evaluated on their performance against that benchmark. The individual money managers evaluate risk in their selection of securities to hold in their portfolios.

The City of Tallahassee held the following debt securities for its Pension Fund on a time-segmented basis as of September 30, 2021 (in thousands):

Investment Type	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	10+ Years
US Treasury	\$ 78,022	\$ 16,479	\$ 53,150	\$ 5,804	\$ 2,589
US Agency	27,269	2,712	-	1,425	23,132
Asset Backed	26,683	454	1,560	3,273	21,396
Corporate Bonds	34,279	1,539	14,110	13,464	5,166
Municipal	1,356	-	-	860	496
Other	11,986	11,986	-	-	-
Subtotal	179,595	\$ 33,170	\$ 68,820	\$ 24,826	\$ 52,779
Commingled	81,451				
Total	\$ 261,046				

B. SECURITIES LENDING TRANSACTIONS

In accordance with Section 51 of the City Charter, the City Treasurer-Clerk or his designee may authorize investment transactions that he considers prudent. Accordingly, the City participates in securities lending transactions via a Securities Lending Agreement with The Northern Trust Company ("Northern") that authorizes the banking institution to lend the City's securities to approved broker-dealers and banks in order to generate additional income. Gross income from securities lending transactions and the fees paid to Northern are reported in the City's statements. Assets and liabilities include the value of the collateral held.

During the fiscal year ended September 30, 2021, Northern loaned, at the direction of the City's Treasurer-Clerk, securities and received cash, securities issued or guaranteed by the United States government, and irrevocable bank letters of credit as collateral. Northern does not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers were required to deliver cash collateral for each loan equal to at least 102% of the initial market value of the loaned securities or if the borrowed securities and the collateral were denominated in different currencies, equal to 105% of the market value of the securities.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

B. SECURITIES LENDING TRANSACTIONS

There are no restrictions on the amount of securities that may be loaned. The Agreement requires Northern to indemnify the City for losses attributable to violations by Northern of the Standard of Care set out in the Agreement. There were no such violations during the fiscal year ended September 30, 2021. Moreover, there were no losses during the fiscal year ended September 30, 2021 resulting from a default of any borrower.

During the fiscal year ended September 30, 2021, the City and each borrower maintained the right to terminate all securities lending transactions on demand. For the Pension Fund, the cash collateral received on each loan of securities together with the cash collateral of other qualified plan lenders were invested in a collective investment pool with Northern. The cash collateral for the non-pension funds lending activity was invested in a liquid assets portfolio institutional account. Because the loans are terminable at will, their duration did not generally match the duration of the investments made with the cash collateral. For the Pension Fund, the average term of the loan was approximately 58 days and the average duration of the investment pool was 30 days. For the non-pension funds, the average term of the loan was 177 days and the average duration of the investment pool was 11 days. On September 30, 2021, the City had no credit risk exposure to borrowers.

On September 30, 2021, for the City's Pension Fund, the collateral held and the market value of securities on loan were \$119,354,000 and \$116,178,000, respectively; for the City's non-pension funds, the collateral held and the market value of securities on loan were \$2,743,000 and \$2,665,000 respectively.

A summary of the fair market value of the securities on loan as of September 30, 2021 follows (in thousands):

	Pension Fund	Non-Pension Fund
Corporate Bonds	\$ 6,797	\$ 2,665
Common Stock	71,928	-
U.S. Agencies	584	-
U.S. Government Treasury Notes	36,869	-
	<u>\$ 116,178</u>	<u>\$ 2,665</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS C. RECEIVABLES

1. PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Leon County Property Appraiser and the Leon County Tax Collector. The laws of the State regulating tax assessment are also designed to ensure consistent property taxes at a rate of up to 10 mills. The millage rate assessed by the City for the fiscal year ended September 30, 2021 was 4.1. All property is assessed by the county according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

The current year taxes for the fiscal year, beginning October 1, are billed in the month of November and are due no later than March 31. On April 1, all unpaid amounts become delinquent and are subject to interest and penalties. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the seven year statute of limitations.

The City Tax Calendar is as follows: Valuation Date: January 1; Levy Date: November 1; Due Date: March 31, Succeeding Year; and Lien Date: April 1, Succeeding Year.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

C. RECEIVABLES

2. AIRPORT FUND'S LEASING OPERATIONS

The Airport Fund's leasing operations consist principally of leasing land and buildings under operating leases to airlines, rental car agencies and other commercial enterprises. Original lease terms vary from one to thirty-two years and require, in most cases, that leasehold improvements be contributed to the City at lease termination.

The following is a schedule, by years, of minimum future rentals on noncancelable operating leases of the Airport Fund as of September 30, 2021 (in thousands):

Year ending September 30,		
2022	\$	3,659
2023		2,123
2024		1,373
2025		1,205
2026		1,038
2027-2031		4,674
2032-2036		4,579
2037-2041		2,852
2042-2046		646
2047-2051		133
	<u>\$</u>	<u>22,282</u>

Total minimum future rentals do not include contingent rentals that may be realized under certain leases that require additional rent if the tenant's gross revenues exceed stipulated minimums. There were no contingent rentals for the fiscal year ended September 30, 2021.

Effective October 2016, the City entered into five-year lease and use agreements with its major airline tenants (the Signatory Airline Agreements). The current agreements expired on September 30, 2021. The Signatory Airlines agreed to and signed the 'First Amendment to Airline-Airport Use and Lease Agreement' that extended the terms of the agreements on a month-to-month basis until a new agreement is executed. The agreement requires that rates for rentals, fees and charges be reviewed annually and adjusted so that the total airline revenues equal the Signatory Airline's share of the applicable costs. Year-end settlement provisions under the agreement provides for a recalculation of rates and charges. Upon determination of any difference between the actual rentals, fees and charges paid by Signatory Airlines, the City shall return to the airlines the amount of such difference in the event of an overpayment and, in the event of an underpayment, the City will invoice the airlines for the amount of such underpayment.

At the end of the fiscal year, after determination of settlement, the City will share with the Signatory Airlines a portion of net remaining revenues. The Signatory Airlines' percentage of revenue sharing on net remaining revenues will be forty percent (40%) and the City's share will be sixty percent (60%). Availability of revenue sharing will be based on City's ability to satisfy its obligations and meet Debt Service Coverage requirements in each fiscal year.

The minimum rentals to be paid by the Signatory Airlines under this agreement will vary each year and such amounts have not been included in the above schedule of minimum future rentals. The Signatory Airline Agreement is reliant on the ongoing operations of the Signatory Airlines.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS
D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2021 was as follows (in thousands):

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental Activities				
Non-Depreciable Assets:				
Land	\$ 368,567	\$ -	\$ -	\$ 368,567
Construction-in-Progress	15,785	28,424	(14,153)	30,056
Total Non-Depreciable Assets	<u>\$ 384,352</u>	<u>\$ 28,424</u>	<u>\$ (14,153)</u>	<u>\$ 398,623</u>
Depreciable Assets:				
Buildings	\$ 119,918	\$ -	\$ (7)	\$ 119,911
Equipment	56,746	2,216	(3,734)	55,228
Improvements other than buildings	14,836	325	-	15,161
Infrastructure	984,793	7,698	-	992,491
Intangibles	197	-	-	197
Total Depreciable Assets	<u>1,176,490</u>	<u>10,239</u>	<u>(3,741)</u>	<u>1,182,988</u>
Less accumulated depreciation for:				
Buildings	(78,108)	(2,818)	3	(80,923)
Equipment	(35,990)	(3,629)	3,073	(36,546)
Improvements other than buildings	(8,367)	(435)	-	(8,802)
Infrastructure	(635,863)	(33,380)	-	(669,243)
Intangibles	(12)	(4)	-	(16)
Total Accumulated Depreciation	<u>(758,340)</u>	<u>(40,266)</u>	<u>3,076</u>	<u>(795,530)</u>
Total Depreciable Assets, net	<u>\$ 418,150</u>	<u>\$ (30,027)</u>	<u>\$ (665)</u>	<u>\$ 387,458</u>
Business-Type Activities				
Non-Depreciable Assets:				
Land	\$ 153,103	\$ 940	\$ -	\$ 154,043
Construction-in-Progress	86,795	64,102	(60,586)	90,311
Total Non-Depreciable Assets	<u>\$ 239,898</u>	<u>\$ 65,042</u>	<u>\$ (60,586)</u>	<u>\$ 244,354</u>
Depreciable Assets:				
Buildings	\$ 234,815	\$ 102	\$ (20)	\$ 234,897
Equipment	1,069,314	6,424	(7,173)	1,068,565
Improvements other than buildings	57,951	6,677	-	64,628
Infrastructure	1,394,931	43,595	-	1,438,526
Intangibles	310,479	-	-	310,479
Total Depreciable Assets	<u>3,067,490</u>	<u>56,798</u>	<u>(7,193)</u>	<u>3,117,095</u>
Less accumulated depreciation for:				
Buildings	(104,273)	(6,475)	13	(110,735)
Equipment	(630,582)	(50,428)	4,602	(676,408)
Improvements other than buildings	(27,818)	(4,156)	-	(31,974)
Infrastructure	(610,890)	(34,167)	158	(644,899)
Intangibles	(118,968)	(12,500)	-	(131,468)
Total Accumulated Depreciation	<u>(1,492,531)</u>	<u>(107,726)</u>	<u>4,773</u>	<u>(1,595,484)</u>
Total Depreciable Assets, net	<u>\$ 1,574,959</u>	<u>\$ (50,928)</u>	<u>\$ (2,420)</u>	<u>\$ 1,521,611</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

D. CAPITAL ASSETS

Depreciation expense was charged to functions/programs of the primary government as follows (in thousands):

Governmental Activities:	
General Government	\$ 674
Public Safety	415
Transportation	818
Human Services	132
Economic Development	139
Physical Environment	15
Culture and Recreation	787
General Infrastructure	34,173
Capital Assets held by the governmental internal service funds are charged to the various functions based on their usage of assets	<u>3,113</u>
Total depreciation expense-governmental activities	<u>\$ 40,266</u>
Business-Type Activities:	
Electric	\$ 53,474
Gas	2,307
Sewer	20,693
Water	6,727
Airport	8,367
StarMetro	4,279
Solid Waste	411
Golf	47
Stormwater Management	2,108
Fire Services	1,143
Capital Assets held by the business-type internal service funds are charged to the various functions based on their usage of assets	<u>8,170</u>
Total depreciation expense-business-type activities	<u>\$ 107,726</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

E. INTERFUND RECEIVABLES, PAYABLES, INTRAGOVERNMENTAL CHARGES, AND TRANSFERS

1. INTERFUND RECEIVABLES/PAYABLES

At September 30, 2021, Interfund Receivables and Payables are as follows (in thousands):

Fund	Due From	Due To	Advance To	Advance From
General	\$ -	\$ 53	\$ -	\$ 909
CRA	-	-	-	23
Electric	48,690	-	3,000	5,460
Airport	-	3	-	247
Stormwater	-	-	48	-
Nonmajor governmental	-	661	14,890	3,048
Nonmajor business-type	-	13,665	-	10,285
Internal service funds	67	34,375	2,665	631
	<u>\$ 48,757</u>	<u>\$ 48,757</u>	<u>\$ 20,603</u>	<u>\$ 20,603</u>

\$48,806,000 of the interfund receivables and payables balances represent amounts remaining from loans to fund operations. \$20,554,000 of these balances represent amounts loaned for capital funding.

2. INTRAGOVERNMENTAL CHARGES

Certain functions of the City of a general and administrative nature are accounted for in internal service funds. The costs accumulated in these funds are allocated to the various funds benefited by the services via charges, which are recorded as charges for services in the internal service funds and expenses or expenditures in the benefited funds.

Such costs allocated to the funds for the year ended September 30, 2021 are as follows (in thousands):

General	\$ 20,279
Community Redevelopment Agency	95
Electric	25,834
Gas	3,219
Sewer	11,020
Water	9,765
Airport	1,901
Stormwater management	6,340
Nonmajor business type	21,504
Nonmajor governmental type	956
Fiduciary type	1,012
Internal service type	8,414
Total	<u>\$ 110,339</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

E. INTERFUND RECEIVABLES, PAYABLES, INTRAGOVERNMENTAL CHARGES, AND TRANSFERS

3. INTERFUND TRANSFERS

At September 30, 2021, Interfund Transfers are as follows (in thousands):

Transfer Out	Transfers In										Total
	General	Electric	Gas	Sewer	Water	Airport	Stormwater	Nonmajor Governmental	Nonmajor Business-type	Internal Service Funds	
General	\$ -	\$ 11	\$ 1	\$ 8	\$ 13	\$ 202	\$ 4	\$ 17,678	\$ 4,468	\$ 37	\$ 22,422
Community Redevelopment Agency	-	-	-	-	-	-	-	2,400	-	-	2,400
Electric	31,750	-	-	-	204	-	-	203	-	-	32,157
Gas	3,092	-	-	236	144	-	-	5	-	-	3,477
Sewer	5,140	-	-	-	-	-	-	40	-	-	5,180
Water	3,768	-	-	-	-	-	-	26	-	-	3,794
Airport	3	-	-	-	-	-	-	-	-	-	3
Stormwater	496	-	-	-	-	-	-	49	-	-	545
Nonmajor governmental	619	-	-	-	-	-	-	1,776	2,742	-	5,137
Nonmajor business-type	2,409	-	-	-	-	-	-	763	-	-	3,172
Internal Service	713	-	-	-	-	-	-	217	-	336	1,266
Total	\$ 47,990	\$ 11	\$ 1	\$ 244	\$ 361	\$ 202	\$ 4	\$ 23,157	\$ 7,210	\$ 373	\$ 79,553

Interfund transfers are primarily for operations, capital projects funding and governmental fund debt service.

F. LEASE COMMITMENTS

1. Operating

The City has entered into operating leases for buildings and equipment. The leases are for one to five years, expiring in 2021 through 2025. Total rent expenses incurred by the City for the year ended September 30, 2021, was \$1,916,000. The remaining future minimum lease obligations are as follows (in thousands):

Year Ending	
September 30,	
2022	\$ 104
2023	74
2024	42
2025	14
Total	\$ 234

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

F. LEASE COMMITMENTS

2.Capital

The City (as Lessee) has entered into lease agreements for financing electric bus batteries, a modular office building, wireless, computer and network equipment. These lease agreements qualify as capital leases for accounting purposes. They are all classified as equipment and are recorded at the present value of the future minimum lease payments as of the inception date (in thousands):

Asset/Stated Interest Rate	Governmental Activities	Business-Type Activities	Historical Cost of Leased Assets
Bus Batteries/4%	\$ -	\$ 3,373	\$ 3,970
Modular Building/3%	132	-	254
Computer/Network Equipment/4%	1,015	-	1,931
Wireless Equipment/5.596%	222	-	821
Total	\$ 1,369	\$ 3,373	\$ 6,976

The future minimum lease payments are as follows:

Year Ending September 30,	Principal	Interest	Total
2022	\$ 958	\$ 168	\$ 1,126
2023	765	127	892
2024	551	98	649
2025	325	84	409
2026	308	66	374
2027-2031	1,835	170	2,005
Present Value of minimum lease payments	\$ 4,742	\$ 713	\$ 5,455

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS
G. LONG-TERM DEBT

1. SUMMARY OF CHANGES IN LONG-TERM DEBT

The following is a summary of the changes in Long-Term Debt for the year ended September 30, 2021 (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Current	Noncurrent
Governmental Activities:						
General Revenue Bonds	\$ 87,595	\$ -	\$ 9,010	\$ 78,585	\$ 9,415	\$ 69,170
Unamortized Premiums	11,610	-	1,380	10,230	-	10,230
Bank of America Loan	780	-	255	525	260	265
Public Improvement Revenue Note	-	7,310	-	7,310	-	7,310
Redevelopment Revenue Note	-	3,950	-	3,950	540	3,410
Bonds and Loans Payable	<u>99,985</u>	<u>11,260</u>	<u>10,645</u>	<u>100,600</u>	<u>10,215</u>	<u>90,385</u>
Compensated Absences	10,708	7,947	6,940	11,715	7,947	3,768
Net Pension Liability	231,895	100,818	93,730	238,983	-	238,983
Net OPEB Liability	53,863	-	8,251	45,612	-	45,612
Total Governmental-Type Debt	<u>396,451</u>	<u>120,025</u>	<u>119,566</u>	<u>396,910</u>	<u>18,162</u>	<u>378,748</u>
Business-Type Activities:						
Energy System 2010B	122,280	-	-	122,280	-	122,280
Energy System Refunding 2015	74,140	-	4,840	69,300	5,080	64,220
Energy System Refunding 2017	137,595	-	3,800	133,795	4,500	129,295
Energy System 2018	101,480	-	1,310	100,170	1,510	98,660
Energy System Refunding 2020	80,195	-	7,715	72,480	8,070	64,410
CUSRB 2010A	117,015	-	-	117,015	-	117,015
CUSRB 2015	40,860	-	2,115	38,745	2,300	36,445
CUSRB 2017	102,970	-	3,985	98,985	4,185	94,800
CUSRB 2018	42,575	-	1,515	41,060	1,590	39,470
CUSRRB 2020	14,875	-	2,095	12,780	2,315	10,465
2019 Transportation Improvement Bond	7,185	-	829	6,356	847	5,509
Unamortized Premiums/Discounts	96,783	-	4,724	92,059	-	92,059
AMI Loan	12,211	-	2,876	9,335	2,991	6,344
Bank of America Loan	378	-	124	254	126	128
Bonds and Loans Payable	<u>950,542</u>	<u>-</u>	<u>35,928</u>	<u>914,614</u>	<u>33,514</u>	<u>881,100</u>
Compensated Absences	13,806	10,859	9,772	14,893	10,859	4,034
Net Pension Liability	54,854	27,171	30,314	51,711	-	51,711
Net OPEB Liability	39,498	-	7,001	32,497	-	32,497
Total Business-Type Debt	<u>1,058,700</u>	<u>38,030</u>	<u>83,015</u>	<u>1,013,715</u>	<u>44,373</u>	<u>969,342</u>
Total Long-Term Debt	<u>\$1,455,151</u>	<u>\$ 158,055</u>	<u>\$ 202,581</u>	<u>\$ 1,410,625</u>	<u>\$ 62,535</u>	<u>\$ 1,348,090</u>

For governmental activities, claims, judgments, pension obligations, OPEB obligations and compensated absences have been primarily liquidated by the General Fund.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

2. SUMMARY OF INDIVIDUAL BOND ISSUES

Summarized below are the City's individual bond issues outstanding at September 30, 2021 (in thousands):

GENERAL REVENUE BONDS:

\$26,975,000 Capital Improvement Refunding Revenue Bond – Series 2009, due in annual installments ranging from \$550,000 to \$1,240,000 ending on April 1, 2031, interest rate at 3.710%. The Bond is payable from and secured by a junior lien and pledge of the Local Government Half-cent Sales Tax, Guaranteed Entitlement Revenues, and the Communications Service Tax. \$ 9,120

\$49,165,000 Capital Bonds - Series 2012, due in annual installments ranging from \$3,695,000 to \$5,830,000 ending on October 1, 2024, interest rates at 2.00% to 5.00% depending on maturity date. Bonds are payable from and secured by a first lien and pledge of the Local Government Half-cent Sales Tax, Guaranteed Entitlement Revenues, Communications Service Tax, and earnings on the investment of all funds and accounts created by and described in the Bond Resolution, except the Rebate Fund and the Unrestricted Revenue Account. 13,400

\$40,225,000 Capital Bonds – Series 2014, due in annual installments ranging from \$1,400,000 to \$3,175,000 ending on October 1, 2034, with interest rates at 2.0% to 5.0% depending on maturity date. Bonds are payable from and secured by a first lien and pledge of the Local Government Half-cent Sales Tax, Guaranteed Entitlement Revenues, Communications Services Tax, Public Service Tax Revenues and earnings on the investment of all funds and accounts created by the Bond Resolution, except the Rebate Fund and Unrestricted Revenue Account. 31,145

\$27,320,000 Capital Bonds – Series 2018, due in annual installments ranging from \$575,000 to \$2,105,000 ending on October 1, 2038, with interest rates at 1.75% to 5.0% depending on maturity date. Bonds are payable from and secured by a first lien and pledge of the Local Government Half-cent Sales Tax, Guaranteed Entitlement Revenues, Communications Services Tax, Public Service Tax Revenues and earnings on the investment of all funds and accounts created by the Bond Resolution, except the Rebate Fund and Unrestricted Revenue Account. 24,920

Total General Revenue Bonds \$ 78,585

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

2. SUMMARY OF INDIVIDUAL BOND ISSUES

PROPRIETARY REVENUE BONDS

\$122,280,000 Energy System Revenue Bonds - Series 2010B, due in annual installments ranging from \$930,000 to \$32,445,000 ending on October 1, 2040, interest rate at 5.969%. Bonds are payable and secured by a lien on and pledge of certain funds provided by the 1998 General Resolution which includes net revenues of the City's Energy System.

\$ 122,280

\$94,615,000 Energy System Refunding Revenue Bonds - Series 2015, due in annual installments ranging from \$4,390,000 to \$7,880,000 ending on October 1, 2032, interest rates at 3.0% to 5.0% depending on maturity date. Bonds are payable and secured by a lien on and pledge of certain funds provided by the 1998 General Resolution which includes net revenues of the City's Energy System.

69,300

\$147,295,000 Energy System Refunding Revenue Bonds - Series 2017, due in annual installments ranging from \$2,010,000 to \$15,000,000 ending on October 1, 2037, interest rates at 3.00% in 2018 and 5.00% for the remaining maturity dates. Bonds are payable and secured by a lien on and pledge of certain funds provided by the 1998 General Resolution, which includes the net revenues of the City's Energy System.

133,795

\$104,975,000 Energy System Revenue Bonds - Series 2018, due in annual installments ranging from \$750,000 to \$12,655,000 ending on October 1, 2042, interest rates at 3.00% in 2018 and 5.00% for the remaining maturity dates. Bonds are payable and secured by a lien on and pledge of certain funds provided by the 1998 General Resolution, which includes the net revenues of the City's Energy System.

100,170

\$80,195,000 Energy System Refunding Revenue Bonds - Series 2020, due in annual installments ranging from \$7,715,000 to \$11,010,000 ending on October 1, 2028, at an interest rate of 5.00%. Bonds are payable and secured by a lien on and pledge of certain funds provided by the 1998 General Resolution, which includes the net revenues of the City's Energy System.

72,480

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

2. SUMMARY OF INDIVIDUAL BOND ISSUES

\$117,015,000 Consolidated Utility Systems Revenue Bonds - Series 2010A, due in annual installments ranging from \$3,415,000 to \$20,010,000 ending on October 1, 2040, interest rates at 5.068% to 5.218% depending upon maturity date. Bonds are payable and secured by a lien on and pledge of certain funds provided by Resolution and the net revenues of the City's Utility System (consisting of the City's water and sewer systems) and the gross revenues of the City's Stormwater Drainage System.

117,015

\$44,255,000 Consolidated Utility System Refunding Revenue Bonds - Series 2015, due in annual installments ranging from \$450,000 to \$3,665,000 ending on October 1, 2035, interest rates at 3.0% to 5.0% depending on maturity date. Bonds are payable and secured by a lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's water and sewer systems) and the gross revenues of the City's Stormwater Drainage System.

38,745

\$115,060,000 Consolidated Utility System Refunding Bonds - Series 2017, due in annual installments ranging from \$3,615,000 to \$8,695,000 ending on October 1, 2037, at an interest rate of 5.0% on each maturity date. Bonds are payable and secured by a lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's water and sewer systems) and the gross revenues of the City's Stormwater Drainage System.

98,985

\$45,385,000 Consolidated Utility System Refunding Revenue Bonds - Series 2018, due in annual installments ranging from \$1,370,000 to \$3,470,000 ending on October 1, 2038, at an interest rate of 5.0% on each maturity date. Bonds are payable and secured by a lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's water and sewer systems) and the gross revenues of the City's Stormwater Drainage System.

41,060

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

2. SUMMARY OF INDIVIDUAL BOND ISSUES

\$14,875,000 Consolidated Utility System Refunding Revenue Bonds - Series 2020, due in annual installments ranging from \$2,095,000 to \$2,810,000 ending on October 1, 2026, at an interest rate of 5.0% on each maturity date. Bonds are payable and secured by a lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's water and sewer systems) and the gross revenues of the City's Stormwater Drainage System.

12,780

\$7,994,660 Transportation Improvement Bond – Series 2019, due in annual installments ranging from \$809,990 to \$970,840 ending on May 1, 2028, at an interest rate of 2.29%. The Bond is payable from and secured by a covenant to budget and appropriate pledge of legally available non-ad valorem revenues from the General Fund. The Bond was issued to purchase 14 electric buses for the City's mass transit bus system.

6,356

Total Proprietary Revenue Bonds
Total Bonds Payable

\$ 812,966
\$ 891,551

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

3. PRIVATE PLACEMENT BONDS/DIRECT BORROWINGS

The Capital Improvement Refunding Revenue Bond, Series 2009, the Transportation Improvement Bond, Series 2019, and the Public Improvement Revenue Note, Series 2020, are all private placement bonds. Should there be an Event of Default, with respect to the Series 2009 Bond or the Series 2020 Bond, the interest rate on the applicable bond would increase to the Default Rate. If the Event of Default continues on either of the Series 2009 Bond, the Series 2019 Bond, or the Series 2020 Bond, the applicable lender has the right to require the City to pay the entire outstanding obligation of these bonds. The borrowings identified below under Loans Payable are the direct borrowings of the City. For all of the private placement bonds and direct borrowings, should the borrowings no longer be tax exempt, the interest rate on the outstanding amount will be increased.

4. LOANS PAYABLE

AMI Loan Program

On December 27, 2007, the City entered into a loan with the Bank of America Capital Corporation to provide \$35,300,000 of financing to fund the City's Smart Metering program. The loan is due in semi-annual installments ranging from \$1,083,000 to \$1,633,000 ending on June 27, 2024, bearing interest at 3.9459%. The remaining balance of this loan is payable and secured by the Smart Energy Metering and Management System, consisting of meters and communication devices. The outstanding balance of the remaining loan was \$9,335,320 as of September 30, 2021.

Bank of America Loan

On May 20, 2016, the City entered into a loan with the Bank of America Public Capital Corporation to provide \$2,575,875 of financing to fund the purchase of Sports Lighting Equipment at various parks and Communications Equipment for the City's utility operations. Interest payments on the loan are due semi-annually, with principal payments due annually, ending on April 1, 2023, bearing interest at 1.5494%. The annual debt service for the loan ranges from \$347,236 to \$395,621. The loan is payable and secured by the City's pledge to budget and appropriate the debt service payments. The outstanding balance of this loan was \$778,727 as of September 30, 2021.

Public Improvement Revenue Note, Series 2020

On October 1, 2020, the City entered into a taxable loan in the amount of \$7,310,000 with Key Bank. The loan bears interest at a rate of 1.43% with interest only payments due annually on October 1 from 2021 through 2025. The principal is due in a balloon payment on October 1, 2025. The Note is payable from and secured by a covenant to budget and appropriate pledge of legally available non-ad valorem revenues from the General Fund. The Note was issued to refinance the purchase of the Northwood Centre property on which the City will construct a new police headquarters and other amenities. The loan may be repaid in whole or in part at any time upon notice of 21 business days to Key Bank. The outstanding balance of this loan was \$7,310,000 as of September 30, 2021.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

4. LOANS PAYABLE

Community Redevelopment Revenue Note, Series 2020

On December 16, 2020, the City executed Community Redevelopment Agency Redevelopment Revenue Note, Series 2020, which bears interest at a rate of 1.28% with annual installments ranging from \$592,208 to \$596,608 ending on January 15, 2028. The Note is payable from and secured by a covenant to budget and appropriate pledge of legally available non-ad valorem revenues. It was issued primarily to finance the cost of acquisition of a condominium unit consisting of two floors of structured parking with two hundred fifty-two public parking spaces. The outstanding balance of this loan was \$3,950,000 as of September 30, 2021.

5. SCHEDULE OF DEBT SERVICE REQUIREMENTS, FOR ALL OUTSTANDING DEBT INCLUDING PRINCIPAL AND INTEREST (IN THOUSANDS)

Year ending September 30	Governmental Activities				Business - Type Activities				Total Debt Service
	Bonds		Notes from Direct Borrowings and Direct Placements		Bonds		Notes from Direct Borrowings and Direct Placements		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2022	\$ 8,385	\$ 3,473	\$ 1,830	\$ 486	\$ 29,550	\$ 41,699	\$ 3,964	\$ 489	\$ 89,876
2023	6,565	3,054	1,884	432	31,100	40,246	4,105	348	87,734
2024	6,890	2,726	1,670	381	32,630	38,716	4,121	202	87,336
2025	3,160	2,381	9,025	332	34,610	37,086	907	86	87,587
2026	3,325	2,223	1,765	177	36,340	35,355	928	65	80,178
2027-2031	19,270	8,454	4,731	307	221,805	146,745	1,920	66	403,298
2032-2036	17,760	3,295	-	-	207,235	90,633	-	-	318,923
2037-2041	4,110	311	-	-	205,710	32,741	-	-	242,872
2042	-	-	-	-	7,630	382	-	-	8,012
Totals	\$ 69,465	\$ 25,917	\$ 20,905	\$ 2,115	\$ 806,610	\$ 463,603	\$ 15,945	\$ 1,256	\$ 1,405,816

6. OTHER DEBT CONSIDERATIONS

The City, as of September 30, 2021, nor at any time during fiscal year 2021, did not have a line of credit upon which to borrow additional funds.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

7. CONDUIT DEBT OBLIGATIONS

From time to time, the City has acted as a conduit for the issuance of bonds for non-profit organizations for the acquisition, construction, and improvement of housing, educational, and medical facilities deemed to be in the public interest, and has issued Industrial Revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

- As of September 30, 2021, there were four series of Health Facilities Revenue Refunding Bonds outstanding. The original issue amounts totaled \$357.3 million and the outstanding balance as of September 30, 2021 was \$343.8 million.
- As of September 30, 2021, there was one Florida State University School Lease Revenue Bond outstanding. The original issue amount totaled \$18.1 million and the outstanding balance as of September 30, 2021 was \$6.95 million.
- As of September 30, 2021, there was one Industrial Revenue Bond outstanding. The original issue amount totaled \$5.4 million and the outstanding balance as of September 30, 2021 was \$4.7 million.

H. NET POSITION

The business-type fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted or unrestricted.

1. NET INVESTMENT IN CAPITAL ASSETS

Net Investment in Capital Assets is intended to reflect the portion of net position associated with non-liquid, capital assets less outstanding capital asset related debt. Related debt includes the outstanding balances of any bonds, mortgages, notes, or other borrowings attributable to the acquisition, construction, or improvement of capital assets of the City.

2. RESTRICTED ASSETS

Restricted Assets are subject to constraints that are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

3. UNRESTRICTED ASSETS

Unrestricted Assets are the portion of net position that are neither invested in capital assets nor restricted for use by a third party.

The net position shown in government-wide financial statements was changed beginning in fiscal year 2012 to comply with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The details of net position presentation are explained in Note IV.I. "Fund Balance" below.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

I. FUND BALANCE

The City classifies governmental fund balances as follows:

Non-spendable Fund Balance - includes fund balance amounts that cannot be spent either because it is a) not in a spendable form, such as inventory or b) because it is legally or contractually required to be maintained intact.

Spendable Fund Balance

Restricted – fund balance amounts constrained for specific purposes that are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.

Committed – fund balance amounts constrained for specific purposes imposed by majority vote of the City Commission.

Assigned – spendable fund balance amounts transferred from committed funds into projects or other funds under the control of the department budgeted to receive the committed funds. Budgetary control is established within each fund and department. The City Manager or designee may transfer amounts between departments within the same fund. These transfers are not specifically approved by the City Commission.

Unassigned – residual positive fund balance within the General Fund that was not classified within the categories defined above. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City spends restricted amounts first when both restricted and unrestricted fund balances are available unless there are legal documents/contracts that prohibit doing this, such as grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City Commission has established an emergency reserve policy and fund, referred to as the Deficiencies Fund, in order to meet unforeseen expenditures. The target amount per the policy is a maximum level of two (2) months of general government operating expenditures of the ensuing fiscal year's operating budget. Use of the Deficiencies Fund requires approval by the City Commission. The Deficiencies Fund is contained as a separate sub-fund within the General Fund and the balance is classified as committed fund balance within the General Fund.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

I. FUND BALANCE

A schedule of City fund balances is provided below (in thousands):

	General	Community Redevelopment Agency	Total Other Governmental	Total
Non-spendable				
Inventory	\$ 689	\$ -	\$ -	\$ 689
Notes Receivable	-	205	-	205
Police Evidence Holding Cash	552	-	-	552
Total Non-Spendable	1,241	205	-	1,446
Restricted for:				
Animal Services	-	-	59	59
Building Improvements	-	-	5	5
Community Development	-	16,842	636	17,478
Debt Service	-	-	14,890	14,890
Environmental Clean Up	-	-	721	721
Fire Programs	-	-	-	-
Housing	-	-	1,375	1,375
Land/Neighborhood Improvements	-	-	214	214
Law Enforcement Justice Assistance	-	-	5,400	5,400
Park Enhancements	-	-	1,438	1,438
Police Enforcement/Crime Prevention	-	-	17	17
Police Mentoring	-	-	5	5
Public Infrastructure	-	-	4,353	4,353
Public Safety - Building Code	-	-	1,177	1,177
Road Improvements	-	-	4,963	4,963
Sidewalks/Pedestrian & Bike Paths	-	-	1,732	1,732
Traffic Signals	-	-	638	638
Total Restricted	-	16,842	37,623	54,465

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE IV. DETAILED NOTES - ALL FUNDS

I. FUND BALANCE

	General	Community Redevelopment Agency	Total Other Governmental	Total
Committed to:				
Cemetery Grounds Maintenance	-	-	3,091	3,091
City Building Improvements	-	-	6,120	6,120
Community Development	-	-	779	779
Emergency Management	20,823	-	-	20,823
Historic Property Preservation	-	-	1,121	1,121
Housing	-	-	3,913	3,913
Land/Neighborhood Improvements	-	-	460	460
Park Enhancements	-	-	3,318	3,318
Personnel Development	-	-	82	82
Police Enforcement/Crime Prevention	-	-	175	175
Police Equipment	-	-	1,587	1,587
Public Infrastructure	-	-	3,757	3,757
Road Improvements	-	-	1,978	1,978
Scholarship Assistance	188	-	-	188
Sidewalks/Pedestrian & Bike Paths	-	-	732	732
Technology Upgrades	-	-	522	522
Traffic Signals	-	-	191	191
Total Committed	<u>21,011</u>	<u>-</u>	<u>27,826</u>	<u>48,837</u>
City Building Improvements	129	-	-	129
Community Development	119	-	-	119
Cultural Events	220	-	-	220
General Government	870	-	-	870
Information Technology	175	-	-	175
Physical Environment	443	-	-	443
Public Safety	1	-	-	1
Transportation Improvements	55	-	-	55
Total Assigned	<u>2,012</u>	<u>-</u>	<u>-</u>	<u>2,012</u>
Unassigned:	<u>2,565</u>	<u>-</u>	<u>(1,172)</u>	<u>1,393</u>
Total Fund Balance	<u>\$ 26,829</u>	<u>\$ 17,047</u>	<u>\$ 64,277</u>	<u>\$ 108,153</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

A. OUTSTANDING CONTRACTS

The City has outstanding commitments on various contracts for construction and other projects. These commitments, as of September 30, 2021, in the respective funds are as follows (in thousands):

General Fund	\$	4,514
Electric		16,797
Gas		895
Sewer		10,251
Stormwater Management		3,599
Water		3,863
Airport		4,790
Nonmajor Governmental		15,341
Nonmajor Enterprise		9,915
Internal Service Funds		17,456
CRA		2,174
Total	\$	<u>89,595</u>

Long-term purchase contract obligations for the purchase of gas and energy are disclosed in Note V.E. Long-term contracts are not included in the above outstanding commitment balances.

B. RISK MANAGEMENT PROGRAM

The Risk Management program provides coverage for Workers' Compensation by self-insuring primary losses up to \$1 million and losses above that amount are insured through an excess policy. General liability, automobile and employment liability are totally self-insured. General and automobile liability losses are statutorily limited by sovereign immunity of \$200,000 per person and \$300,000 per accident. Prior to October, 2011, the statutory limit was \$100,000 per person and \$200,000 per accident. Settlement amounts in workers' compensation claims have not exceeded the self-insured retention in the past three years. The Risk Management program is also responsible for the purchase of certain other coverages including airport liability coverage. The City's buildings and contents are covered by an all-risk, blanket program with varying deductibles. Statutory death benefits for police and firefighters are also purchased and such policy pays pursuant to the benefits specified by state law. The Risk Management Fund, which is classified as an Internal Service Fund, is responsible for collecting premiums from all of the departments for both self-insured and commercial programs, paying claim settlements on self-insured claims and procuring commercial insurance. Claims settlements and loss expenses are reserved for the expected value of the known losses and also for estimated incurred but not reported losses (IBNRs). The Risk Management program also provides Employment Practice Liability such as allegations of race, gender and other discrimination or disparate treatment allegations. This exposure is also self-insured.

Annually, as of September 30, the program has a third party actuary review the claim history for all claim years for which open self-insurance claims are outstanding. The actuary projects the ultimate claim payment obligation (including the IBNRs) for each year's claim experience and projects the new year's probable loss fund cost and a discounted alternative. The City elected to establish the liability at the discounted value (2.0%).

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

B. RISK MANAGEMENT PROGRAM

Employee health insurance is provided through two programs. Employees may choose a health maintenance organization, or a traditional insurance program. For both options, the City pays a premium and retains no additional liability.

Changes in the balances of self-insured claims for the year ended September 30, 2021 are as follows (in thousands):

Unpaid claims - October 1 (including IBNRs)	\$	14,606
Expenses		5,640
Claim payments		(4,718)
Unpaid claims - September 30 (including IBNRs)	\$	<u>15,528</u>

C. LITIGATION

The City is involved in pending lawsuits. The City Attorney estimates that the potential claims against the City not covered by insurance resulting from litigation would not materially affect the financial position of the City.

D. FEDERAL AND STATE GRANTS

The City has received numerous federal and state grants that are subject to financial and compliance audits made in accordance with the Office of Management and Budget uniform administrative requirements, cost principles and audit requirements.

Certain grants, such as the Community Development Block Grant, HOME grant, State Housing Initiatives Partnership (SHIP), and others, provide for the issuance of loans to qualifying individuals or non-profit entities. Loans to individuals include down payment assistance loans that are not repaid unless certain events occur, such as the sale or refinancing of a purchased home within a certain time period. Loans to non-profit entities are sometimes only payable if the entity has sufficient annual cash flow, or may be forgiven by the City Commission to prevent economic hardship for the entity. Since repayment of these loans is contingent upon various factors, the loans are not reported in the Financial Statements. As of September 30, 2021, the contingent loans for Special Projects totaled \$4.4 million. The contingent down payment assistance loan balance for SHIP totaled \$1.7 million.

E. LONG-TERM CONTRACTS

The City acquires natural gas and power through a combination of short, medium and long-term contracts. The City currently has 7 long-term natural gas "prepay" contracts discounted from an index: 1) 20-Year contract with Tennessee Energy Acquisition Corporation (TEAC); 2) 30-Year contract with TEAC; 3) 30-year contract with Blackbelt; 4) TEAC 3-year, 9-month; 5) Black Belt 5 months; 6) TEAC 30-year contract ending in 2052; and 7) MGAG 30-year contract ending in 2052. These contracts save the City between \$3.5 million and \$4.4 million each year through 2048. The City also uses financial instruments to hedge natural gas for future periods. The City is currently hedged for approximately 78% of our gas needs through FY 2024. The City's obligation for financial hedges is limited to the difference between the hedge price and market price. The City is not obligated to purchase the underlying gas supply. Energy contracts are managed and monitored by the City's Energy Services Department. Revenues from customers through the Energy Cost

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

E. LONG-TERM CONTRACTS

Recovery Clause (ECRC) and the Purchased Gas Recovery Clause (PGRC) are designed to recover the costs incurred by these purchase commitments.

The City engages in the wholesale power markets on a short-term and long-term basis to buy or sell power when market prices are more economical than native generation. The City participates daily in the power markets for short-term opportunities to deliver the lowest cost power to our customers. The City continuously evaluates long-term purchase or sales offers through our internal planning process. The City has two Purchased Power Agreements (PPA) for solar energy. The first 20 MW of solar started in the fall of 2017 and the second 40 MW solar contract started in late December 2019. Each of these contracts are for 20 years with option clauses to either purchase or extend their terms. These contracts are managed and monitored by the City’s Energy Services Department and Electric Utility. The following is a schedule, by years, of approximate minimum future purchase commitments on long-term purchase contracts as of September 30, 2021 (in thousands):

Years ending September 30,	Gas Contracts	Energy Contracts (including Solar PPA)	Total
2022	\$ 10,845	\$ 4,783	\$ 15,628
2023	17,314	4,982	22,296
2024	17,232	5,178	22,410
2025	26,579	5,381	31,960
2026	27,884	5,593	33,477
Thereafter	833,076	89,911	922,987
Total	\$ 932,930	\$ 115,828	\$ 1,048,758

F. PENSION PLAN OBLIGATIONS

The City of Tallahassee sponsors and administers the Pension Plan (Plan), established by Chapter 14 of the City Code of Ordinances, as separate plans as follows:

Plan Name	Plan Type
General Employees Pension Plan (Article II)	Cost-sharing multiple-employer, defined benefit
Police Officers Pension Plan (Article III)	Single-employer, defined benefit
Firefighters Pension Plan (Article IV)	Single-employer, defined benefit
Matched Annuity Pension Plan (Article V)	Multiple-employer, defined contribution
Supplemental Plans	
Municipal Police Officers Share Plan	Single-employer, defined contribution
Municipal Firefighters Share Plan	Single-employer, defined contribution

The Plan is administered by the City of Tallahassee Treasurer-Clerk’s Office, under guidance from the Plan’s Board of Trustees, which is composed of the members of the City Commission and one City police officer or firefighter. The City police officer or firefighter is elected by a majority of the police officers and firefighters who are members of the Plan. The City’s general employee defined benefit provision and defined contribution provision is also provided for the employees of Blueprint Intergovernmental Agency (Blueprint), the Capital Region Transportation Planning Agency (CRTPA) and the Consolidated Dispatch Agency (CDA). Blueprint is a jointly governed organization, while

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

CRTPA and CDA are both joint ventures. The defined benefit plans for police officers and firefighters are comprised only of City employees.

The aggregate amount of net pension liabilities, related deferred inflows and outflows of resources, and pension expense for the City's defined benefit pension plans are summarized as follows:

Plan Obligations and Expenses (in thousands):	General Employees - City	Police Officers	Firefighters	Total Primary Government	Component Unit
Net Pension Liability	\$ 145,038	\$ 79,846	\$ 65,810	\$ 290,694	\$ 103
Pension Related Deferred Outflows	96,472	25,960	26,752	149,184	90
Pension Related Deferred Inflows	1,955	-	1,261	3,216	2
Pension Expense	\$ 33,387	\$ 26,228	\$ 6,169	\$ 65,784	\$ 24

2021 Membership Statistical Information	General Employees - City	Police Officers	Firefighters	Total
Retirees and beneficiaries of deceased retirees currently receiving benefits	1,858	303	258	2,419
Terminated employees entitled to benefits but not yet receiving benefits	247	31	8	286
Active Employees	1,894	330	229	2,453

The defined benefit and defined contribution provisions are combined and reported as one plan in the financial statements. The City of Tallahassee does not issue a stand-alone financial report for the Plan. The provisions of the Plan are "qualified" under the Internal Revenue Service Code and employee contributions are tax deferred.

The City of Tallahassee Supplemental Share Plans for Firefighters and Police Officers were created in 2000 by Sections 14-9.010 and 14-8.010, City Ordinances. Both Plans are defined contribution pension plan covering all full-time Firefighters and Police Officers of the City of Tallahassee. Participation in the Plans are required as a condition of employment. The Plans provide for additional and supplemental pension, death and disability benefits. In addition, the Plans are local law plans subject to provisions of Chapters 175 and 185 of the State of Florida Statutes.

The Plans are each governed by a five-member pension board. The Fire Supplemental Share Plan members include two Firefighters, two City residents and a fifth member elected by the other four members of the board. The Police Supplemental Share Plan members include two Police Officers, two City residents and a fifth member elected by the other four members of the board.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

Contributions to the Plans are the Florida Excise Tax Rebate monies received from the State of Florida pursuant to Florida Statutes Chapters 175 and 185. Participants may not make voluntary contributions to the Plans. The total additions to each participant's account cannot exceed \$55,000 or 100 percent of each participant's compensation.

Each participant's account is credited with an allocation of the Florida Excise Tax Rebate payment to and among those participants that are entitled on the first day of each plan year. The payments are allocated equally among the total shares of the participants with the number of shares allocated to each participant's account in accordance with the following schedule:

<u>Years of credited service</u>	<u>Number of Shares</u>
Less than 5	0
5 or more, but less than 10	1
10 or more, but less than 15	2
15 or more, but less than 20	3
20 or more, but less than 31	4
31 years or more	5

The Florida Excise Tax Rebate payment for each Plan is sent directly to the City of Tallahassee and is deposited into the City's bank account. Based on the total amount of shares to be distributed to each participants account, the City transfers the money received to Empower (formerly known as Great West Life & Annuity Insurance Company) a third-party administrator who administers the investments for the Plans. A small portion of the money is held by the City and is included in the City's cash and investment pool that is available for use by the Plans Board of Trustees for administrative and operational expenses.

1. DEFINED BENEFIT PROVISION

The Plan is established for all three programs in Chapter 14 of the City Code of Ordinances, through Parts A, B, C and D in Article II for general employees with Parts A, B and C closed to new participants. Effective April 1, 2013, the City Commission approved changes to the City's General Employees' Pension Plan creating Part D participants. Part D provides coverage to all new employees hired after that date. For police officers and firefighters, Article III and IV, respectively, Parts A and B are closed to new participants while Part C provides coverage to all new employees. All members of the Plan are covered by one of these parts depending upon employment date. These parts provide a detailed description of the various defined benefit provisions. These provisions include the types of employees covered, benefit provisions, employee eligibility requirements for normal, early and/or vested retirements, and the related benefits of these retirements, pre-retirement death benefits, and provisions for disability retirements. There are also post retirement cost-of-living adjustments (COLA) and health care supplements.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

	General Employees		Police Officers	Firefighters	
	Part C-Employees hired prior to April 1, 2013	Part D-Employees hired after April 1, 2013		Part C-Employees hired prior to October 1, 2017	Part D-Employees hired after October 1, 2017
Normal Retirement Benefits:					
Age	62 (or 30 years of Credited Service, regardless of age)	65 (or 33 years of Credited Service, regardless of age)	55 (or 25 years of Credited Service, regardless of age)	55 (or 25 years of Credited Service, regardless of age)	55 (or 25 years of Credited Service, regardless of age)
Years of Credited Service (minimum)	5	5	5	5	5
Benefit calculation	2.25% x AFC x Years of Credited Service	2.25% x AFC x Years of Credited Service	2% - Purchased military or other public service 3% - first 20 yrs of Credited Service 4% - after 20 yrs of Credited Service (up to an add'l 5 yrs and 3 mths)	2% - Purchased military or other public service 3% - first 20 yrs of Credited Service 4% - after 20 yrs of Credited Service (up to an add'l 5 yrs and 3 mths)	AFC x Sum of 2% per year of purchased military and out-of-city public service and 3% per year of Credited Service
Average Final Compensation (AFC)	Higher of: 1) final 3 yrs; 2) any consecutive 3 yrs – 1/1987 to 12/2005, escalated by 3%; or 3) any consecutive 3 yrs during 1/1987 to the date of retirement.	Average of the highest consecutive 5 years of Credited Service	Higher of: 1) final 3 yrs; 2) any consecutive 3 yrs – 1/1987 to 12/2005, escalated by 3%; or 3) any consecutive 3 yrs during 1/1987 to the date of retirement.	Higher of: 1) final 3 yrs; 2) any consecutive 3 yrs – 1/1987 to 12/2005, escalated by 3%; or 3) any consecutive 3 yrs during 1/1987 to the date of retirement.	Average of the highest consecutive 5 years of Credited Service
Maximum Benefit	81% of AFC	81% of AFC	81% of AFC	81% of AFC	81% of AFC
COLA	3% increase in benefits each 10/1 starting at the later of normal retirement date, or age 55 (under age and service eligibility); or age 50 (under service eligibility)	3% increase in benefits each 10/1 starting at the later of normal retirement date or age 65	3% increase in benefits each 10/1 starting between age 52 and 62 depending on pension entry date.	3% increase in benefits each 10/1 starting between age 52 and 62 depending on pension entry date.	3% increase in benefits each 10/1 starting at the later of normal retirement date or age 62

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

	General Employees	Police Officers and Firefighters	
Early Retirement	If a member is retiring under the age and service eligibility, Normal Retirement Benefit is reduced by 4.8% per year for each year by which the Early Retirement date precedes the Normal Retirement date. If a member is retiring under the service eligibility, the Normal Retirement Benefit is reduced by 5% per year for each year by which the Early Retirement date precedes the Normal Retirement date.	At age 50 and 5 years of Credited Service or after completion of 20 years of Credited Service. If the member is retiring after attainment of age 50 and 5 years of Credited Service eligibility, the normal benefit is reduced by 3.0% per year for each year by which the Early Retirement date precedes the Normal Retirement date. If the member is retiring after attainment of 20 years of Credited Service, the Normal Retirement Benefit is reduced by 7.2% per year for each year by which the Early Retirement date precedes the 25 years of service attainment date.	
Disability	Five years of Credited Service for non-service connected disability. None for service connected disability. Benefit: The greater of 1) the member's accrued benefit to date of disability; and 2) the member's benefit with service projected to normal retirement date not to exceed 50% of AFC in effect on the date of disability.	Two years of Credited Service for non-service connected disability. None for service connected disability. Benefit: The greater of 1) The member's accrued benefit to date of disability; and 2) The member's benefit with service projected to normal retirement date not to exceed 50% of AFC in effect on the date of disability.	
Contribution Rates - actuarially determined for the year ended September 30, 2021			
City	23.99%	38.7%	47.63%
Employee	5.00%	11.25% (hire date prior to 10/1/2012) 13.69% (hire date after 10/1/2012)	19.08%

Net Pension Liability - The total pension liability was determined by an actuarial valuation as of October 1, 2020, using a measurement date of September 30, 2021. The net pension liability was also determined using a measurement date of September 30, 2021. The components of the net pension liability of the participating employers in the general employees, police officers and firefighters plans as of September 30, 2021 were as follows (in thousands):

	General Employees	Police Officers	Firefighters
Total pension liability	\$ 1,383,302	\$ 428,317	\$ 296,581
Plan fiduciary net position	1,464,948	422,805	283,715
Net pension asset/liability	(81,646)	5,512	12,866
Plan fiduciary net position as a % of total pension liability	105.90 %	98.71 %	95.66 %
City's proportion of the net pension asset/liability	94.83 %	100.0 %	100.0 %

The City's Proportionate share of the General Employees' Pension Plan is based on the covered payroll and it increased from 94.62% in 2020 to 94.83% in 2021.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

The total pension liability was determined by an actuarial valuation as of October 1, 2020, using the following significant actuarial assumptions applied to all periods included in the measurement: The actuarially determined contribution rates are calculated as of October 1 which is two years prior to the end of the fiscal year in which contributions are reported. The actuarially determined contribution is projected to the contribution year using conventional actuarial projection methods.

The assumptions used in determining the total pension liability are as follows:

	General Employees	Police Officers	Firefighters
Valuation Date	September 30, 2020	September 30, 2020	September 30, 2020
Actuarial Cost Method	Entry age, normal	Entry age, normal	Entry age, normal
Amortization Method	Level percentage, closed	Level percentage, closed	Level percentage, closed
Remaining Amortization Period	30 years	30 years	30 years
Asset Valuation Method	20% of the difference between expected actuarial value and market value is recognized annually with a 20% corridor around market value	20% of the difference between expected actuarial value and market value is recognized annually with a 20% corridor around market value	20% of the difference between expected actuarial value and market value is recognized annually with a 20% corridor around market value
Inflation rate	2.50%	2.50%	2.50%
Salary Increase	A range of 2.95 to 5.0% based on years of service	A range of 4.5 to 6.4% based on years of service	A range of 4.4 to 5.75% based on years of service
Investment rate of return	7.50%	7.50%	7.50%
Mortality Rate:	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment.	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment.
Experience Study	The last experience study was prepared on June 24, 2016. Assumption changes resulting from this experience study were implemented for the fiscal year ending September 30, 2017.	The last experience study was prepared on June 24, 2016. Assumption changes resulting from this experience study were implemented for the fiscal year ending September 30, 2017.	The last experience study was prepared on June 24, 2016. Assumption changes resulting from this experience study were implemented for the fiscal year ending September 30, 2017.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

Changes in the Net Pension Liability - The Plan is presenting net pension liability for the year ended September 30, 2021 based on the September 30, 2020 measurement date as follows (in thousands):

General Employees Pension Plan (including Component Unit) - Increase(Decrease)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2020	\$ 1,243,870	\$ 1,090,288	\$ 153,582
Changes for the year:			
Change in Allocation Percentage	(6,954)	1,531	(8,485)
Service Cost	17,043	-	17,043
Interest	91,318	-	91,318
Differences between Expected and Actual			
Experiences	(1,370)	-	(1,370)
Benefit Changes	(4,519)	-	(4,519)
Employer Contributions	-	25,257	(25,257)
Employee Contributions	-	5,839	(5,839)
Other Contributions	-	3	(3)
Net Investment Income	-	71,902	(71,902)
Benefit Payments	(63,210)	(63,210)	-
Refunds	(547)	(547)	-
Administrative Expense	-	(573)	573
Net Changes	<u>31,761</u>	<u>40,202</u>	<u>(8,441)</u>
Balances at September 30, 2021	<u>\$ 1,275,631</u>	<u>\$ 1,130,490</u>	<u>\$ 145,141</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

Police Officers Pension Plan - Increase(Decrease)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2020	\$ 405,366	\$ 342,855	\$ 62,511
Changes for the year:			
Service Cost	7,178	-	7,178
Interest	30,192	-	30,192
Differences between Expected and Actual Experiences	737	-	737
Employer Contributions	-	8,905	(8,905)
Employee Contributions	-	3,369	(3,369)
Other Contributions	-	1	(1)
Net Investment Income	-	21,789	(21,789)
Benefit Payments	(19,873)	(19,873)	-
Refunds	(90)	(90)	-
Administrative Expense	-	(173)	173
Other Charges	-	(13,119)	13,119
Net Changes	18,144	809	17,335
Balances at September 30, 2021	<u>\$ 423,510</u>	<u>\$ 343,664</u>	<u>\$ 79,846</u>

Firefighters Pension Plan - Increase(Decrease)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2020	\$ 288,182	\$ 217,526	\$ 70,656
Changes for the year:			
Service Cost	4,636	-	4,636
Interest	21,357	-	21,357
Differences between Expected and Actual Experiences	(1,513)	-	(1,513)
Employer Contributions	-	6,443	(6,443)
Employee Contributions	-	3,384	(3,384)
Other Contributions	-	1	(1)
Net Investment Income	-	14,654	(14,654)
Benefit Payments	(15,960)	(15,960)	-
Refunds	(155)	(155)	-
Administrative Expense	-	(117)	117
Other Charges	-	4,961	(4,961)
Net Changes	8,365	13,211	(4,846)
Balances at September 30, 2021	<u>\$ 296,547</u>	<u>\$ 230,737</u>	<u>\$ 65,810</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

Investments - Plan assets are managed in accordance with the Pension Investment Policy. The table below presents the adopted asset allocation as of September 30, 2021.

Asset Class	Target Allocation Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.5 %
International Equity	10	5.0
Emerging Markets Equity	5	6.4
Fixed Income	19	1.6
Real Estate	15	5.0
Private Equity	5	8.0
Private Credit	5	6.8
Timber	5	4.7
Total	100 %	

The Plan's investments are managed by various investment managers under contract with the Boards who have discretionary authority of the assets managed by them and within the Plan's investment guidelines as established by the Board. The investments are held in trust by the Plan's custodian in the Plan's name. The City of Tallahassee Sinking Fund Commission is responsible for making investment policy changes. These assets are held exclusively for the purpose of providing benefits to members of the Plan and their beneficiaries.

For the year ended September 30, 2021, the annual money-weighted rate of return on the General Employees, Police Officers, and Firefighters pension plan investments, net of investment expense, was 25.5%. The money-weighted rate of return takes into account cash flows into and from the various investments of the Plan.

The long-term expected arithmetic rate of return on pension plan investment is based upon an asset allocation study that was conducted for the Plan by its investment consultant toward the end of fiscal year 2018. The study was prepared by the Pension Plan's investment consultant, and went through numerous iterations before a final asset allocation was established. The study looked at expected rates of return for twenty-one (21) different asset classes, as well as examining expected standard deviations and correlations among these various asset classes.

Discount Rates – The discount rates used to measure the total pension liability of the Plan are indicated below. This single discount rate was based on the expected rate of return on pension plan investments of 7.40%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was 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 (7.40%) was applied to all periods of projected benefits payments to determine the total pension liability.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

The discount rates as of September 30, 2021 were consistent with 2020 as follows:

General Employees	Police Officers	Firefighters
7.50 %	7.50 %	7.50 %

The following presents the Plan's net pension liability, calculated using a single discount rate of 7.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption (in thousands)

	1% Decrease 6.50%	Current Single Discount Rate 7.50%	1% Increase 8.50%
Primary Government-General Plan	\$ 312,715	\$ 145,038	\$ 7,116
Primary Government-Police Plan	138,315	79,846	32,145
Primary Government-Fire Plan	105,406	65,810	33,399
Primary Government-Component Unit	222	103	5

Pension Expense and Deferred Outflows (Inflows) of Resources Related to Pensions - In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized as pension expense in the current measurement period, except as shown below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or inflows of resources using a systematic and rational method over a closed period, as defined below:

Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.

Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.

Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.

Differences between expected and actual earnings on pension plan investments are amortized over five years.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

General Employees – Plan - For the year ended September 30, 2021, the general employees pension plan recognized pension expense of \$35,433,000 for the plan. At September 30, 2021, the plan reported deferred outflows of resources and deferred inflows of resources related to the general employee pension plan from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 28,918	\$ (1,164)	\$ 27,754
Assumption changes	31,605	-	31,605
Change in Net Pension Liability due to Change in Cost-Sharing Allocation Percentages	999	(999)	-
Net difference between projected and actual earnings on pension plan investments	12,855	-	12,855
Contributions after measurement date	27,858	-	27,858
Total	\$ 102,235	\$ (2,163)	\$ 100,072

Deferred outflows of resources related to the general employee pension plan of \$27,858,000 resulting from City contributions to the plan paid subsequent to the measurement date and prior to the City's reporting period will be recognized as a reduction of net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense, as follows:

Year Ending September 30,	Net Amount (in thousands)
2022	\$ 26,002
2023	26,282
2024	17,842
2025	2,116
2026	(28)
Total	\$ 72,214

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

General Employees – City – For the year ended September 30, 2021, the City recognized pension expenses of \$33,422,000 for its proportionate share of the general employees pension plan. At September 30, 2021, the City and its component unit reported deferred outflows of resources and deferred inflows of resources related to the general employee pension plan from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Difference between expected and actual experience	\$ 27,486	\$ (1,101)	\$ 26,385
Assumption changes	30,055	-	30,055
Net difference between projected and actual experience on pension investments	12,209	-	12,209
Change in Net Pension Liability due to change in cost sharing allocation percentage	137	(856)	(719)
Contributions after measurement date	26,675	-	26,675
Total	\$ 96,562	\$ (1,957)	\$ 94,605

Deferred outflows of resources related to the general employee pension plan of \$26,675,000, resulting from City contributions to the plan paid subsequent to the measurement date and prior to the City's reporting period, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan pension expense will be recognized in future pension expenses as follows:

Year Ending September 30,	Net Amount (in thousands)
2022	\$ 24,500
2023	24,810
2024	16,824
2025	1,837
2026	(41)
Total	<u>\$ 67,930</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

Police officers - For the year ended September 30, 2021, the police officers pension plan recognized pension expense of \$26,228,000. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the police officers employee pension plan from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 5,507	\$ -	\$ 5,507
Net difference between projected and actual earnings on pension plan investments	2,898	-	2,898
Assumption Changes	8,099	-	8,099
Contributions after measurement date	9,456	-	9,456
Total	\$ 25,960	\$ -	\$ 25,960

Deferred outflows of resources related to the police officers pension plan of \$9,456,000, resulting from City contributions to the plan paid subsequent to the measurement date and prior to the City's fiscal year, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan pension expense will be recognized in future pension expenses, as follows:

Year Ending September 30,	Net Amount (in thousands)
2022	\$ 4,267
2023	5,689
2024	5,101
2025	1,405
2026	42
Total	\$ 16,504

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

Firefighters - For the year ended September 30, 2021, the firefighters pension plan recognized pension expense of \$6,169,000. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the firefighters pension plan from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
Differences between expected and actual experience	\$ 7,391	\$ (1,261)	\$ 6,130
Net difference between projected and actual earnings on pension plan investments	2,627	-	2,627
Assumption changes	9,650	-	9,650
Contributions after measurement date	7,084	-	7,084
Total	\$ 26,752	\$ (1,261)	\$ 25,491

Deferred outflows of resources related to the firefighters pension plan of \$7,084,000, resulting from City contributions to the plan paid subsequent to the measurement date and prior to the City's reporting period, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan pension expense will be recognized in future pension expenses, as follows:

Year Ending September 30,	Net Amount (in thousands)
2022	\$ 4,829
2023	6,642
2024	5,057
2025	1,907
2026	(28)
Total	\$ 18,407

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

2. DEFINED CONTRIBUTION PROVISION

All employees (general, firefighters, and police officers) may elect to contribute a portion of their salary to the Plan. General employees, firefighters and police officers can contribute up to but not to exceed the maximum amount allowed by the Internal Revenue Service. Each employer contributes 5% to each general employee's Matched Annuity Plan (MAP) account. Upon reaching normal retirement age or retiring under the Plan, a participant shall be paid his and the City's contributions, together with accrued earnings. If a general employee uses the contributions and accrued earnings to receive an annuitized payment stream, the Plan will increase the amount of funds (only on the employer's 5%, employee flex matched contribution and employees' contribution up to the 5%) used by the participant by a factor of 50%. Employee contributions (including the City's 5% contribution to each general employee's MAP account) plus accrued earnings thereon are 100% refundable if the employee elects to terminate his vesting rights or is not vested at the date of employment termination. For the year ended September 30, 2021, the contributions and forfeitures to the MAP account totaled \$999,000 and \$313,000, respectively.

G. OTHER EMPLOYEE BENEFITS

1. DEFERRED COMPENSATION

The City of Tallahassee offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

In December 1998, the City established a Trust Agreement where all assets and income of the City Deferred Compensation Plan are held in trust for the exclusive benefit of City employees, in accordance with Internal Revenue Code Sections 457 (b) and (g). Thus, plan assets are no longer subject to the claims of the City's general creditors.

2. FLEXIBLE BENEFITS

The City has implemented a "Cafeteria" Plan created in accordance with Internal Revenue Code Section 125. The plan provides employees with an opportunity to select benefits from a menu of options, many of which are offered on a pre-tax basis.

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

1. OPEB PLAN DESCRIPTION

The City administers a cost sharing multi-employer, defined benefit other post employment benefits plan, The City of Tallahassee Retiree Medical Insurance Plan (OPEB Plan). The OPEB Plan provides health insurance and prescription drug coverage for eligible retirees and their eligible dependents through the City's health insurance program, which covers both active and retired employees. Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. In addition, the City's program has elected to provide a partial subsidy to its retirees to offset the cost of such health insurance. The City does not issue a stand-alone financial report on the OPEB Plan.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

1. OPEB PLAN DESCRIPTION

The OPEB Plan is established by City Commission Policy 150. To aid in the administration of the OPEB Plan, the City of Tallahassee created the Retiree Medical Trust (RMI Trust) in January 2010, the provisions of which are in Article VII of Chapter 2 of the City Code of Ordinances. The plan provides health insurance and prescription drug coverage for eligible retirees and their eligible dependents through the City’s health insurance program, which covers both active and retired employees.

The OPEB Plan and the RMI Trust are administered by the City of Tallahassee Treasurer-Clerk’s Office, under guidance from the Plan’s Board of Trustees, which is composed of the members of the City Commission and the chairperson of the general employees’ pension advisory committee. The City of Tallahassee does not issue a stand-alone financial report for the RMI Trust. The OPEB plan is also provided for the employees of the Blueprint Intergovernmental Agency (Blueprint), a jointly governed organization, and the Capital Regional Transportation Planning Agency, a joint venture.

The aggregate amounts, reported by the City as of September 30, 2021, of net OPEB liabilities, related deferred inflows and outflows of resources, and OPEB expenses using a valuation date and measurement date of September 30, 2020 are summarized as follows:

OPEB Plan Obligations and Expenses	Primary Government	DIA (Component Unit)	Total (in thousands)
Net OPEB Liability	\$ 78,109	\$ 115	\$ 78,224
OPEB Related Deferred Outflows	12,607	16	12,623
OPEB Related Deferred Inflows	18,763	15	18,778
OPEB Expenses	2,341	2	2,343

OPEB Plan membership at September 30, 2021 was as follows:

Inactive Members or Beneficiaries	
Currently Receiving Benefits	1,314
Active Members	<u>2,710</u>
Total Members	<u><u>4,024</u></u>

Benefits - A member receives a reduced rate on the health insurance premium for the City’s health insurance plan. All reduced rate premiums will be deducted from the retiree’s pension benefit. If the health insurance premium exceeds the pension benefit amount, the member will pay the City for the difference. The following tables provide the amounts of the City’s monthly retiree subsidy that reduces the member’s health insurance premium, which were established by Resolution 11-R-04, effective January 1, 2011:

Retiree with No Medicare Coverage	Monthly Subsidy Amount
Individual	\$ 174.88
Two-Party	\$ 315.71
Three or More	\$ 443.22

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

1. OPEB PLAN DESCRIPTION

Retiree with Medicare CHP* Coverage	Monthly Subsidy Amount
Individual	\$ 37.78
Two-Party(Both Medicare)	\$ 71.74
Two-Party (One Medicare)	\$ 183.40
Family (One or two Medicare)	\$ 298.82

*Capital Health Plan

Retiree with Medicare BCBS** Coverage	Monthly Subsidy Amount
Individual	\$ 159.78
Two-Party (Both Medicare)	\$ 336.07
Two-Party (One Medicare)	\$ 336.07
Family (One or two Medicare)	\$ 463.39

**Blue Cross/Blue Shield

Eligibility - A member may continue on the City's health insurance plan upon retirement if the member is drawing a pension for Normal Retirement, Early Retirement or Disability Retirement. The retiree may continue to cover any qualified dependents that were on the City's health insurance plan at the time of retirement. If the retiree's spouse or domestic partner is an active permanent City employee, the member may choose to be covered under the spouse's or domestic partner's insurance coverage. When the spouse or domestic partner retires and begins to draw a pension, both individuals will be covered as retirees under the City's health insurance policy.

A member who is a Deferred Retiree (eligible to retire upon termination but chooses to defer the commencement of a pension benefit) may choose to remain on the City's health insurance plan and pay the unreduced health insurance premium until the commencement of a pension benefit. A Deferred Retiree may also choose to terminate health insurance coverage and be allowed to rejoin the City's health insurance plan upon commencement of a pension benefit and pay the reduced health insurance premium if they are able to prove they maintained continuous health insurance coverage during the period between terminating from the City's health insurance plan and when they rejoined the City's health insurance plan.

A Long-Term Vested Participant (10 years or more service time in the City's pension plan, but not yet eligible to receive a pension benefit) may choose to remain on the City's health insurance plan at their expense. The Participant will be required to pay the unreduced health insurance premium cost until the Participant retires. If the Participant chooses to terminate the City's health insurance coverage, the Participant will no longer be eligible to participate in the OPEB Plan.

A surviving spouse of a deceased retiree may continue or join the City's health insurance plan only if the deceased retiree was enrolled in the City's health insurance plan at the time of death. The surviving spouse may join the OPEB Plan without being subject to the evidence of insurability requirements. The surviving spouse may cover any qualified dependents.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

2. OPEB PLAN INVESTMENTS

Due to its small size, there is not a separate investment policy specifically for the assets of the RMI Trust. Chapter 2 of the Municipal Code provides that the RMI Trust invests in instruments similar to those invested in by the City's Pension Fund. There were no significant changes to the investment of the RMI Trust assets during Fiscal Year 2021. Investments in various index funds are each more than 5% of the RMI Trust's position.

3. NET OPEB LIABILITY

Changes in the Net OPEB Liability - The Plan is presenting the net OPEB liability for the year ended September 30, 2021 based on the September 30, 2020 measurement date as follows (in thousands):

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at September 30, 2020	\$ 102,345	\$ 8,984	\$ 93,361
Changes for the year:			
Change in Allocation Percentages	(279)	(34)	(245)
Service Cost	2,207	-	2,207
Interest	2,870	-	2,870
Differences between Expected and Actual Experiences	(5,068)	-	(5,068)
Changes of benefit terms	24	-	24
Assumption Changes	(9,390)	-	(9,390)
Employer Contributions to the Trust Fund	-	2,004	(2,004)
Employer Contributions not deposited in Trust Fund	-	2,186	(2,186)
Net Investment Income	-	1,345	(1,345)
Benefit Payments	(4,304)	(4,304)	-
Net Changes	<u>(13,940)</u>	<u>1,197</u>	<u>(15,137)</u>
Balances at September 30, 2021	<u>\$ 88,405</u>	<u>\$ 10,181</u>	<u>\$ 78,224</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

3. NET OPEB LIABILITY

The total OPEB liability and contribution rates were determined by an actuarial valuation as of September 30, 2020. The total OPEB liability was rolled forward one year. The significant assumptions used were as follows:

Actuarial Cost Method	Entry Age Normal
Normal Inflation	2.25%.
Discount Rate	2.49%, the resulting Single Discount Rate based on the expected rate of return on OPEB Plan investments as of September 30, 2020 at 7.40% and the long term municipal bond rate as of September 30, 2020 at 2.41%.
Salary Increases	2.95% to 6.40%, including inflation; varies by plan type and years of service.
Retirement Age	Experience based table of rates that are specific to the plan and type of eligibility condition.
Mortality	Mortality tables used in the July 1, 2019 actuarial valuation of the Florida Retirement System (FRS). They are based on the results of a statewide experience study covering the period 2013 through 2018. These rates were taken from adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using Scale MP-2018.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 1.30% for 2021 and 4.40% for 2022 (based on actual premium increases), followed by 5.75% for 2023, and then gradually decreasing to an ultimate trend rate of 3.99%.
Aging factors to Death Expenses	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"
Expenses	Investment returns are net of the investment expenses; and, administrative expenses are included in the per capita health costs.
Notes	Benefit changes reflect the passing of Florida Senate Bill 426, which provides benefits for eligible firefighters diagnosed with specified cancers. Assumption changes reflect the following: The Single Discount Rate was changed from 2.81% to 2.49%. Per capita costs and premiums updated based on information provided. The additional trend to model the excise ("Cadillac") tax was removed as a result of the repeal of the excise tax effective December 20, 2019. Changes in the mortality assumptions developed in a statewide experience study conducted by the Florida Retirement System covering the period 2013 through 2018 and adopted for its July 1, 2019 valuation. For more information regarding these rates, refer to the July 1, 2019 actuarial valuation of the Florida Retirement System.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

3. NET OPEB LIABILITY

Sensitivity of Net OPEB Liability to changes in the Single Discount Rate –The following presents the plan’s net OPEB liability, calculated using a Single Discount Rate of 2.49%, as well as what the plan’s net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher (in thousands):

	1% Decrease 1.49%	Current Single Discount Rate Assumption 2.49%	1% Increase 3.49%
Primary Government	\$ 89,287	\$ 78,109	\$ 68,868
Primary Government - Component Unit	131	115	101
Total	\$ 89,418	\$ 78,224	\$ 68,969

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the plan’s net OPEB liability, calculated using the assumed trend rates as well as what the plan’s net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher (in thousands):

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Primary Government	\$ 71,412	\$ 78,109	\$ 86,247
Primary Government - Component Unit	105	115	127
Total	\$ 71,517	\$ 78,224	\$ 86,374

OPEB Expense and Deferred Outflows/(Inflows) of Resources Related to OPEB – In accordance with GASB 75, changes in the net OPEB liability are recognized as OPEB expense in the current measurement period, except as shown below. For each of the following, a portion is recognized in OPEB expense in the current measurement period, and the balance is amortized as deferred outflows or inflows of resources using a systematic and rational method over a closed period, as defined below:

Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.

Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.

Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.

Differences between expected and actual earnings on OPEB plan investments are amortized over five years.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

3. NET OPEB LIABILITY

Based on a valuation date of September 30, 2020 and a measurement date of September 30, 2020, the City recognized OPEB expenses of \$4,709,531 for the year ended September 30, 2021. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (5,118)	\$ (5,118)
Assumption Changes	8,367	(11,948)	(3,581)
Net Difference between projected and actual earnings on OPEB plan investments	162	(1,165)	(1,003)
Change in Net OPEB liability due to Change in Cost-Sharing Allocation Percentage	-	(547)	(547)
Contributions after measurement date	4,094	-	4,094
	<u>\$ 12,623</u>	<u>\$ (18,778)</u>	<u>\$ (6,155)</u>

Deferred outflows of resources related to the plan of \$4,094,000, resulting from City contributions to the plan paid subsequent to the measurement date and prior to the City's fiscal year, will be recognized as a reduction of the net OPEB liability in the fiscal year ended September 30, 2022. Other amounts reported as OPEB related deferred outflows and inflows of resources will be recognized in future OPEB expense, as follows:

Year ending <u>September 30,</u>	<u>Net Amount</u>
2022	\$ (2,223)
2023	(2,067)
2024	(1,834)
2025	(1,256)
2026	(570)
Thereafter	<u>(2,299)</u>
Total	<u>\$ (10,249)</u>

4. FUNDING POLICY

The contribution requirements of OPEB Plan members and the City are established and may be amended by the City Commission. These contributions are neither mandated nor guaranteed. The City has retained the right to unilaterally modify its payment for retiree health care benefits. Effective October 1, 2010, the City implemented a "cap" on employer contributions for retirees. Accordingly, the City's subsidy was frozen at the 2010 levels, and retirees must absorb all future premium rate increases.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

I. DERIVATIVE INSTRUMENTS

The contracts are recorded at fair value on the Statement of Net Assets as they have been determined to qualify as derivative instruments under GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments". The fair value balances and notional amounts of derivative instruments, all of which are accounted for within the City's business-type activities, as of September 30, 2021, and the changes in fair value of such derivative instruments for the year then ended, are as follows (amounts in thousands):

	Changes in Fair Value		Fair Value at September 30, 2021		
	Classification	Amount	Classification	Amount	Notional
Cash Flow Hedges:					
Commodity Forward -Natural Gas	Deferred Inflows of Resources	-\$65,981	Derivative Instrument	\$65,981	53,415,000 MMBTUs

The fair values of the forward contracts are estimated based upon the present value of their estimated cash flows. For FY 2022 - 2024 the City has hedged various volumes Over-the-Counter (OTC) with BP Energy Company, J. Aron & Company LLC and Shell Trading Risk Management, LLC & Conoco Phillips Company. Counterparty S&P credit ratings are as follows: BP Energy Company: A-, J. Aron: BBB+, Shell Trading Risk Management: A, Conoco Phillips Company: A- as of 9/30/21. The following table displays the objectives and terms of the City's derivative instruments outstanding as of September 30, 2021.

Type	Objective	Effective Date	Maturity Date	Terms
Commodity Forward Contract	Stabilize cash flows due to market price volatility related to expected purchases of natural gas.	Various	Various: October 2019 - September 2023	Pay previous prices per MMBTU; settlement based on the Henry Hub index price on the expiration date for natural gas contracts.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE V. OTHER INFORMATION

J. CONTINGENCY

Cascade Park Superfund Site

The City of Tallahassee (City) excavated approximately 85,000 tons of contaminated soil from the Cascades Park site in 2005-2006 pursuant to the requirements of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund). Blueprint 2000, as part of park construction activities, conducted additional excavation and contaminated soil disposal. Despite these efforts, residual groundwater and soil contamination remained at the site. As a result, in December 2011, the City as the CERCLA “responsible party” and the U.S. Environmental Protection Agency (EPA) entered into a new Settlement Agreement that required the City to determine the most appropriate remedial technology to address the subsurface contamination and make recommendations to the EPA on how to move forward. In accordance with the Settlement Agreement, and as part of this evaluation, a field-scale pilot injection study was completed in February 2013. Following the pilot study, the City finalized its recommendations which were formally submitted in the form of a Draft Feasibility Study Report in February 2014, and continued annual groundwater monitoring. Throughout 2017 and into 2018, the City, the Florida Department of Environmental Protection and the EPA met to discuss the results of the work completed to date, including the annual monitoring results. Based on the data, which demonstrated that unacceptable site risks posed by soil, sediment, and groundwater were all successfully eliminated through the remedial actions, in July 2018 the EPA issued a Proposed Plan, proposing a “No Action” Record of Decision (ROD). On February 4, 2019, the EPA issued the ROD, determining that no further action is necessary to protect public health, welfare or the environment, and concluding that no further action is required to clean up the Cascades Park Superfund Site. This determination concludes a nearly 15-year long cleanup effort by the City to remediate contamination associated with the site’s manufactured gas plant and landfill, which operated from the late 1800s to the mid-1900s. The issuance of the No Action ROD means that no further assessment, remediation or monitoring work is required by the City, thereby allowing for official regulatory closure. As mandated, the City will be liable for any future direct and indirect costs incurred by the EPA associated with the site. Other than EPA costs, and well abandonment expenses, no additional costs are expected for subsequent years following official site closure.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE V. OTHER INFORMATION

K. RELATED PARTY TRANSACTIONS

Related party transactions during the year ended September 30, 2021 included the following:

In the current year, Blueprint Intergovernmental Agency paid to the City the following amounts:

- a. \$1,679,200 to reimburse City for costs related to underground utilities on the Magnolia Trail project.
- b. \$201,218 to reimburse the City for costs related to underground utilities on FAMU Way project.
- c. \$1,597,372 for fiscal year 2021 allocation of the \$25 million Blueprint 2000 Water Quality project project that funds work performed on the City's Market District stormwater project

The City paid the following contributions to the Consolidated Dispatch Agency:

- a. \$5,386,966 for operations.
- b. \$312,300 for Fire/EMS revenue.

In fiscal year 2021, the City donated \$15,000 to the Downtown Improvement Authority for its Downtown Marketplace through the Community Human Services Partnership sponsorship program.

The City charges fees for administrative services to the Consolidated Dispatch Agency, Blueprint Intergovernmental Agency, and the Capital Region Transportation Planning Agency. For the year ended September 30, 2021, the City charged fees of \$1,347,866, \$190,424, and \$70,493, respectively.

As of September 30, 2021, the City was owed \$1,404,063 by the Consolidated Dispatch Agency, \$1,641,195 by the Blueprint Intergovernmental Agency, \$525,772 by the Capital Region Transportation Planning Agency, and \$750 from the Downtown Improvement Authority.

The City and Blueprint Intergovernmental Agency entered an interlocal agreement whereby Blueprint would allocate a portion of their sales tax collections to the City for specific uses including parks and recreation operating costs, Starmetro enhancements, water quality, sidewalks, and airport growth and development. Blueprint paid the City \$5,185,700 under this agreement in the fiscal year ended September 30, 2021.

L. SUBSEQUENT EVENTS

CAPITAL BONDS, SERIES 2021

On December 15, 2021, the City issued its Capital Bonds, Series 2021 in the principal amount of \$6,035,000. The bond was issued for the purchase of approximately 900 Motorola radios for use by public safety personnel and bears interest at a rate of 1.24%. The terms of the loan from Capital City Bank call for debt service payments to be made on October 1 of each year from 2022 through 2028 with the first principal payment due on October 1, 2022. Principal and interest are payable solely from the Pledged Revenues as defined in the issuing resolution on parity with other outstanding Capital Bonds.

REQUIRED SUPPLEMENTARY INFORMATION

THIS SUBSECTION CONTAINS THE FOLLOWING:

Budgetary Comparison Schedule-General Fund

Note to Required Supplementary Information-Budgetary Comparison Schedule-General Fund

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - General Employees

Schedule of Net Pension Liability by Employer - General Employees

Schedule of Contributions - General Employees

Notes to Schedule of Contributions - General Employees

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - Police Officers

Schedule of Contributions - Police Officers

Notes to Schedule of Contributions - Police Officers

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - Firefighters

Schedule of Contributions - Firefighters

Notes to Schedule of Contributions - Firefighters

Schedule of Investment Returns - Pension Plans

Schedule of Changes in the Net OPEB Liability and Related Ratios

Schedule of the Net OPEB Liability

Notes to Schedule of Net OPEB Liability

Schedule of Contributions - OPEB

Notes to Schedule of Contributions - OPEB

Schedule of Investment Returns - OPEB

CITY OF TALLAHASSEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule
General Fund
for the fiscal year ended September 30, 2021
(in thousands)
(Unaudited)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance - October 1	\$ 399	\$ 399	\$ 399	\$ -
Resources				
Taxes	74,276	74,276	74,602	326
Licenses and Permits	1,457	1,457	2,236	779
Intergovernmental Revenues	17,432	17,966	20,203	2,237
Charges for Services	9,177	10,127	9,805	(322)
Fines and Forfeitures	638	638	719	81
Interest Earned	573	573	124	(449)
Miscellaneous	10,208	10,208	9,439	(769)
Transfers from Other Funds	48,033	48,034	46,151	(1,883)
Amounts Available for Appropriations	<u>162,193</u>	<u>163,678</u>	<u>163,678</u>	<u>-</u>
Charges to Appropriations				
General Government	26,344	24,825	25,119	(294)
Public Safety	60,011	59,664	58,964	700
Transportation	14,969	14,955	16,124	(1,169)
Human Services	5,473	6,047	5,790	257
Economic Development	420	293	271	22
Physical Environment	3,373	3,353	3,437	(84)
Culture and Recreation	19,980	20,005	17,421	2,584
Transfers to Other Funds	31,623	34,536	35,974	(1,438)
Total Charges to Appropriations	<u>162,193</u>	<u>163,678</u>	<u>163,100</u>	<u>578</u>
Budgetary Fund Balance - September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 578</u>	<u>\$ 578</u>

**CITY OF TALLAHASSEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Note to Required Supplementary Information
General Fund
September 30, 2021
(in thousands)
(Unaudited)**

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues/Transfers In and Expenditures/Transfers Out

Inflows of Resources

Actual amounts (budgetary basis) available for appropriation from the budgetary comparison schedule.	\$ 163,678
Differences - budget to GAAP	
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.	(399)
The increase in the fair market value of investments is an increase in revenue for financial reporting purposes but is not considered a budgetary inflow.	(211)
The revenues of the City's Deficiency Reserve and Scholarship Reserve are current year revenues for reporting purposes but are not considered budgetary inflows.	8,199
Current year nonbudgeted transfer is treated as revenue for financial reporting purposes but not as a budgetary inflow.	64
Miscellaneous items treated as budgetary inflows but not as revenues for financial reporting purposes.	(3,157)
Miscellaneous items treated as revenues for financial reporting purposes but not as budgetary inflows	<u>40</u>
Total Revenues and Other Financing Sources as reported on the statement of revenues, expenditures, and changes in fund balances.	<u><u>\$ 168,214</u></u>

Outflows of Resources

Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedule.	\$ 163,100
Difference - budget to GAAP	
The expenditures of the City's Deficiency Reserve and Scholarship reserve are current year expenditures for reporting purposes but are not considered budgetary outflows.	4,600
Current year nonbudgeted transfer is treated as expense for financial reporting purposes but not as a budgetary outflow.	113
Miscellaneous items treated as budgetary outflows but not as expenditures for financial reporting purposes.	(3,433)
Miscellaneous items treated as expenditures for financial reporting purposes but not as budgetary outflows.	<u>64</u>
Total Expenditures and Other Financing Uses as reported on the statement of revenues, expenditures, and changes in fund balances.	<u><u>\$ 164,444</u></u>

**CITY OF TALLAHASSEE, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended September 30, 2021
(in thousands)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance - October 1	\$ 8,705	\$ 8,705	\$ -	(8,705)
Resources				
Taxes	6,804	6,804	6,534	(270)
Charges for Services	730	730	-	(730)
Interest Earned	4	4	75	71
Loan Proceeds	6,250	6,250	-	(6,250)
Amounts Available for Appropriations	22,493	22,493	6,609	(15,884)
Charges to Appropriations				
Economic Development	933	933	718	215
Transfers to Other Funds	21,560	21,560	5,736	15,824
Total Charges to Appropriations	22,493	22,493	6,454	16,039
Budgetary fund balance, September 30	\$ -	\$ -	\$ 155	\$ 155

CITY OF TALLAHASSEE, FLORIDA
COMMUNITY REDEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
Note to Required Supplementary Information
General Fund
September 30, 2021
(in thousands)
(Unaudited)

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues/Transfers In and Expenditures/Transfers Out

Inflows of Resources

Actual amounts (budgetary basis) available for appropriation from the budgetary comparison schedule.	\$ 6,609
Differences - budget to GAAP:	
The increase in the county contribution for real estate developments that are included for financial purposes but is not considered a budgetary inflow.	3,250
The increase in the fair market value of investments is an decrease in revenue for financial reporting purposes but is not considered a budgetary inflow.	(307)
The revenues of the CRA's non-TIF funds are current year charges for services revenues for reporting purposes but are not considered budgetary inflows.	192
Current year nonbudgeted interest treated as revenue for financial reporting purposes but not as a budgetary inflow.	178
Miscellaneous items treated as revenues for financial reporting purposes but not as budgetary inflows.	42
Loan Proceeds treated as revenues for financial reporting purposes but not as budgetary inflows.	3,950
Total Revenues/Transfers In as reported on the statement of revenues, expenditures, and changes in fund balances.	\$ 13,914

Outflows of Resources

Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedule.	\$ 6,454
Differences - budget to GAAP:	
The expenditures of the CRA's project funds are current year expenditures for reporting purposes but are not considered budgetary outflows.	(3,336)
Current year nonbudgeted transfer is treated as expense for financial reporting purposes but not as a budetary outflow.	9,630
The expenses of the CRA's non-TIF funds are current year expenses for reporting purposes but are not considered budgetary outflows.	27
Total Expenditures as reported on the statement of revenues, expenditures, and changes in fund balances.	\$ 12,775

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS - GENERAL EMPLOYEES PENSION PLAN (BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2021)

Fiscal Year Ending September 30

(in thousands)

(Unaudited)

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service Cost	\$ 17,607	\$ 18,012	\$ 16,845	\$ 15,916	\$ 15,008	\$ 14,964	\$ 14,592	\$ 16,333
Interest	99,733	96,509	92,484	86,053	78,568	74,426	71,570	70,460
Benefit Changes	-	(4,776)	-	118	-	-	-	-
Difference between actual & expected experience	(1,448)	9,403	43,132	11,976	17,064	-	(24,196)	-
Assumption Changes	(10,193)	-	19,989	14,262	54,077	-	-	-
Benefit Payments	(71,369)	(66,804)	(62,578)	(58,587)	(54,634)	(50,887)	(47,928)	(44,510)
Refunds	(637)	(578)	(485)	(262)	(269)	(312)	(241)	(385)
Net Change in Total Pension Liability	33,693	51,766	109,387	69,476	109,814	38,191	13,797	41,898
Total Pension Liability - Beginning	1,349,609	1,297,843	1,188,456	1,118,980	1,009,166	970,975	957,178	915,280
Total Pension Liability - Ending (a)	<u>\$ 1,383,302</u>	<u>\$ 1,349,609</u>	<u>\$ 1,297,843</u>	<u>\$ 1,188,456</u>	<u>\$ 1,118,980</u>	<u>\$ 1,009,166</u>	<u>\$ 970,975</u>	<u>\$ 957,178</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 27,858	\$ 26,693	\$ 21,927	\$ 18,801	\$ 14,486	\$ 14,591	\$ 16,537	\$ 16,110
Contributions - Other	99	3	7	13	356	-	23	92
Contributions - Member	6,212	6,171	6,119	5,560	5,160	4,523	4,719	4,607
Net Investment Income	308,700	75,990	47,306	94,722	127,148	85,979	9,640	89,958
Benefits Payments	(71,369)	(66,804)	(62,578)	(58,587)	(54,634)	(50,887)	(47,928)	(44,510)
Refunds	(637)	(578)	(485)	(262)	(269)	(312)	(241)	(385)
Administrative Expense	(684)	(606)	(1,112)	(493)	(1,214)	(705)	(637)	(668)
Other - Reallocation of Prior Years' Investment Earnings	-	8,158	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	270,179	49,027	11,184	59,754	91,033	53,189	(17,887)	65,204
Plan Fiduciary Net Position - Beginning	1,194,769	1,145,742	1,134,558	1,074,804	983,771	930,582	948,469	883,265
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,464,948</u>	<u>\$ 1,194,769</u>	<u>\$ 1,145,742</u>	<u>\$ 1,134,558</u>	<u>\$ 1,074,804</u>	<u>\$ 983,771</u>	<u>\$ 930,582</u>	<u>\$ 948,469</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	<u>\$ (81,646)</u>	<u>\$ 154,840</u>	<u>\$ 152,101</u>	<u>\$ 53,898</u>	<u>\$ 44,176</u>	<u>\$ 25,395</u>	<u>\$ 40,393</u>	<u>\$ 8,709</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.90 %	88.53 %	88.28 %	95.46 %	96.05 %	97.48 %	95.84 %	99.09 %
Covered Payroll	\$ 111,180	\$ 112,334	\$ 106,445	\$ 100,986	\$ 110,835	\$ 111,638	\$ 108,866	\$ 106,057
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	(73.44)%	137.84 %	142.89 %	53.37 %	39.86 %	22.75 %	37.10 %	8.21 %

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

CITY OF TALLAHASSEE, FLORIDA

**SCHEDULE OF NET PENSION LIABILITY BY EMPLOYER - GENERAL EMPLOYEES
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2021)
(in thousands)
(Unaudited)**

Fiscal year ending September 30, 2021	BPIA	CRTPA	CDA	City of Tallahassee	General Employees Total
Total Pension Liability - Beginning	\$ 20,761	\$ 5,010	\$ 46,832	\$ 1,277,006	\$ 1,349,609
Total Pension Liability - Ending (a)	<u>\$ 20,853</u>	<u>\$ 5,624</u>	<u>\$ 45,077</u>	<u>\$ 1,311,748</u>	<u>\$ 1,383,302</u>
Plan Fiduciary Net Position - Beginning	\$ 18,379	\$ 4,435	\$ 41,459	\$ 1,130,496	\$ 1,194,769
Plan Fiduciary Net Position - Ending (b)	<u>\$ 22,083</u>	<u>\$ 5,956</u>	<u>\$ 47,738</u>	<u>\$ 1,389,171</u>	<u>\$ 1,464,948</u>
Net Pension Asset - Ending (a) - (b)	\$ (1,230)	\$ (332)	\$ (2,661)	\$ (77,423)	\$ (81,646)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	105.90 %	105.90 %	105.90 %	105.90 %	105.90 %
Covered Payroll	\$ 1,676	\$ 452	\$ 3,623	\$ 105,429	\$ 111,180
Net Pension Asset as a percentage of Covered Payroll	(73.39)%	(73.45)%	(73.45)%	(73.44)%	(73.44)%
<u>Allocation Determination*</u>					
Allocation Percentage Prior Year	1.54 %	0.37 %	3.47 %	94.62 %	100.00 %
Allocation Percentage Current Year	1.51 %	0.40 %	3.26 %	94.83 %	100.00 %

*The Total Pension Liability, the Plan Fiduciary Net Position, and the Net Pension Liability are allocated by department based on the covered payroll for each department.

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF CONTRIBUTIONS - GENERAL EMPLOYEES
Last Ten Fiscal Years
(in thousands)
(Unaudited)

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2012	\$ 10,523	\$ 10,523	\$ -	\$ 95,577	11.01 %
2013	14,335	14,335	-	99,067	14.47
2014	16,110	16,110	-	106,057	15.19
2015	16,537	16,537	-	108,866	15.19
2016	14,591	14,591	-	111,638	13.07
2017	14,486	14,486	-	110,835	13.07
2018	18,713	18,801	-	100,986	18.62
2019	21,927	21,927	-	106,445	20.60
2020	26,693	26,693	(88)	112,334	23.76
2021	27,858	27,858	-	111,180	25.06

NOTES TO SCHEDULE OF CONTRIBUTIONS - GENERAL EMPLOYEES

Valuation Date: October 1, 2019
Measurement Date: September 30, 2021

Notes: Actuarially determined contribution rates are calculated as of October 1, 2019 for the fiscal year ended September 30, 2021. The actuarially determined contribution is projected to the contribution year using conventional actuarial projection methods.

Methods and Assumption Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay (with 0.94% payroll growth assumption), Closed
Remaining Amortization Period	29 years
Asset Valuation Method	20% of the difference between expected actuarial value (based on assumed return) and market value is recognized each year with 20% corridor around market value
Inflation	2.5%
Salary Increases	A range of 2.95% to 5.00%, depending on completed years of service, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality) with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment.

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2019 Actuarial Valuation Report dated April 21, 2020.

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2021)
Fiscal Year Ending September 30
(in thousands)
(Unaudited)

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service Cost	\$ 7,203	\$ 7,178	\$ 6,858	\$ 6,777	\$ 6,031	\$ 5,573	\$ 5,570	\$ 6,094
Interest	31,491	30,192	28,820	27,583	25,451	23,784	22,775	21,635
Benefit Changes	509	-	-	(5,904)	-	-	-	-
Difference between actual & expected experience	737	1,907	6,042	3,283	8,041	-	1,263	-
Assumption Changes	(12,726)	-	4,893	4,776	11,610	-	-	-
Benefit Payments	(21,347)	(19,873)	(18,729)	(17,606)	(16,699)	(15,737)	(14,684)	(12,638)
Refunds	(323)	(90)	(210)	(184)	(105)	(156)	(64)	(151)
Net Change in Total Pension Liability	5,544	19,314	27,674	18,725	34,329	13,464	14,860	14,940
Total Pension Liability - Beginning	422,773	403,459	375,785	357,060	322,731	309,267	294,407	279,467
Total Pension Liability - Ending (a)	<u>\$ 428,317</u>	<u>\$ 422,773</u>	<u>\$ 403,459</u>	<u>\$ 375,785</u>	<u>\$ 357,060</u>	<u>\$ 322,731</u>	<u>\$ 309,267</u>	<u>\$ 294,407</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 9,456	\$ 8,905	\$ 8,304	\$ 8,326	\$ 6,996	\$ 6,585	\$ 5,940	\$ 5,779
Contributions - Non-Employer Contributing Entity	28	1	2	4	109	-	6	26
Contributions - Member	3,324	3,369	3,187	3,451	3,483	3,230	3,104	2,808
Net Investment Income	88,199	21,789	15,073	29,685	39,016	25,772	2,843	26,199
Benefits Payments	(21,347)	(19,873)	(18,729)	(17,606)	(16,699)	(15,737)	(14,684)	(12,638)
Refunds	(323)	(90)	(210)	(184)	(105)	(156)	(64)	(151)
Administrative Expense	(196)	(173)	(500)	(153)	(369)	(200)	(187)	(192)
Other - Reallocation of Prior Years' Investment Earnings	-	(13,119)	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	79,141	809	7,127	23,523	32,431	19,494	(3,042)	21,831
Plan Fiduciary Net Position - Beginning	343,664	342,855	335,728	312,205	279,774	260,280	263,322	241,491
Plan Fiduciary Net Position - Ending (b)	<u>\$ 422,805</u>	<u>\$ 343,664</u>	<u>\$ 342,855</u>	<u>\$ 335,728</u>	<u>\$ 312,205</u>	<u>\$ 279,774</u>	<u>\$ 260,280</u>	<u>\$ 263,322</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 5,512</u>	<u>\$ 79,109</u>	<u>\$ 60,604</u>	<u>\$ 40,057</u>	<u>\$ 44,855</u>	<u>\$ 42,957</u>	<u>\$ 48,987</u>	<u>\$ 31,085</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.71 %	81.29 %	84.98 %	89.34 %	87.44 %	86.69 %	84.16 %	82.03 %
Covered Payroll	\$ 27,424	\$ 27,031	\$ 26,071	\$ 26,235	\$ 27,170	\$ 25,573	\$ 25,559	\$ 24,865
Net Pension Liability as a Percentage of Covered Payroll	20.10 %	292.66 %	232.46 %	152.69 %	165.09 %	167.98 %	191.66 %	125.02 %

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF CONTRIBUTIONS - POLICE OFFICERS
(in thousands)
(Unaudited)

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2012	\$ 4,251	\$ 4,251	\$ -	21,958	19.36 %
2013	4,787	4,787	-	22,548	21.23
2014	5,779	5,779	-	24,865	23.24
2015	5,940	5,940	-	25,559	23.24
2016	6,585	6,585	-	25,573	25.75
2017	6,996	6,996	-	27,170	25.75
2018	8,238	8,326	(88)	26,235	31.74
2019	8,304	8,304	-	26,071	31.85
2020	8,905	8,905	-	27,031	32.94
2021	9,456	9,456	-	27,424	34.48

NOTES TO SCHEDULE OF CONTRIBUTIONS - POLICE OFFICERS

Valuation Date: October 1, 2019

Measurement Date: September 30, 2021

Notes: Actuarially determined contribution rates are calculated as of October 1 2019 for the fiscal year ended September 30, 2021. The actuarially determined contribution is projected to the contribution year using conventional actuarial projection methods.

Methods and Assumption Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay (with 2.67% payroll growth assumption), Closed
Remaining Amortization Period	29 years
Asset Valuation Method	20% of the difference between expected actuarial value (based on assumed return) and market value is recognized each year with 20% corridor around market value
Inflation	2.5%
Salary Increases	A range of 4.5% to 6.4%, depending on completed years of service, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality) with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment.

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2019 Actuarial Valuation Report dated April 21, 2020.

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS - FIREFIGHTERS
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2021)

Fiscal Year Ending September 30

(in thousands)

(Unaudited)

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service Cost	\$ 4,598	\$ 4,636	\$ 4,310	\$ 4,000	\$ 3,863	\$ 3,564	\$ 3,288	\$ 3,987
Interest	21,955	21,357	20,412	19,312	17,968	16,774	16,205	15,438
Benefit Changes	(9)	-	-	(1,850)	-	-	-	-
Difference between actual & expected experience	(1,513)	2,063	4,784	3,136	8,020	-	2,783	-
Assumption Changes	(9,691)	-	4,930	4,590	9,978	-	-	-
Benefit Payments	(16,606)	(15,960)	(15,275)	(14,772)	(13,669)	(12,701)	(12,074)	(11,042)
Refunds	(213)	(155)	(339)	(50)	(65)	(65)	(5)	(90)
Net Change in Total Pension Liability	(1,479)	11,941	18,822	14,366	26,095	7,572	10,197	8,293
Total Pension Liability - Beginning	298,060	286,119	267,297	252,931	226,836	219,264	209,067	200,774
Total Pension Liability - Ending (a)	<u>\$ 296,581</u>	<u>\$ 298,060</u>	<u>\$ 286,119</u>	<u>\$ 267,297</u>	<u>\$ 252,931</u>	<u>\$ 226,836</u>	<u>\$ 219,264</u>	<u>\$ 209,067</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 7,084	\$ 6,443	\$ 5,735	\$ 5,001	\$ 4,970	\$ 4,671	\$ 4,104	\$ 3,894
Contributions - Non-Employer Contributing Entity	19	1	1	3	66	-	4	17
Contributions - Member	3,235	3,384	2,999	2,862	3,270	3,092	2,774	2,398
Net Investment Income	59,591	14,654	8,831	17,675	23,810	15,933	1,782	16,635
Benefits Payments	(16,606)	(15,960)	(15,275)	(14,772)	(13,669)	(12,701)	(12,074)	(11,042)
Refunds	(213)	(155)	(339)	(50)	(65)	(65)	(5)	(90)
Administrative Expense	(132)	(117)	(310)	(92)	(227)	(124)	(117)	(124)
Other - Reallocation of Prior Years' Investment Earnings	-	4,961	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	52,978	13,211	1,642	10,627	18,155	10,806	(3,532)	11,688
Plan Fiduciary Net Position - Beginning	230,737	217,526	215,884	205,257	187,102	176,296	179,828	168,140
Plan Fiduciary Net Position - Ending (b)	<u>\$ 283,715</u>	<u>\$ 230,737</u>	<u>\$ 217,526</u>	<u>\$ 215,884</u>	<u>\$ 205,257</u>	<u>\$ 187,102</u>	<u>\$ 176,296</u>	<u>\$ 179,828</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 12,866</u>	<u>\$ 67,323</u>	<u>\$ 68,593</u>	<u>\$ 51,413</u>	<u>\$ 47,674</u>	<u>\$ 39,734</u>	<u>\$ 42,968</u>	<u>\$ 29,239</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.66 %	77.41 %	76.03 %	80.77 %	81.15 %	82.48 %	80.40 %	86.01 %
Covered Payroll	\$ 16,427	\$ 15,806	\$ 15,545	\$ 15,097	\$ 18,774	\$ 17,645	\$ 16,280	\$ 15,446
Net Pension Liability as a Percentage of Covered Payroll	78.32 %	425.93 %	441.25 %	340.55 %	253.94 %	225.19 %	263.93 %	189.30 %

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF CONTRIBUTIONS - FIREFIGHTERS
(in thousands)
(Unaudited)

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2012	\$ 3,024	\$ 3,024	\$ -	\$ 12,373	24.44 %
2013	3,154	3,154	.	12,718	24.80
2014	3,894	3,894	.	15,446	25.21
2015	4,104	4,104	.	16,280	25.21
2016	4,671	4,671	.	17,645	26.47
2017	4,970	4,970	.	18,774	26.47
2018	4,700	5,001	(301)	15,097	33.13
2019	5,735	5,735	.	15,545	36.89
2020	6,443	6,443	.	15,806	40.76
2021	7,084	7,084	.	16,427	43.12

* The actual contributions are the same as contractually required contributions for participating cost sharing employers.

NOTES TO SCHEDULE OF CONTRIBUTIONS - FIREFIGHTERS

Valuation Date: October 1, 2019
Measurement Date: September 30, 2021

Notes: Actuarially determined contribution rates are calculated as of October 1, 2019, for the fiscal year ended September 30, 2021

Methods and Assumption Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay (with 2.61% payroll growth assumption), Closed
Remaining Amortization Period	29 years
Asset Valuation Method	20% of the difference between expected actuarial value (based on assumed return) and market value is recognized each year with 20% corridor around market value
Inflation	2.5%
Salary Increases	A range of 4.40% to 5.75%, depending on completed years of service, including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality) with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 90% blue collar adjustment and a 10% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment.

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2019 Actuarial Valuation Report dated April 21, 2020.

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF INVESTMENT RETURNS - PENSION PLANS
For the Fiscal Year Ended September 30
(Unaudited)

Fiscal Year Ending September 30,	Annual Return*
2012	20.85 %
2013	14.65
2014	10.34
2015	0.29
2016	9.04
2017	13.12
2018	8.58
2019	3.73
2020	5.80
2021	25.50

*Estimated Annual money-weighted rate of return, net of investment expenses.

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIO
For the Fiscal Year Ended September 30
(in thousands)
(Unaudited)

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 2,285	\$ 2,288	\$ 2,064	\$ 2,375	\$ 2,468
Interest on the total OPEB liability	2,618	2,942	3,545	3,334	3,041
Charge of benefit terms	30	-	-	-	-
Differences between expected and actual experience	(5,297)	(800)	(74)	-	-
Change of assumptions	(9,702)	(59)	12,851	(3,480)	(5,015)
Benefit payments	(4,153)	(4,366)	(4,635)	(4,851)	(4,412)
Net change in total OPEB liability	<u>(14,218)</u>	<u>5</u>	<u>13,751</u>	<u>(2,622)</u>	<u>(3,918)</u>
Total OPEB liability - beginning	<u>105,360</u>	<u>105,355</u>	<u>91,604</u>	<u>94,226</u>	<u>98,144</u>
Total OPEB liability - ending (a)	<u>\$ 91,142</u>	<u>\$ 105,360</u>	<u>\$ 105,355</u>	<u>\$ 91,604</u>	<u>\$ 94,226</u>
Plan Fiduciary Net Pension					
Employer Contributions to the OPEB Trust Fund	\$ 2,272	\$ 2,033	\$ 2,031	\$ 2,017	\$ (2,015)
Employer Contributions not deposited in OPEB Trust Fund	2,037	2,216	2,439	(2,673)	-
OPEB plan net investment income	2,798	1,364	385	1,447	(1,273)
Benefit payments	(2,116)	(2,150)	(2,196)	(2,177)	(2,170)
Benefit payments not reimbursed by the OPEB Trust Fund	(2,037)	(2,216)	(2,439)	2,673	-
Other (Adjustment to prior year)	-	-	-	1	-
Net change in plan fiduciary net position	<u>2,954</u>	<u>1,247</u>	<u>220</u>	<u>1,286</u>	<u>1,118</u>
Plan fiduciary net position - beginning	<u>10,327</u>	<u>9,080</u>	<u>8,860</u>	<u>7,574</u>	<u>6,456</u>
Plan fiduciary net position - ending (b)	<u>\$ 13,281</u>	<u>\$ 10,327</u>	<u>\$ 9,080</u>	<u>\$ 8,860</u>	<u>\$ 7,574</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 77,861</u>	<u>\$ 95,033</u>	<u>\$ 96,275</u>	<u>\$ 82,744</u>	<u>\$ 86,652</u>
Plan fiduciary net position as a % of the total OPEB liability	15	10	9	10	8
Covered-Employee payroll	\$ 151,408	\$ 151,273	\$ 151,093	\$ 153,725	\$ 149,247
Net OPEB liability as a % of covered-employee payroll	51	63	64	54	58

Note: Covered-Employee Payrolls presented above are estimates based on the data submitted for valuation purposes. GASB Statement 75 defined Covered-Employee payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period.

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF NET OPEB LIABILITY
(in thousands)
(Unaudited)

FY Ending September 30,	Total OPEB Liability	Plan Net Position	Net OPEB Liability	Plan Net Position as a % of Total OPEB Liability	Covered- Employee Payroll	Net OPEB Liability as a % of Covered Payroll
2017	\$ 94,226	\$ 7,574	\$ 86,652	8.04	\$ 149,247	58.06 %
2018	91,604	8,860	82,744	9.67	153,725	53.83 %
2019	105,355	9,080	96,275	8.62	151,093	63.72 %
2020	105,360	10,327	95,033	9.80	151,273	62.82 %
2021	91,141	13,281	77,860	8.62	151,408	51.42 %

NOTES TO SCHEDULE OF NET OPEB LIABILITY

Valuation date: September 30, 2020

Measurement Date: September 30, 2021

Roll-Forward Procedures: The total OPEB Liability was rolled forward twelve months from the Valuation Date to the Measurement Date using standard actuarial techniques.

Methods and Assumptions Used to Determine Net OPEB Liability:

Actuarial Cost Method: Entry Age Normal.

Inflation: 2.5%.

Discount Rate: 2.36%, the resulting Single Discount Rate based on the expected rate of return on OPEB plan investments as of September 30, 2021 at 7.40% and the long-term municipal bond rate as of September 30, 2021 at 2.19%.

Salary Increases: 2.95% to 6.40%, including inflation; varies by plan type and years of service.

Retirement Age: Experience-based table of rates that are specific to the plan and type of eligibility condition.

Mortality: Mortality tables used in the July 1, 2019 actuarial valuation of the Florida Retirement System (FRS). They are based on the results of a statewide experience study covering the period from 2013 to 2018. These rates were taken from adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using Scale MP-2018.

Healthcare Cost Trend Rates: Based on the Getzen Model, with a trend starting at 1.30% for 2021 and 4.40% for 2022 (based on actual premium increases), followed by 5.75% for 2023, and then gradually decreasing to an ultimate trend rate of 3.99%.

Aging factors: Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".

Expenses: Investment expenses are net of the investment returns; and, Administrative expenses are included in the per capital health cost.

Other Information:

Notes: Benefit changes reflect the passing of Florida Senate Bill 426, which provides benefits for eligible firefighters diagnosed with specific cancers. The following assumption changes have been reflected in the Schedule of Changes in the Total OPEB Liability for the measurement period ending September 30, 2021:
-The Single Discount Rate from the beginning of the year at 2.48% is changed to the end of the year at 2.36% (the resulting Single Discount Rate based on the expected rate of return on OPEB plan investments as of September 30, 2021 at 7.40% and the long-term municipal bond rate as of September 30, 2021 at 2.19%).
-All other assumption changes reflected in the September 30, 2020 OPEB Actuarial Valuation Report dated January 18, 2022, which include:
-Changes in the mortality assumptions developed in a statewide experience study conducted by the Florida Retirement System covering the period of 2013 through 2018 and adopted for its July 1, 2019 valuation. For more information regarding these rates, refer to the July 1, 2019 actuarial valuation of the Florida Retirement System.
-Per capita costs and premium amounts were revised to reflect premium rates adopted for the 2020 plan year. For more details on these assumption changes, refer to sections E and G of the September 30, 2020 OPEB Actuarial Valuation Report.

Note: Schedule is intended to show information for ten years. Additional years will be displayed as the information becomes available.

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF CONTRIBUTIONS - OPEB
(in thousands)
(Unaudited)

FY ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2017	\$ 5,323	\$ 2,015	\$ 3,308	\$ 149,247	1.35 %
2018	5,567	2,017	3,550	153,725	1.31 %
2019	5,377	2,031	3,346	151,093	1.34 %
2020	6,070	2,033	4,037	151,273	1.34 %
2021	5,410	2,272	3,138	151,408	1.50 %

NOTES TO SCHEDULE OF CONTRIBUTIONS - OPEB

Valuation date: September 30, 2020

Notes: Actuarially determined contribution rates are calculated as of October 1, which is the beginning of the year in which contributions are made and reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry Age Normal.
Amortization method	Level Percentage of Payroll, Closed.
Remaining Amortization Period	24 years.
Asset Valuation Method	Market Value.
Inflation	2.25%.
Salary increases	2.95% to 6.40%, including inflation; varies by plan type and years of service.
Investment rate of return	2.49%, net of OPEB plan expense, including inflation.
Retirement Age	Experience-based table of rates that are specific to the plan and type of eligibility condition.
Mortality	Mortality tables used in the July 1, 2019 actuarial valuation of the Florida Retirement System (FRS). They are based on the results of a statewide experience study covering the period 2013 through 2018. These rates were taken from adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using Scale MP-2018.
Health Care Trend Rate	Based on the Getzen Model, with trend starting at 1.3% for 2021 and 4.40% for 2022 (based on actual premium increases), followed by 5.75% for 2023, and then gradually decreasing to an ultimate trend rate of 3.99%
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death".
Expenses	Investment expenses are net of the investment returns; and, Administrative expenses are included in the per capita health costs.

Other Information:

Benefit changes reflect the passing of Florida Senate Bill 426, which provides benefits for eligible firefighters diagnosed with specified cancers.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF INVESTMENT RETURNS - OPEB
(Unaudited)

<u>FY Ending</u> <u>September 30,</u>	<u>Annual</u> <u>Return*</u>	
2017	18.68	%
2018	17.87	
2019	4.27	
2020	15.10	
2021	26.89	

* Estimated Annual money-weighted rate of return, net of investment expenses.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.



**CITY OF
TALLAHASSEE**

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COMBINING FINANCIAL STATEMENTS

These basic financial statements provide a summary overview of the financial position of all funds and account groups as well as the operating results of all funds. They also serve as an introduction to the more detailed statements and schedules that follow in subsequent sections:

Nonmajor Governmental Funds

Nonmajor Enterprise Funds

Internal Service Funds

Fiduciary Funds



**CITY OF
TALLAHASSEE**

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NONMAJOR GOVERNMENTAL FUNDS

Special Projects	Accounts for federal, state and local grants. These grants include but are not limited to the Community Development Block Grant, the Neighborhood Stabilization Program, the Homeless Prevention and Rapid Re-Housing Program, Emergency Shelter Grants, the HOME program and other miscellaneous grants. This fund includes other miscellaneous items that are to be used for general government purposes that are not appropriated in another fund.
Law Enforcement	For the accounting of state and federal forfeitures received by the City as prescribed by Florida Statutes. Also included: the Federal Law Enforcement Block Grant revenues and expenditures; and Second Dollar funding revenues received from the County who collects fines from citizens guilty of a statute violation or local ordinance.
Building Code Enforcement	Accounts for all assets, operations, and maintenance of the City's Building Inspection Division of the Growth Management Department. Revenues accounted for in this fund are derived from fees, fines, and investment earnings from the enforcement and implementation of the Florida Building code. Revenues in this fund were previously captured and reported in the General Revenue Fund.
Concurrency	Accounts for activity resulting from the State's new concurrency requirements outlined in Chapter 163, F.S. This statute allows developers the opportunity to move forward with development despite concurrency constraints by contributing their fair share of the cost to improve the impacted transportation facilities.
State Housing Partnership	Accounts for State funding to be used as an incentive to produce and preserve affordable housing for very low, low, and moderate income families.
Debt Service	Accounts for the accumulation of resources for, and the payment of, interest and principal on all general long-term debt other than that payable from Proprietary Funds.
Capital Improvement	Accounts for general revenue used for the acquisition or construction of general fixed assets.
Capital Bonds	Accounts for bond proceeds used for the acquisition or construction of general fixed assets.
Sales Tax Construction	Accounts for tax proceeds used for the acquisition or construction of public safety and transportation improvements.
Gas Tax	Accounts for tax proceeds used for the acquisition or construction of transportation improvements.
Cemetery	To accumulate resources for the perpetual maintenance of the City's cemeteries which include the sale and maintenance of plots.

CITY OF TALLAHASSEE, FLORIDA
COMBINING BALANCE SHEET
Nonmajor Governmental Funds
September 30, 2021
(in thousands)

	Special Revenue Funds				
	Special Projects	Law Enforcement	Building Code Enforcement	Concurrency	State Housing Partnership
ASSETS					
Cash and Cash Equivalents	\$ 18,336	\$ -	\$ 1,455	\$ 5,161	\$ -
Securities Lending Collateral	87	-	7	24	-
Receivables:					
Accrued Interest	12	-	1	14	-
Customers and Others	-	-	-	-	-
Notes	30	-	-	-	-
Special Assessments	-	-	-	-	-
Due From Other Governments	2,351	-	-	-	-
Advances To Other Funds	-	-	-	-	-
Cash and Cash Equivalents	-	746	-	-	1,089
Securities Lending Collateral	-	4	-	-	5
Receivables - Restricted:					
Accrued Interest	3	2	-	-	3
Customers and Others	-	4	-	-	-
Notes	-	-	-	-	303
Due From Other Governments	4,129	-	-	-	-
Total Assets	\$ 24,948	\$ 756	\$ 1,463	\$ 5,199	\$ 1,400
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
LIABILITIES					
Obligations Under Securities Lending	\$ 87	\$ -	\$ 7	\$ 24	\$ -
Accounts and Retainage Payable	405	-	278	-	-
Due To Other Funds	661	-	-	-	-
Advances from Other Funds	-	-	-	-	-
Accounts and Retainage Payable - Restricted	243	4	1	-	76
Obligations Under Securities Lending - Restricted	-	4	-	-	5
Unearned Revenue	17,230	-	-	-	-
Unearned Revenue - Restricted	-	348	-	-	1,408
Total Liabilities	18,626	356	286	24	1,489
DEFERRED INFLOWS					
Total Liabilities and Deferred Inflows	18,626	356	286	24	1,489
FUND BALANCES					
Spendable:					
Restricted	3,032	225	1,177	5,175	-
Committed	4,373	175	-	-	-
Unassigned	(1,083)	-	-	-	(89)
Total Fund Balances	6,322	400	1,177	5,175	(89)
Total Liabilities and Fund Balances	\$ 24,948	\$ 756	\$ 1,463	\$ 5,199	\$ 1,400

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
COMBINING BALANCE SHEET
Nonmajor Governmental Funds
September 30, 2021
(in thousands)

Debt Service	Capital Project Funds				Permanent Fund	Total
	Capital Improvement	Capital Bonds	Sales Tax Construction	Gas Tax	Cemetery	
\$ -	\$ 16,704	\$ 6,318	\$ 6,437	\$ 385	\$ 3,088	\$ 57,884
-	79	30	30	2	15	274
-	48	18	18	1	9	121
-	42	-	-	-	-	42
-	138	-	-	-	-	168
-	69	-	-	-	-	69
-	-	-	1,072	1,768	-	5,191
14,890	-	-	-	-	-	14,890
-	6,469	-	-	-	-	8,304
-	31	-	-	-	-	40
-	-	-	-	-	-	8
-	-	-	-	-	-	4
-	-	-	-	-	-	303
-	-	-	-	-	-	4,129
<u>\$ 14,890</u>	<u>\$ 23,580</u>	<u>\$ 6,366</u>	<u>\$ 7,557</u>	<u>\$ 2,156</u>	<u>\$ 3,112</u>	<u>\$ 91,427</u>
\$ -	\$ 79	\$ 30	\$ 30	\$ 2	\$ 15	\$ 274
-	186	1,483	879	278	6	3,515
-	-	-	-	-	-	661
-	3,048	-	-	-	-	3,048
-	49	-	253	-	-	626
-	31	-	-	-	-	40
-	-	-	-	-	-	17,230
-	-	-	-	-	-	1,756
-	3,393	1,513	1,162	280	21	27,150
-	3,393	1,513	1,162	280	21	27,150
14,890	-	4,853	6,395	1,876	-	37,623
-	20,187	-	-	-	3,091	27,826
-	-	-	-	-	-	(1,172)
<u>14,890</u>	<u>20,187</u>	<u>4,853</u>	<u>6,395</u>	<u>1,876</u>	<u>3,091</u>	<u>64,277</u>
<u>\$ 14,890</u>	<u>\$ 23,580</u>	<u>\$ 6,366</u>	<u>\$ 7,557</u>	<u>\$ 2,156</u>	<u>\$ 3,112</u>	<u>\$ 91,427</u>

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds
for the fiscal year ended September 30, 2021
(in thousands)

	Special Revenue Funds				
	Special Projects	Law Enforcement	Building Code Enforcement	Concurrency	State Housing Partnership
Revenues:					
Licenses and Permits	\$ -	\$ -	\$ 3,089	\$ 494	\$ -
Intergovernmental Revenues	14,298	43	-	-	459
Charges for Services	-	-	218	-	-
Fines and Forfeitures	-	137	23	-	-
Net Investment Earnings	127	16	19	67	9
Securities Lending Income	-	-	-	-	-
Change in Fair Value of Investments	(4)	-	-	-	-
Miscellaneous Revenues	641	-	240	-	5
Total Revenues	15,062	196	3,589	561	473
Expenditures:					
Current:					
General Government	6,114	-	-	-	-
Public Safety	1,577	515	4,104	-	-
Transportation	983	-	-	3	-
Human Services	650	-	-	-	-
Economic Environment	3,681	-	-	-	1,177
Physical Environment	1,157	-	-	-	-
Culture and Recreation	92	-	-	-	-
Securities Lending Expense:					
Debt Service:					
Principal Retired	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	14,254	515	4,104	3	1,177
Excess of Revenues Over (Under) Expenditures	808	(319)	(515)	558	(704)
Other Financing Sources (Uses):					
Transfers In	-	165	2	-	-
Transfers Out	-	(163)	(90)	-	-
Loan Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	-	2	(88)	-	-
Net Change in Fund Balances	808	(317)	(603)	558	(704)
Fund Balances - October 1	5,514	717	1,780	4,617	615
Adjustments to October 1 Fund Balance	-	-	-	-	-
Fund Balances - September 30	\$ 6,322	\$ 400	\$ 1,177	\$ 5,175	\$ (89)

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds
for the fiscal year ended September 30, 2021
(in thousands)

Debt Service	Capital Project Funds				Permanent Fund	Total
	Capital Improvement	Capital Bonds	Sales Tax Construction	Gas Tax	Cemetery	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,583
-	3,906	-	4,975	6,770	-	30,451
-	13	-	-	-	155	386
-	-	-	-	-	-	160
622	248	135	42	15	38	1,338
1	1	-	-	-	-	2
-	-	-	-	-	(62)	(66)
1	136	-	51	-	-	1,074
<u>624</u>	<u>4,304</u>	<u>135</u>	<u>5,068</u>	<u>6,785</u>	<u>131</u>	<u>36,928</u>
-	2,354	-	3,159	-	-	11,627
-	1,547	2,208	-	-	-	9,951
-	1,655	4,373	3,601	1,019	-	11,634
-	184	-	-	-	-	834
-	180	-	-	-	-	5,038
-	513	-	-	-	248	1,918
-	606	-	2,207	-	-	2,905
9,266	-	-	-	-	-	9,266
4,315	-	-	-	-	-	4,315
<u>13,581</u>	<u>7,039</u>	<u>6,581</u>	<u>8,967</u>	<u>1,019</u>	<u>248</u>	<u>57,488</u>
<u>(12,957)</u>	<u>(2,735)</u>	<u>(6,446)</u>	<u>(3,899)</u>	<u>5,766</u>	<u>(117)</u>	<u>(20,560)</u>
12,101	8,489	-	2,400	-	-	23,157
-	-	-	-	(4,722)	(162)	(5,137)
-	7,269	-	-	-	-	7,269
<u>12,101</u>	<u>15,758</u>	<u>-</u>	<u>2,400</u>	<u>(4,722)</u>	<u>(162)</u>	<u>25,289</u>
(856)	13,023	(6,446)	(1,499)	1,044	(279)	4,729
-	7,164	11,299	7,894	832	3,370	43,802
15,746	-	-	-	-	-	15,746
<u>\$ 14,890</u>	<u>\$ 20,187</u>	<u>\$ 4,853</u>	<u>\$ 6,395</u>	<u>\$ 1,876</u>	<u>\$ 3,091</u>	<u>\$ 64,277</u>

NONMAJOR ENTERPRISE FUNDS

StarMetro	Accounts for the operations and maintenance of the City's public transit system.
Solid Waste	Accounts for the assets, operation and maintenance of the City-owned solid waste operation.
Golf Course	Accounts for the operations of the City's eighteen-hole Hilaman Park Golf Course.
Fire Services	Accounts for the operation and maintenance of the City-owned fire services department.

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF NET POSITION
Nonmajor Enterprise Funds
September 30, 2021
(in thousands)

	StarMetro	Solid Waste	Golf	Fire Services	Total
ASSETS AND DEFERRED OUTFLOWS					
Current Assets:					
Cash and Cash Equivalents	\$ -	\$ 5,854	\$ 280	\$ -	\$ 6,134
Securities Lending Collateral	-	28	1	-	29
Receivables:					
Accrued Interest	-	16	1	-	17
Customers and Others	8	3,487	-	4,799	8,294
Due From Other Governments	6,856	497	-	10	7,363
Less: Allowance for Doubtful Accounts	(15)	(126)	-	(168)	(309)
Inventory	776	-	36	-	812
Current Asset - Restricted					
Cash and Cash Equivalents	-	-	-	39	39
Due From Other Governments	232	-	-	-	232
Total Current Assets	<u>7,857</u>	<u>9,756</u>	<u>318</u>	<u>4,680</u>	<u>22,611</u>
Noncurrent Assets:					
Capital Assets:					
Land and Construction in Progress	4,734	-	144	1,623	6,501
Other, Net of Accumulated Depreciation	28,294	3,689	580	13,831	46,394
Total Noncurrent Assets	<u>33,028</u>	<u>3,689</u>	<u>724</u>	<u>15,454</u>	<u>52,895</u>
Total Assets	<u>40,885</u>	<u>13,445</u>	<u>1,042</u>	<u>20,134</u>	<u>75,506</u>
Deferred Outflows of Resources:					
Pension Related Deferred Outflows	4,260	2,232	122	-	6,614
OPEB Related Deferred Outflows	516	260	13	1,345	2,134
Total Assets and Deferred Outflows of Resources	<u>\$ 45,661</u>	<u>\$ 15,937</u>	<u>\$ 1,177</u>	<u>\$ 21,479</u>	<u>\$ 84,254</u>
LIABILITIES, AND DEFERRED INFLOWS					
Current Liabilities:					
Accounts and Retainage Payable	398	2,089	78	1,522	4,087
Due To Other Funds	12,012	-	1	1,652	13,665
Compensated Absences	668	378	28	2,508	3,582
Capital Lease Payable	291	-	-	-	291
Obligations Under Securities Lending	-	28	1	-	29
Unearned Revenue	54	-	-	-	54
Bonds Payable	848	-	-	-	848
Accounts and Retainage Payable - Restricted	308	-	-	-	308
Total Current Liabilities	<u>14,579</u>	<u>2,495</u>	<u>108</u>	<u>5,682</u>	<u>22,864</u>
Noncurrent Liabilities:					
Advances from Other Funds	-	-	516	9,769	10,285
Compensated Absences	74	215	24	496	809
Capital Lease Payable	3,082	-	-	-	3,082
Bonds Payable	5,509	-	-	-	5,509
Net Pension Liability	5,308	2,785	156	-	8,249
Net OPEB Liability	4,928	1,759	124	7,744	14,555
Total Noncurrent Liabilities	<u>18,901</u>	<u>4,759</u>	<u>820</u>	<u>18,009</u>	<u>42,489</u>
Total Liabilities	<u>33,480</u>	<u>7,254</u>	<u>928</u>	<u>23,691</u>	<u>65,353</u>
Deferred Inflows of Resources:					
Pension Related Deferred Inflows	72	37	2	-	111
OPEB Related Deferred Inflows	568	373	17	2,068	3,026
Total Liabilities and Deferred Inflows of Resources	<u>34,120</u>	<u>7,664</u>	<u>947</u>	<u>25,759</u>	<u>68,490</u>
NET POSITION					
Net Investment in Capital Assets	23,298	3,689	725	15,454	43,166
Restricted for Renewal, Replacement and Improvements	-	-	-	452	452
Unrestricted:	(11,757)	4,584	(495)	(20,186)	(27,854)
Total Net Position	<u>11,541</u>	<u>8,273</u>	<u>230</u>	<u>(4,280)</u>	<u>15,764</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 45,661</u>	<u>\$ 15,937</u>	<u>\$ 1,177</u>	<u>\$ 21,479</u>	<u>\$ 84,254</u>

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
Nonmajor Enterprise Funds
For the fiscal year ended September 30, 2021
(in thousands)

	StarMetro	Solid Waste	Golf	Fire Services	Total
Operating Revenues:					
Charges for Services:					
Residential Sales	\$ -	\$ 12,896	\$ -	\$ 25,183	\$ 38,079
Commercial and Industrial Sales	-	18,022	-	17,063	35,085
County Government	-	-	-	3,386	3,386
Recreation Fees	-	-	1,143	-	1,143
Transportation Fees	4,470	-	-	-	4,470
Other Charges	41	12	-	1,860	1,913
Total Operating Revenues	<u>4,511</u>	<u>30,930</u>	<u>1,143</u>	<u>47,492</u>	<u>84,076</u>
Operating Expenses:					
Personnel Services	11,402	5,905	633	33,097	51,037
Contractual Services	5,905	22,831	189	11,600	40,525
Materials and Supplies	2,741	83	154	886	3,864
Other	918	373	32	548	1,871
Depreciation	4,279	411	47	1,143	5,880
Total Operating Expenses	<u>25,245</u>	<u>29,603</u>	<u>1,055</u>	<u>47,274</u>	<u>103,177</u>
Operating Income (Loss)	<u>(20,734)</u>	<u>1,327</u>	<u>88</u>	<u>218</u>	<u>(19,101)</u>
Non-Operating Revenues (Expenses):					
Net Investment Earnings	9	35	2	-	46
Change in Fair Value of Investments	-	(44)	(2)	-	(46)
Other Expenses	(1,106)	1	(1)	(2)	(1,108)
Intergovernmental Revenues	2,180	6	-	10	2,196
Other Revenues	-	213	4	131	348
Interest Expense	(315)	-	-	(529)	(844)
Total Non-Operating Revenues (Expenses)	<u>768</u>	<u>211</u>	<u>3</u>	<u>(390)</u>	<u>592</u>
Income (Loss) Before Capital Contributions and Operating Transfers	<u>(19,966)</u>	<u>1,538</u>	<u>91</u>	<u>(172)</u>	<u>(18,509)</u>
Operating Transfers:					
Capital Contributions	7,448	-	-	-	7,448
Transfers In	6,585	19	-	606	7,210
Transfers Out	(76)	(2,042)	(616)	(438)	(3,172)
Total Operating Transfers	<u>13,957</u>	<u>(2,023)</u>	<u>(616)</u>	<u>168</u>	<u>11,486</u>
Change in Net Position	<u>(6,009)</u>	<u>(485)</u>	<u>(525)</u>	<u>(4)</u>	<u>(7,023)</u>
Net Position - October 1	<u>17,550</u>	<u>8,758</u>	<u>755</u>	<u>(4,276)</u>	<u>22,787</u>
Net Position - September 30	<u>\$ 11,541</u>	<u>\$ 8,273</u>	<u>\$ 230</u>	<u>\$ (4,280)</u>	<u>\$ 15,764</u>

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended September 30, 2021
(in thousands)**

	StarMetro	Solid Waste	Golf	Fire Services	Total
Cash Flows from Operating Activities					
Cash Received from Customers	\$ 1,665	\$ 35,605	\$ 1,143	\$ 47,473	\$ 85,886
Cash Paid to Suppliers for Goods and Services	(6,802)	(13,828)	(284)	(3,339)	(24,253)
Cash Paid to Employees for Services	(11,091)	(5,699)	(610)	(33,103)	(50,503)
Cash Paid to Other Funds	(2,942)	(8,756)	(66)	(9,543)	(21,307)
Cash Received (Paid) for Other Revenues (Expenses)	-	214	4	129	347
Net Cash Provided by (Used for) Operating Activities	<u>(19,170)</u>	<u>7,536</u>	<u>187</u>	<u>1,617</u>	<u>(9,830)</u>
Cash Flows from Noncapital Financing Activities					
Transfers In from Other Funds	6,584	19	-	606	7,209
Transfers Out to Other Funds	(76)	(2,042)	(616)	(438)	(3,172)
Operating Grants Received	2,180	7	-	10	2,197
Cash Received From Interfund Balances	5,450	-	-	(540)	4,910
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>14,138</u>	<u>(2,016)</u>	<u>(616)</u>	<u>(362)</u>	<u>11,144</u>
Cash Flows from Capital and Related Financing Activities					
Capital Contributions	7,448	-	-	-	7,448
Bond and Loan Proceeds and Issue Costs	-	-	516	-	516
Acquisition, Construction, and Sale of Capital Assets	(956)	(213)	(4)	(221)	(1,394)
Principal Refunding Payments	(1,154)	-	-	-	(1,154)
Repayment of Loans from Other Funds	-	-	-	(504)	(504)
Interest Paid	(315)	-	-	(529)	(844)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>5,023</u>	<u>(213)</u>	<u>512</u>	<u>(1,254)</u>	<u>4,068</u>
Cash Flows from Investing Activities					
Interest Received on Investments	9	20	2	-	31
Increase in the Fair Value of Cash and Cash Equivalents	-	(44)	(2)	-	(46)
Net Cash Provided by (Used for) Investing Activities	<u>9</u>	<u>(24)</u>	<u>-</u>	<u>-</u>	<u>(15)</u>
Net Increase (Decrease) in Cash and Cash Equivalents/Investments	<u>-</u>	<u>5,283</u>	<u>83</u>	<u>1</u>	<u>5,367</u>
Cash and Cash Equivalents - October 1	-	571	197	38	806
Cash and Cash Equivalents - September 30	<u>\$ -</u>	<u>\$ 5,854</u>	<u>\$ 280</u>	<u>\$ 39</u>	<u>\$ 6,173</u>
Classified As:					
Unrestricted Assets	\$ -	\$ 5,854	\$ 280	\$ -	\$ 6,134
Restricted Assets	-	-	-	39	39
	<u>\$ -</u>	<u>\$ 5,854</u>	<u>\$ 280</u>	<u>\$ 39</u>	<u>\$ 6,173</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$ (20,734)	\$ 1,327	\$ 88	\$ 218	\$ (19,101)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	4,279	411	47	1,143	5,880
Provision for Uncollectible Accounts	8	132	-	(252)	(112)
Other	-	214	4	129	347
Pension/OPEB Adjustment for GASB 68/75	195	89	4	(193)	95
Increase (Decrease) in Accounts Receivable	78	(182)	-	(189)	(293)
Decrease in Inventory	(97)	-	-	-	(97)
Decrease in Due From Other Governments	(2,832)	4,724	-	422	2,314
(Decrease) in Accounts Payable	(91)	705	24	152	790
Increase in Due To Other Governments	(92)	-	-	-	(92)
Increase (Decrease) in Accrued Leave	116	116	20	187	439
Total Adjustments	<u>1,564</u>	<u>6,209</u>	<u>99</u>	<u>1,399</u>	<u>9,271</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (19,170)</u>	<u>\$ 7,536</u>	<u>\$ 187</u>	<u>\$ 1,617</u>	<u>\$ (9,830)</u>

See Independent Auditors' Report



**CITY OF
TALLAHASSEE**

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INTERNAL SERVICE FUNDS

800 MHz Communication	Supports the 800 MHz Radios Communications unit within the Information System Services. Revenues for the fund are derived from Leon County per agreement, and rentals from other users. The remaining cost is allocated to user departments. The allocation is based on the number of 800 MHz devices per department.
Technology and Innovation	Accounts for the costs of the City's data processing operations.
Human Resources	Accounts for the costs of the City's employee relations operations.
Internal Loan	Accounts for the loans received from the Sunshine State Governmental Financing Commission, which in turn are loaned to other funds to provide financing for capital projects.
Pension Administration	Accounts for the costs of the City's employee retirement plan's administrative operation.
Diversity and Inclusion	Accounts for the cost of the City's efforts to promote diversity and inclusion throughout the government.
Purchasing	Accounts for the costs of the City's procurement operations.
Accounting	Accounts for the costs of the City's accounting operations.
Garage	Accounts for the costs of maintaining and operating the City's fleet management operation.
Risk Management	Accounts for the costs of the City's risk management.
Revenue Collection	Accounts for the costs of the City's revenue collection services.
Utility Services	Accounts for the costs of centralizing safety and training, environmental, GIS, sales, rate design, and marketing functions of the City's utilities.
Environmental Services and Facilities Management (ESFM)	Accounts for the City's environmental policy development and initiatives and environmental regulatory compliance.
Wholesale Energy Services	Accounts for the costs of the purchase of power and fuel for the City's electric and gas utilities and off system sales and services of power and natural gas to other utilities and open market participants.
Community Relations	Accounts for the City's community relations function which serves to engage citizens through interactive educational outreach efforts focused on a variety of City services and programs ranging from utility services to transportation.

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF NET POSITION
Internal Service Funds
September 30, 2021
(in thousands)

	800 Mhz	Technology and Innovation	Human Resources	Internal Loan	Pension Administration	Diversity and Inclusion
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
Current Assets:						
Cash and Cash Equivalents	\$ 1,894	\$ -	\$ 198	\$ 737	\$ 113	\$ 174
Securities Lending Collateral	9	-	1	3	1	1
Receivables:						
Other Receivables	1	1	4	-	-	-
Accrued Interest	5	-	1	2	-	-
Due From Other Governments	117	552	-	23	-	-
Inventory	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Total Current Assets	<u>2,026</u>	<u>553</u>	<u>204</u>	<u>765</u>	<u>114</u>	<u>175</u>
Noncurrent Assets:						
Advances To Other Funds	-	-	-	2,665	-	-
Deposits	-	-	-	-	-	-
Derivative Instruments	-	-	-	-	-	-
Capital Assets:						
Land and Construction in Progress	440	13,988	-	-	-	-
Other, Net of Accumulated Depreciation	1,745	13,795	34	-	-	-
Total Noncurrent Assets	<u>2,185</u>	<u>27,783</u>	<u>34</u>	<u>2,665</u>	<u>-</u>	<u>-</u>
Total Assets	<u>4,211</u>	<u>28,336</u>	<u>238</u>	<u>3,430</u>	<u>114</u>	<u>175</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 4,211</u>	<u>\$ 28,336</u>	<u>\$ 238</u>	<u>\$ 3,430</u>	<u>\$ 114</u>	<u>\$ 175</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Current Liabilities:						
Obligations Under Securities Lending	9	-	1	3	1	1
Accounts Payable	94	3,181	190	1	81	51
Due To Other Funds	-	4,375	-	-	-	-
Due To Other Governments	383	38	-	-	-	-
Capital Lease Payable	-	667	-	-	-	-
Compensated Absences	38	704	242	-	28	68
Total Current Liabilities	<u>524</u>	<u>8,965</u>	<u>433</u>	<u>4</u>	<u>110</u>	<u>120</u>
Noncurrent Liabilities:						
Claims Payable	-	-	-	-	-	-
Capital Lease Payable	-	702	-	-	-	-
Compensated Absences	7	506	103	-	-	39
Advances from Other Funds	-	169	113	-	23	-
Total Noncurrent Liabilities	<u>7</u>	<u>1,377</u>	<u>216</u>	<u>-</u>	<u>23</u>	<u>39</u>
Total Liabilities	<u>531</u>	<u>10,342</u>	<u>649</u>	<u>4</u>	<u>133</u>	<u>159</u>
Accumulated Increase in Fair Value of Hedging Derivatives						
	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	<u>531</u>	<u>10,342</u>	<u>649</u>	<u>4</u>	<u>133</u>	<u>159</u>
NET POSITION						
Net Investment in Capital Assets	2,185	24,646	34	-	-	-
Unrestricted:	1,495	(6,652)	(445)	3,426	(19)	16
Total Net Position	<u>3,680</u>	<u>17,994</u>	<u>(411)</u>	<u>3,426</u>	<u>(19)</u>	<u>16</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 4,211</u>	<u>\$ 28,336</u>	<u>\$ 238</u>	<u>\$ 3,430</u>	<u>\$ 114</u>	<u>\$ 175</u>

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF NET POSITION
Internal Service Funds
September 30, 2021
(in thousands)

Purchasing	Accounting	Garage	Risk Management	Revenue Collection	Utility Services	Environmental Services and Facilities Management	Wholesale Energy Services	Community Relations	Total
\$ 235	\$ 999	\$ 6,699	\$ 21,458	\$ 337	\$ 7,473	\$ 1,356	\$ 37,788	\$ 200	\$ 79,661
1	5	32	101	2	214	6	-	1	377
1	-	403	2	8	-	-	5,031	-	5,451
1	3	19	59	-	19	4	107	1	221
-	-	18	-	1	-	-	-	-	711
-	-	471	-	-	-	-	259	-	730
-	-	-	2,861	-	-	-	-	-	2,861
-	-	-	-	67	-	-	-	-	67
<u>238</u>	<u>1,007</u>	<u>7,642</u>	<u>24,481</u>	<u>415</u>	<u>7,706</u>	<u>1,366</u>	<u>43,185</u>	<u>202</u>	<u>90,079</u>
-	-	-	-	-	-	-	-	-	2,665
-	-	-	-	-	-	-	5,647	-	5,647
-	-	-	-	-	-	-	65,981	-	65,981
44	-	-	-	-	125	752	-	-	15,349
<u>361</u>	<u>3</u>	<u>45,358</u>	<u>3</u>	<u>494</u>	<u>868</u>	<u>129</u>	<u>-</u>	<u>2</u>	<u>62,792</u>
405	3	45,358	3	494	993	881	71,628	2	152,434
<u>643</u>	<u>1,010</u>	<u>53,000</u>	<u>24,484</u>	<u>909</u>	<u>8,699</u>	<u>2,247</u>	<u>114,813</u>	<u>204</u>	<u>242,513</u>
<u>\$ 643</u>	<u>\$ 1,010</u>	<u>\$ 53,000</u>	<u>\$ 24,484</u>	<u>\$ 909</u>	<u>\$ 8,699</u>	<u>\$ 2,247</u>	<u>\$ 114,813</u>	<u>\$ 204</u>	<u>\$ 242,513</u>
1	5	32	101	2	214	6	-	1	377
75	226	772	69	91	670	533	12,133	74	18,241
-	-	-	-	-	-	-	30,000	-	34,375
-	-	120	-	-	-	-	-	-	541
-	-	-	-	-	-	-	-	-	667
<u>106</u>	<u>297</u>	<u>333</u>	<u>120</u>	<u>95</u>	<u>833</u>	<u>170</u>	<u>38</u>	<u>86</u>	<u>3,158</u>
<u>182</u>	<u>528</u>	<u>1,257</u>	<u>290</u>	<u>188</u>	<u>1,717</u>	<u>709</u>	<u>42,171</u>	<u>161</u>	<u>57,359</u>
-	-	-	15,528	-	-	-	-	-	15,528
-	-	-	-	-	-	-	-	-	702
40	192	160	55	63	358	41	21	12	1,597
<u>56</u>	<u>113</u>	<u>-</u>	<u>34</u>	<u>56</u>	<u>-</u>	<u>56</u>	<u>-</u>	<u>11</u>	<u>631</u>
<u>96</u>	<u>305</u>	<u>160</u>	<u>15,617</u>	<u>119</u>	<u>358</u>	<u>97</u>	<u>21</u>	<u>23</u>	<u>18,458</u>
<u>278</u>	<u>833</u>	<u>1,417</u>	<u>15,907</u>	<u>307</u>	<u>2,075</u>	<u>806</u>	<u>42,192</u>	<u>184</u>	<u>75,817</u>
-	-	-	-	-	-	-	65,981	-	65,981
<u>278</u>	<u>833</u>	<u>1,417</u>	<u>15,907</u>	<u>307</u>	<u>2,075</u>	<u>806</u>	<u>108,173</u>	<u>184</u>	<u>141,798</u>
405	3	45,358	3	494	993	790	-	2	74,913
<u>(40)</u>	<u>174</u>	<u>6,225</u>	<u>8,574</u>	<u>108</u>	<u>5,631</u>	<u>651</u>	<u>6,640</u>	<u>18</u>	<u>25,802</u>
<u>365</u>	<u>177</u>	<u>51,583</u>	<u>8,577</u>	<u>602</u>	<u>6,624</u>	<u>1,441</u>	<u>6,640</u>	<u>20</u>	<u>100,715</u>
<u>\$ 643</u>	<u>\$ 1,010</u>	<u>\$ 53,000</u>	<u>\$ 24,484</u>	<u>\$ 909</u>	<u>\$ 8,699</u>	<u>\$ 2,247</u>	<u>\$ 114,813</u>	<u>\$ 204</u>	<u>\$ 242,513</u>

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Internal Service Funds
for the fiscal year ended September 30, 2021
(in thousands)

	800 Mhz	Technology and Innovation	Human Resources	Internal Loan	Pension Administration	Diversity and Inclusion
Operating Revenues:						
Charges for Services	\$ 2,558	\$ 25,670	\$ 4,709	\$ 50	\$ 1,012	\$ 1,174
Total Operating Revenues	<u>2,558</u>	<u>25,670</u>	<u>4,709</u>	<u>50</u>	<u>1,012</u>	<u>1,174</u>
Operating Expenses:						
Personnel Services	633	11,027	3,343	-	558	1,022
Contractual Services	1,533	13,900	1,000	-	431	69
Materials and Supplies	7	288	20	-	14	3
Other	9	360	135	-	4	59
Depreciation	453	2,654	6	-	-	-
Total Operating Expenses	<u>2,635</u>	<u>28,229</u>	<u>4,504</u>	<u>-</u>	<u>1,007</u>	<u>1,153</u>
Operating Income (Loss)	<u>(77)</u>	<u>(2,559)</u>	<u>205</u>	<u>50</u>	<u>5</u>	<u>21</u>
Non-Operating Revenues (Expenses):						
Net Investment Earnings	21	7	1	7	1	-
Change in Fair Value of Investments	(33)	-	(1)	-	(2)	-
Securities Lending:						
Securities Lending Income	-	-	-	-	-	-
Other Revenues	-	113	-	-	-	-
Interest Expense	-	(83)	(2)	-	-	(1)
Other Expenses	-	(390)	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>(12)</u>	<u>(353)</u>	<u>(2)</u>	<u>7</u>	<u>(1)</u>	<u>(1)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(89)</u>	<u>(2,912)</u>	<u>203</u>	<u>57</u>	<u>4</u>	<u>20</u>
Capital Contributions and Transfers						
Transfers In	4	335	-	-	-	-
Transfers Out	(335)	-	(114)	-	-	(4)
Total Capital Contributions and Transfers	<u>(331)</u>	<u>335</u>	<u>(114)</u>	<u>-</u>	<u>-</u>	<u>(4)</u>
Change in Net Position	(420)	(2,577)	89	57	4	16
Net Position - October 1	4,100	20,571	(500)	3,369	(23)	-
Net Position - September 30	<u>\$ 3,680</u>	<u>\$ 17,994</u>	<u>\$ (411)</u>	<u>\$ 3,426</u>	<u>\$ (19)</u>	<u>\$ 16</u>

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Internal Service Funds
for the fiscal year ended September 30, 2021
(in thousands)

Purchasing	Accounting	Garage	Risk Management	Revenue Collection	Utility Services	Environmental Services and Facilities Management	Wholesale Energy Services	Community Relations	Total
\$ 1,790	\$ 5,265	\$ 25,186	\$ 11,994	\$ 2,166	\$ 18,113	\$ 5,529	\$ 106,053	\$ 1,572	\$ 212,841
1,790	5,265	25,186	11,994	2,166	18,113	5,529	106,053	1,572	212,841
1,630	4,074	5,222	1,547	1,379	12,106	2,461	525	1,240	46,767
89	501	2,878	387	557	4,182	2,109	213	205	28,054
12	12	7,631	4	116	708	261	105,843	27	114,946
12	681	4,465	10,286	25	386	248	1	13	16,684
23	3	8,051	1	29	60	2	-	1	11,283
1,766	5,271	28,247	12,225	2,106	17,442	5,081	106,582	1,486	217,734
24	(6)	(3,061)	(231)	60	671	448	(529)	86	(4,893)
3	8	75	288	8	69	18	537	3	1,046
(4)	(13)	-	(300)	(11)	(110)	-	(865)	(5)	(1,344)
-	-	-	1	-	1	-	-	-	2
-	-	2,200	-	-	39	21	-	-	2,373
(1)	-	-	(1)	(1)	-	(1)	-	-	(90)
-	-	-	-	-	-	(201)	-	-	(591)
(2)	(5)	2,275	(12)	(4)	(1)	(163)	(328)	(2)	1,396
22	(11)	(786)	(243)	56	670	285	(857)	84	(3,497)
-	-	-	-	-	1	32	1	-	373
-	-	(17)	-	(91)	(493)	(124)	(13)	(75)	(1,266)
-	-	(17)	-	(91)	(492)	(92)	(12)	(75)	(893)
22	(11)	(803)	(243)	(35)	178	193	(869)	9	(4,390)
343	188	52,386	8,820	637	6,446	1,248	7,509	11	105,105
\$ 365	\$ 177	\$ 51,583	\$ 8,577	\$ 602	\$ 6,624	\$ 1,441	\$ 6,640	\$ 20	\$ 100,715

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds
for the fiscal year ended September 30, 2021
(in thousands)

	Technology and 800 Mhz	Innovation	Human Resources	Internal Loan	Pension Administration	Diversity and Inclusion
Cash Flow from Operating Activities						
Cash Received for Interfund Services	\$ 2,695	\$ 25,798	\$ 4,708	\$ 50	\$ 1,012	\$ 1,174
Cash Paid to Suppliers for Goods and Services	(1,484)	(12,963)	(1,122)	-	(397)	(121)
Cash Paid to Employees for Services	(628)	(10,822)	(3,276)	-	(561)	(995)
Cash Paid to Other Funds	-	-	-	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>583</u>	<u>2,013</u>	<u>310</u>	<u>50</u>	<u>54</u>	<u>58</u>
Cash Flows from Noncapital Financing Activities						
Transfers from Other Funds	-	4,372	(27)	-	(5)	-
Cash Received From Other Non-operating Revenues	-	113	-	-	-	-
Cash Received (Paid) From Interfund Balances	-	335	-	-	-	-
Cash Paid For Other Non-operating Expenses	-	(390)	-	-	-	-
Repayment of Advances To/From Other Funds	-	-	-	54	-	-
Transfers to Other Funds	(186)	-	(114)	-	-	(4)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(186)</u>	<u>4,430</u>	<u>(141)</u>	<u>54</u>	<u>(5)</u>	<u>(4)</u>
Cash Flows from Capital and Related Financing Activities						
Acquisition, Construction and Sale of Capital Assets	-	(12,323)	-	-	(1)	1
Interest Paid	-	(83)	(2)	-	-	(1)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>-</u>	<u>(12,406)</u>	<u>(2)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
Cash Flows from Investing Activities						
Interest Received on Investments	21	27	1	7	1	-
Increase in the Fair Value of Cash & Cash Equivalents	(33)	-	(1)	-	(2)	-
Net Cash Provided by (Used for) Investing Activities	<u>(12)</u>	<u>27</u>	<u>-</u>	<u>7</u>	<u>(1)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	385	(5,936)	167	111	47	54
Cash and Cash Equivalents - October 1	1,509	5,936	31	626	66	120
Cash and Cash Equivalents - September 30	<u>\$ 1,894</u>	<u>\$ -</u>	<u>\$ 198</u>	<u>\$ 737</u>	<u>\$ 113</u>	<u>\$ 174</u>
Operating Activities						
Operating Income (Loss)	\$ (77)	\$ (2,559)	\$ 205	\$ 50	\$ 5	\$ 21
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation	453	2,654	6	-	-	-
(Increase) Decrease in Accounts Receivable	138	-	-	-	-	-
(Increase) Decrease in Due From Other Governments	-	128	-	-	-	-
(Increase) Decrease in Inventory	-	-	-	-	-	-
Increase (Decrease) in Accounts Payable	64	1,584	32	-	52	11
Increase (Decrease) in Accrued Leave	5	206	67	-	(3)	26
(Increase) Decrease in Insurance Deposits	-	-	-	-	-	-
Total Adjustments	<u>660</u>	<u>4,572</u>	<u>105</u>	<u>-</u>	<u>49</u>	<u>37</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ 583</u>	<u>\$ 2,013</u>	<u>\$ 310</u>	<u>\$ 50</u>	<u>\$ 54</u>	<u>\$ 58</u>

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds
for the fiscal year ended September 30, 2021
(in thousands)

Purchasing	Accounting	Garage	Risk Management	Revenue Collection	Utility Services	Environmental Services and Facilities Management	Wholesale Energy Services	Community Relations	Total
\$ 1,790	\$ 5,265	\$ 25,016	\$ 11,993	\$ 2,166	\$ 18,113	\$ 5,527	\$ 101,311	\$ 1,572	\$ 208,190
(100)	(1,135)	(15,023)	-	(675)	(5,186)	(2,248)	(103,962)	(242)	(144,658)
(1,591)	(3,994)	(5,192)	(1,526)	(1,352)	(11,849)	(2,418)	(531)	(1,225)	(45,960)
-	-	-	(10,103)	-	-	-	-	-	(10,103)
<u>99</u>	<u>136</u>	<u>4,801</u>	<u>364</u>	<u>139</u>	<u>1,078</u>	<u>861</u>	<u>(3,182)</u>	<u>105</u>	<u>7,469</u>
(14)	(27)	-	(8)	(14)	1	(14)	59	-	4,323
-	-	2,200	-	-	39	21	-	-	2,373
-	-	-	-	-	-	-	-	-	335
-	-	-	-	-	-	-	-	-	(390)
-	-	-	-	-	-	32	-	-	86
-	-	93	-	(96)	(493)	(124)	(13)	(78)	(1,015)
<u>(14)</u>	<u>(27)</u>	<u>2,293</u>	<u>(8)</u>	<u>(110)</u>	<u>(453)</u>	<u>(85)</u>	<u>46</u>	<u>(78)</u>	<u>5,712</u>
-	-	(4,722)	2	1	(20)	(569)	(1)	4	(17,628)
-	(2)	-	(1)	(1)	-	(1)	-	-	(91)
-	(2)	(4,722)	1	-	(20)	(570)	(1)	4	(17,719)
1	9	5	300	8	78	18	569	3	1,048
(4)	(13)	75	(300)	(11)	(110)	-	(865)	(5)	(1,269)
<u>(3)</u>	<u>(4)</u>	<u>80</u>	<u>-</u>	<u>(3)</u>	<u>(32)</u>	<u>18</u>	<u>(296)</u>	<u>(2)</u>	<u>(221)</u>
82	103	2,452	357	26	573	224	(3,433)	29	(4,759)
153	896	4,247	21,101	311	6,900	1,132	41,221	171	84,420
<u>\$ 235</u>	<u>\$ 999</u>	<u>\$ 6,699</u>	<u>\$ 21,458</u>	<u>\$ 337</u>	<u>\$ 7,473</u>	<u>\$ 1,356</u>	<u>\$ 37,788</u>	<u>\$ 200</u>	<u>\$ 79,661</u>
\$ 24	\$ (6)	\$ (3,061)	\$ (231)	\$ 60	\$ 671	\$ 448	\$ (529)	\$ 86	\$ (4,893)
23	3	8,051	1	29	60	2	-	1	11,283
-	-	(152)	(2)	-	-	-	(4,741)	-	(4,757)
-	-	(18)	-	-	-	-	-	-	110
-	-	34	-	-	-	-	(2,529)	-	(2,495)
14	60	(82)	891	23	90	368	4,624	2	7,733
38	79	29	21	27	257	43	(7)	16	804
-	-	-	(316)	-	-	-	-	-	(316)
<u>75</u>	<u>142</u>	<u>7,862</u>	<u>595</u>	<u>79</u>	<u>407</u>	<u>413</u>	<u>(2,653)</u>	<u>19</u>	<u>12,362</u>
<u>\$ 99</u>	<u>\$ 136</u>	<u>\$ 4,801</u>	<u>\$ 364</u>	<u>\$ 139</u>	<u>\$ 1,078</u>	<u>\$ 861</u>	<u>\$ (3,182)</u>	<u>\$ 105</u>	<u>\$ 7,469</u>



**CITY OF
TALLAHASSEE**

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PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

- Pension Trust** Accounts for the accumulation of resources to be used for retirement annuity payments to City employees including both a Defined Benefit Plan and a Defined Contribution Plan. The Defined Benefit Plan accounts for general employees, police officers and fire fighters separately. The Defined Contribution Plan covers all employees.
- OPEB Trust** Accounts for the accumulation of resources to be used for benefit payments for retirees' healthcare costs.

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF NET POSITION
Pension and Other Employee Benefit Trust Funds
September 30, 2021
(in thousands)

	Pension Trust Fund	OPEB Trust Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 32,985	\$ 206	\$ 33,191
Receivables			
Other Receivables	47	-	47
Accrued Interest	2,893	3	2,896
Total Receivables	<u>2,940</u>	<u>3</u>	<u>2,943</u>
Investments, at Fair Value			
Mutual Index Funds	186,122	-	186,122
Private Equities	274,137	-	274,137
Fixed Income Securities	261,046	-	261,046
Domestic Equities	824,250	13,072	837,322
International Equities	194,002	-	194,002
Private Credit Funds	42,458	-	42,458
Bank Loan	112,277	-	112,277
Alternative Investments	320,211	-	320,211
Timber	107,220	-	107,220
Total Investments	<u>2,321,723</u>	<u>13,072</u>	<u>2,334,795</u>
Securities Lending Collateral	119,470	62	119,532
Total Assets	<u>\$ 2,477,118</u>	<u>\$ 13,343</u>	<u>\$ 2,490,461</u>
LIABILITIES AND NET POSITION			
LIABILITIES			
Obligations Under Securities Lending	\$ 119,470	\$ 62	\$ 119,532
Total Liabilities	<u>119,470</u>	<u>62</u>	<u>119,532</u>
NET POSITION			
Net Position Restricted for Pensions	<u>2,357,648</u>	<u>13,281</u>	<u>2,370,929</u>
Total Liabilities and Net Position	<u>\$ 2,477,118</u>	<u>\$ 13,343</u>	<u>\$ 2,490,461</u>

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF CHANGES IN NET POSITION
Pension and Other Employee Benefit Trust Funds
For the fiscal year ended September 30, 2021
(in thousands)

	Pension Trust Fund	OPEB Trust Fund	Total
ADDITIONS			
Contributions:			
Employer	\$ 45,285	\$ 2,272	\$ 47,557
Plan Members	12,772	-	12,772
Miscellaneous Contributions	146	-	146
Total Contributions	<u>58,203</u>	<u>2,272</u>	<u>60,475</u>
Investment Income			
From Investment Activities:			
Gain/Loss on Sale of Investments	157,032	8,007	165,039
Change in Fair Value of Investments	309,286	(5,413)	303,873
Interest Income	20,525	210	20,735
Dividends	20,813	-	20,813
Total Investment Income	<u>507,656</u>	<u>2,804</u>	<u>510,460</u>
Less Investment Expenses:			
Investment Management Fees	7,385	6	7,391
Interest Expense	64	-	64
Net Income from Investing Activities	<u>500,207</u>	<u>2,798</u>	<u>503,005</u>
From Securities Lending Activities:			
Securities Lending Income	319	-	319
Less Securities Lending Expenses:			
Investment Management Fees	31	-	31
Net Income from Securities Lending Activities	<u>288</u>	<u>-</u>	<u>288</u>
Total Net Investment Income	<u>500,495</u>	<u>2,798</u>	<u>503,293</u>
Total Additions	<u>558,698</u>	<u>5,070</u>	<u>563,768</u>
DEDUCTIONS			
Benefits	117,771	2,116	119,887
Refunds of Contributions	1,109	-	1,109
Administrative Expense	1,012	-	1,012
Total Deductions	<u>119,892</u>	<u>2,116</u>	<u>122,008</u>
Change in Net Position	438,806	2,954	441,760
Net Position - October 1	1,918,842	10,327	1,929,169
Net Position - September 30	<u>\$ 2,357,648</u>	<u>\$ 13,281</u>	<u>\$ 2,370,929</u>

See Independent Auditors' Report



**CITY OF
TALLAHASSEE**

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SUPPLEMENTAL INFORMATION

The following schedules provide a summary of the debt service requirements for the City's outstanding bond issues:

Capital Bonds, Series 2009

Capital Bonds, Series 2012

Capital Bonds, Series 2014

Capital Bonds, Series 2018

Energy System Revenue Bonds, Series 2010B

Energy System Refunding Revenue Bonds, Series 2015

Energy System Refunding Revenue Bonds, Series 2017

Energy System Revenue Bonds, Series 2018

Energy System Refunding Revenue Bonds, Series 2020

Consolidated Utility System Refunding Revenue Bonds, Series 2010A

Consolidated Utility System Refunding Revenue Bonds, Series 2015

Consolidated Utility System Refunding Revenue Bonds, Series 2017

Consolidated Utility System Revenue Bonds, Series 2018

Consolidated Utility System Refunding Revenue Bonds, Series 2020

Transportation Improvement Bond, Series 2019

CITY OF TALLAHASSEE, FLORIDA

CAPITAL BONDS, SERIES 2009
SEPTEMBER 30, 2021
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,030	\$ 319	\$ 1,349
2023	1,070	280	1,350
2024	1,110	240	1,350
2025	1,150	198	1,348
2026	1,195	155	1,350
2027	1,240	109	1,349
2028	550	76	626
2029	570	55	625
2030	590	34	624
2031	<u>615</u>	<u>11</u>	<u>626</u>
Totals	<u>\$ 9,120</u>	<u>\$ 1,477</u>	<u>\$ 10,597</u>

**CITY OF TALLAHASSEE, FLORIDA
 CAPITAL BONDS, SERIES 2012
 SEPTEMBER 30, 2021
 (in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 5,830	\$ 670	\$ 6,500
2023	3,695	378	4,073
2024	<u>3,875</u>	<u>194</u>	<u>4,069</u>
Totals	<u>\$ 13,400</u>	<u>\$ 1,242</u>	<u>\$ 14,642</u>

CITY OF TALLAHASSEE, FLORIDA
CAPITAL BONDS, SERIES 2014
SEPTEMBER 30, 2021
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,590	\$ 1,557	\$ 3,147
2023	1,855	1,478	3,333
2024	1,950	1,385	3,335
2025	2,045	1,287	3,332
2026	2,150	1,185	3,335
2027	2,255	1,078	3,333
2028	2,370	965	3,335
2029	2,490	846	3,336
2030	2,615	722	3,337
2031	2,745	591	3,336
2032	2,880	454	3,334
2033	3,025	310	3,335
2034	<u>3,175</u>	<u>159</u>	<u>3,334</u>
Totals	<u>\$ 31,145</u>	<u>\$ 12,017</u>	<u>\$ 43,162</u>

CITY OF TALLAHASSEE, FLORIDA
CAPITAL BONDS, SERIES 2018
SEPTEMBER 30, 2021
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 965	\$ 1,246	\$ 2,211
2023	1,015	1,198	2,213
2024	1,065	1,147	2,212
2025	1,115	1,094	2,209
2026	1,175	1,038	2,213
2027	1,230	979	2,209
2028	1,290	918	2,208
2029	1,355	853	2,208
2030	1,425	785	2,210
2031	1,495	714	2,209
2032	1,570	640	2,210
2033	1,650	561	2,211
2034	1,730	479	2,209
2035	1,820	392	2,212
2036	1,910	301	2,211
2037	2,005	205	2,210
2038	<u>2,105</u>	<u>105</u>	<u>2,210</u>
Totals	<u>\$ 24,920</u>	<u>\$ 12,655</u>	<u>\$ 37,575</u>

CITY OF TALLAHASSEE, FLORIDA
ENERGY SYSTEM REVENUE BONDS, SERIES 2010B
(FEDERALLY TAXABLE - BUILD AMERICA BONDS)
SEPTEMBER 30, 2021
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 7,299	\$ 7,299
2023	-	7,299	7,299
2024	-	7,299	7,299
2025	-	7,299	7,299
2026	-	7,299	7,299
2027	-	7,299	7,299
2028	-	7,299	7,299
2029	930	7,299	8,229
2030	1,855	7,243	9,098
2031	1,930	7,133	9,063
2032	1,240	7,017	8,257
2033	1,280	6,943	8,223
2034	1,335	6,867	8,202
2035	1,385	6,787	8,172
2036	9,110	6,705	15,815
2037	9,465	6,161	15,626
2038	30,070	5,596	35,666
2039	31,235	3,801	35,036
2040	<u>32,445</u>	<u>1,936</u>	<u>34,381</u>
Totals	<u>\$ 122,280</u>	<u>\$ 124,581</u>	<u>\$ 246,861</u>

CITY OF TALLAHASSEE, FLORIDA

ENERGY SYSTEM REFUNDING REVENUE BONDS SERIES 2015
SEPTEMBER 30, 2021
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 5,080	\$ 3,465	\$ 8,545
2023	5,335	3,211	8,546
2024	5,600	2,944	8,544
2025	5,880	2,664	8,544
2026	6,170	2,370	8,540
2027	6,485	2,062	8,547
2028	6,805	1,737	8,542
2029	7,145	1,397	8,542
2030	7,500	1,040	8,540
2031	7,880	665	8,545
2032	<u>5,420</u>	<u>-</u>	<u>5,420</u>
Totals	<u>\$ 69,300</u>	<u>\$ 21,555</u>	<u>\$ 90,855</u>

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
ENERGY SYSTEM REFUNDING REVENUE BONDS, SERIES 2017
September 30, 2021
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 4,500	\$ 6,690	\$ 11,190
2023	3,515	6,465	9,980
2024	2,010	6,289	8,299
2025	4,900	6,188	11,088
2026	5,725	5,943	11,668
2027	6,000	5,657	11,657
2028	6,350	5,357	11,707
2029	12,500	5,040	17,540
2030	12,500	4,415	16,915
2031	12,500	3,790	16,290
2032	13,500	3,165	16,665
2033	14,500	2,490	16,990
2034	15,000	1,765	16,765
2035	7,520	1,015	8,535
2036	7,000	639	7,639
2037	<u>5,775</u>	<u>289</u>	<u>6,064</u>
Totals	<u>\$ 133,795</u>	<u>\$ 65,197</u>	<u>\$ 198,992</u>

CITY OF TALLAHASSEE, FLORIDA
ENERGY SYSTEM REVENUE BONDS, SERIES 2018
September 30, 2021
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,510	\$ 5,008	\$ 6,518
2023	750	4,933	5,683
2024	1,415	4,896	6,311
2025	1,565	4,825	6,390
2026	1,715	4,746	6,461
2027	1,815	4,661	6,476
2028	1,920	4,570	6,490
2029	10,320	4,474	14,794
2030	11,520	3,958	15,478
2031	8,130	3,382	11,512
2032	4,375	2,975	7,350
2033	8,900	2,757	11,657
2034	4,200	2,312	6,512
2035	12,655	2,102	14,757
2036	5,600	1,469	7,069
2037	5,750	1,189	6,939
2038	1,015	901	1,916
2039	1,015	851	1,866
2040	1,100	800	1,900
2041	7,270	745	8,015
2042	<u>7,630</u>	<u>382</u>	<u>8,012</u>
Totals	<u>\$ 100,170</u>	<u>\$ 61,936</u>	<u>\$ 162,106</u>

CITY OF TALLAHASSEE, FLORIDA
ENERGY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020
SEPTEMBER 30, 2021
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 8,070	\$ 3,624	\$ 11,694
2023	10,520	3,221	13,741
2024	12,100	2,695	14,795
2025	10,190	2,090	12,280
2026	10,050	1,580	11,630
2027	10,540	1,077	11,617
2028	<u>11,010</u>	<u>550</u>	<u>11,560</u>
Totals	<u>\$ 72,480</u>	<u>\$ 14,837</u>	<u>\$ 87,317</u>

CITY OF TALLAHASSEE, FLORIDA

**CONSOLIDATED UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2010A
(FEDERALLY TAXABLE - BUILD AMERICA BONDS)
SEPTEMBER 30, 2021
(in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 6,084	\$ 6,084
2023	-	6,084	6,084
2024	-	6,084	6,084
2025	-	6,085	6,085
2026	-	6,085	6,085
2027	3,415	6,085	9,500
2028	3,530	5,911	9,441
2029	3,650	5,732	9,382
2030	3,765	5,547	9,312
2031	5,745	5,357	11,102
2032	5,945	5,057	11,002
2033	6,145	4,747	10,892
2034	6,355	4,426	10,781
2035	6,570	4,094	10,664
2036	6,795	3,752	10,547
2037	7,025	3,397	10,422
2038	18,715	3,030	21,745
2039	19,350	2,054	21,404
2040	<u>20,010</u>	<u>1,044</u>	<u>21,054</u>
Totals	<u>\$ 117,015</u>	<u>\$ 90,655</u>	<u>\$ 207,670</u>

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA

CONSOLIDATED UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2015
September 30, 2021
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,300	\$ 1,887	\$ 4,187
2023	2,485	1,797	4,282
2024	2,590	1,698	4,288
2025	2,715	1,568	4,283
2026	2,855	1,433	4,288
2027	2,995	1,290	4,285
2028	3,205	1,140	4,345
2029	3,425	980	4,405
2030	3,665	809	4,474
2031	2,060	625	2,685
2032	2,265	522	2,787
2033	2,490	409	2,899
2034	2,725	285	3,010
2035	<u>2,970</u>	<u>148</u>	<u>3,118</u>
Totals	<u>\$ 38,745</u>	<u>\$ 14,591</u>	<u>\$ 53,336</u>

CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2017
September 30, 2021
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 4,185	\$ 4,949	\$ 9,134
2023	4,395	4,740	9,135
2024	4,615	4,520	9,135
2025	4,845	4,290	9,135
2026	5,085	4,047	9,132
2027	5,340	3,793	9,133
2028	5,610	3,526	9,136
2029	5,885	3,246	9,131
2030	6,180	2,951	9,131
2031	6,495	2,642	9,137
2032	6,815	2,318	9,133
2033	7,155	1,977	9,132
2034	7,515	1,619	9,134
2035	7,890	1,243	9,133
2036	8,280	849	9,129
2037	<u>8,695</u>	<u>435</u>	<u>9,130</u>
Totals	<u>\$ 98,985</u>	<u>\$ 47,145</u>	<u>\$ 146,130</u>

CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED UTILITY SYSTEM REVENUE BONDS, SERIES 2018
September 30, 2021
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,590	\$ 2,053	\$ 3,643
2023	1,670	1,974	3,644
2024	1,750	1,890	3,640
2025	1,840	1,803	3,643
2026	1,930	1,711	3,641
2027	2,030	1,614	3,644
2028	2,130	1,513	3,643
2029	2,235	1,406	3,641
2030	2,345	1,294	3,639
2031	2,465	1,177	3,642
2032	2,590	1,054	3,644
2033	2,715	924	3,639
2034	2,855	789	3,644
2035	2,995	646	3,641
2036	3,145	496	3,641
2037	3,305	339	3,644
2038	<u>3,470</u>	<u>174</u>	<u>3,644</u>
Totals	<u>\$ 41,060</u>	<u>\$ 20,857</u>	<u>\$ 61,917</u>

CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020
September 30, 2021
(in thousands)

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	2,315	639	2,954
2023	2,430	523	2,953
2024	2,550	402	2,952
2025	2,675	274	2,949
2026	<u>2,810</u>	<u>141</u>	<u>2,951</u>
Totals	<u>\$ 12,780</u>	<u>\$ 1,979</u>	<u>\$ 14,759</u>

**CITY OF TALLAHASSEE, FLORIDA
TRANSPORTATION IMPROVEMENT BOND, SERIES 2019**

**September 30, 2021
(in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 848	\$ 146	\$ 994
2023	867	126	993
2024	887	106	993
2025	907	86	993
2026	928	65	993
2027	949	44	993
2028	<u>970</u>	<u>22</u>	<u>992</u>
Totals	<u>\$ 6,356</u>	<u>\$ 595</u>	<u>\$ 6,951</u>

STATISTICAL SECTION

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

CONTENTS	PAGE
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Net Position by Component	185
Changes in Net Position	186
Fund Balances, Governmental Funds	189
Changes in Fund Balances, Governmental Funds	190
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant revenue source, the property tax.	
Assessed Value and Estimated Actual Value of Taxable Property	191
Direct and Overlapping Property Tax Rates	192
Principal Property Taxpayers	193
Property Tax Levies and Collections	194
Assessed Valuations, Millage and Taxes Levied and Collected	195
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the Agency's ability to issue additional debt in the future.	
Ratios of Outstanding Debt by Type	196
Ratios of General Bonded Debt Outstanding	197
Direct and Overlapping Governmental Activities Debt	198
Computation of Legal Debt Margin	199
Revenue Bond Coverage:	
Energy System Revenue Bonds	200
Consolidated System Utility Revenue Bonds	201

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

STATISTICAL SECTION
(Continued)

Demographic and economic Information	PAGE
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</p>	
Demographic Statistics	202
Principal Employers	203
Operating Information	
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</p>	
Full-time Equivalent City Government Employees by Function/Program	204
Operating Indicators by Function/Program	205
Capital Assets Statistics by Function/Program	206
Miscellaneous Statistical Data	207
Schedule of Insurance	208

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

CITY OF TALLAHASSEE, FLORIDA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Net Investment in Capital Assets	\$ 683,773	\$ 718,180	\$ 731,038	\$ 729,969	\$ 762,798	\$ 729,307	\$ 742,216	\$ 756,332	\$ 836,872	\$ 834,489
Restricted	93,264	82,797	83,814	114,361	100,167	99,999	99,012	62,644	36,648	81,811
Unrestricted	(164,776)	(150,599)	(113,386)	(121,288)	(65,648)	(56,664)	(56,651)	(2,497)	57,367	47,334
Total governmental activities net position	<u>\$ 612,261</u>	<u>\$ 650,378</u>	<u>\$ 701,466</u>	<u>\$ 723,042</u>	<u>\$ 797,317</u>	<u>\$ 772,642</u>	<u>\$ 784,577</u>	<u>\$ 816,479</u>	<u>\$ 930,887</u>	<u>\$ 963,634</u>
Business activities										
Net Investment in Capital Assets	\$ 866,359	\$ 895,189	\$ 899,679	\$ 884,077	\$ 863,179	\$ 840,415	\$ 809,395	\$ 763,439	\$ 772,446	\$ 760,472
Restricted	233,085	195,053	231,785	219,942	202,210	194,185	201,116	198,491	190,295	185,679
Unrestricted	162,577	194,659	170,891	152,743	198,232	199,519	202,099	210,447	196,515	211,978
Total Business activities net position	<u>\$ 1,262,021</u>	<u>\$ 1,284,901</u>	<u>\$ 1,302,355</u>	<u>\$ 1,256,762</u>	<u>\$ 1,263,621</u>	<u>\$ 1,234,119</u>	<u>\$ 1,212,610</u>	<u>\$ 1,172,377</u>	<u>\$ 1,159,256</u>	<u>\$ 1,158,129</u>
Primary government										
Net Investment in Capital Assets	\$ 1,550,132	\$ 1,613,369	\$ 1,630,717	\$ 1,614,046	\$ 1,625,977	\$ 1,569,722	\$ 1,551,611	\$ 1,519,771	\$ 1,609,318	\$ 1,594,961
Restricted	326,349	277,850	315,599	334,303	302,377	294,184	300,128	261,135	226,943	267,490
Unrestricted	(2,199)	44,060	57,505	31,455	132,584	142,855	145,448	207,950	253,882	259,312
Total primary government net position	<u>\$ 1,874,282</u>	<u>\$ 1,935,279</u>	<u>\$ 2,003,821</u>	<u>\$ 1,979,804</u>	<u>\$ 2,060,938</u>	<u>\$ 2,006,761</u>	<u>\$ 1,997,187</u>	<u>\$ 1,988,856</u>	<u>\$ 2,090,143</u>	<u>\$ 2,121,763</u>

CITY OF TALLAHASSEE, FLORIDA
CHANGES IN NET POSITION
Last of Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<u>Expenses</u>										
Governmental Activities:										
General Government	\$ 37,418	\$ 43,265	\$ 32,747	\$ 21,049	\$ 26,625	\$ 15,295	\$ 32,352	\$ 16,581	\$ 20,184	\$ 19,068
Public Safety	92,546	95,816	70,088	55,737	77,197	68,901	61,703	75,241	57,636	56,044
Transportation	18,692	23,029	24,197	42,106	20,164	20,530	19,928	35,786	19,430	20,421
Human Services	10,398	9,073	4,893	4,971	4,652	3,565	3,097	2,516	3,428	3,117
Economic Development	15,709	10,933	6,587	6,956	7,238	8,996	7,337	5,616	9,564	8,710
Physical Environment	6,683	7,217	16,786	5,530	7,693	7,943	1,489	2,528	2,829	3,354
Culture and Recreation	21,187	22,188	26,536	24,331	27,620	26,396	22,289	23,414	21,906	21,374
Unallocated Depreciation on Infrastructure	34,173	33,277	32,395	31,810	28,297	29,228	27,477	26,633	26,413	26,401
Interest on Long-Term Debt	3,542	3,890	4,635	3,610	3,572	4,058	4,966	2,805	2,718	4,740
Total governmental activities expenses	<u>\$ 240,348</u>	<u>\$ 248,688</u>	<u>\$ 218,864</u>	<u>\$ 196,100</u>	<u>\$ 203,058</u>	<u>\$ 184,912</u>	<u>\$ 180,638</u>	<u>\$ 191,120</u>	<u>\$ 164,108</u>	<u>\$ 163,229</u>
Business-type activities										
Electric	\$ 252,323	\$ 272,743	\$ 252,552	\$ 240,872	\$ 228,137	\$ 247,370	\$ 248,266	\$ 256,301	\$ 237,358	\$ 266,145
Gas	21,751	21,927	21,741	21,019	20,962	20,744	28,480	25,304	27,452	30,121
Sewer	77,383	83,571	52,753	76,701	51,629	53,274	46,804	51,258	48,374	44,790
Water	40,472	36,486	36,345	31,888	32,093	29,401	24,770	25,133	26,509	26,277
Airport	20,658	20,784	19,851	18,517	18,053	16,885	19,120	16,733	13,840	12,861
StarMetro	27,085	26,962	23,869	21,547	20,753	22,018	21,397	20,706	20,851	19,123
Solid Waste	29,798	27,654	26,441	24,551	21,285	20,874	20,700	25,346	22,016	21,269
Golf	1,057	926	968	1,271	864	927	973	1,012	1,023	1,037
Stormwater Management	20,965	14,886	19,618	16,893	15,440	14,944	14,837	14,585	13,939	15,064
Fire Services	48,090	48,437	45,836	43,698	42,475	40,797	36,787	41,237	33,256	32,054
Total business-type activities expenses	<u>\$ 539,582</u>	<u>\$ 554,376</u>	<u>\$ 499,974</u>	<u>\$ 496,957</u>	<u>\$ 451,691</u>	<u>\$ 467,234</u>	<u>\$ 462,134</u>	<u>\$ 477,615</u>	<u>\$ 444,618</u>	<u>\$ 468,741</u>
Total primary government expenses	<u>\$ 779,930</u>	<u>\$ 803,064</u>	<u>\$ 718,838</u>	<u>\$ 693,057</u>	<u>\$ 654,749</u>	<u>\$ 652,146</u>	<u>\$ 642,772</u>	<u>\$ 668,735</u>	<u>\$ 608,726</u>	<u>\$ 631,970</u>

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CITY OF TALLAHASSEE, FLORIDA
CHANGES IN NET POSITION
Last of Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 2,259	\$ 2,293	\$ 2,310	\$ 2,230	\$ 2,991	\$ 2,520	\$ 2,192	\$ 2,106	\$ 2,074	\$ 1,923
Public Safety	1,263	1,537	1,261	1,876	2,026	2,051	2,487	2,649	3,377	2,806
Transportation	3,181	3,388	2,961	2,572	2,550	2,698	2,540	2,484	2,911	2,509
Human Services	1,143	1,745	1,421	1,072	953	1,022	965	888	787	969
Economic Development	56	3	8	11	10	14	-	-	-	-
Physical Environment	2,286	1,072	1,323	1,133	1,174	1,004	1,187	1,057	980	1,139
Culture and Recreation	3,125	2,598	3,846	3,755	3,745	3,903	3,956	3,895	3,956	3,759
Operating Grants and Contributions	20,234	13,251	7,173	4,384	10,270	8,250	1,549	566	5,705	11,031
Capital Grants and Contributions	5,118	4,243	1,160	-	-	-	13	1	5,073	8,121
Total Governmental Activities Program Revenues	\$ 38,665	\$ 30,130	\$ 21,463	\$ 17,033	\$ 23,719	\$ 21,462	\$ 14,889	\$ 13,646	\$ 24,863	\$ 32,257
Business-type Activities:										
Charges for Services:										
Electric	\$ 275,631	\$ 271,250	\$ 284,736	\$ 281,375	\$ 269,704	\$ 268,262	\$ 286,271	\$ 280,317	\$ 257,511	\$ 285,660
Gas	27,034	27,035	26,984	29,122	25,889	26,963	34,564	33,225	32,731	34,082
Sewer	73,002	71,413	69,325	68,180	63,351	61,759	62,184	60,126	59,624	60,172
Water	40,725	41,481	38,226	35,293	34,342	33,290	30,787	29,631	28,137	30,321
Airport	11,396	11,012	14,466	13,176	13,241	14,090	12,840	13,328	11,564	11,660
StarMetro	4,261	4,048	4,757	5,786	5,007	5,548	4,705	4,954	4,759	5,008
Solid Waste	31,144	29,393	25,686	24,674	24,215	22,508	23,553	24,751	23,252	23,046
Golf	1,146	759	955	765	794	786	771	885	894	1,024
Stormwater Management	21,043	21,110	22,722	19,250	18,198	17,946	18,380	17,552	17,669	20,812
Fire Services	46,310	45,553	45,239	43,021	42,777	41,469	32,772	32,260	32,660	31,399
Operating Grants and Contributions	8,390	26,101	4,620	4,853	4,825	8,977	5,465	9,295	5,861	6,873
Capital Grants and Contributions	15,160	15,496	10,332	14,251	13,347	12,865	16,395	14,767	11,584	20,026
Total Business-type Activities Program Revenues	\$ 555,242	\$ 564,651	\$ 548,048	\$ 539,746	\$ 515,690	\$ 514,463	\$ 528,687	\$ 521,091	\$ 486,246	\$ 530,083
Total Primary Government Program Revenues	\$ 593,907	\$ 594,781	\$ 569,511	\$ 556,779	\$ 539,409	\$ 535,925	\$ 543,576	\$ 534,737	\$ 511,109	\$ 562,340
Net (Expenses) Revenues										
Governmental Activities	\$ (201,683)	\$ (218,558)	\$ (197,401)	\$ (179,067)	\$ (179,339)	\$ (163,450)	\$ (165,749)	\$ (177,474)	\$ (139,245)	\$ (130,972)
Business-Type Activities	15,660	10,275	48,074	42,789	63,999	47,229	66,553	43,476	41,628	61,342
Total Primary Government Net Expenses	\$ (186,023)	\$ (208,283)	\$ (149,327)	\$ (136,278)	\$ (115,340)	\$ (116,221)	\$ (99,196)	\$ (133,998)	\$ (97,617)	\$ (69,630)

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CITY OF TALLAHASSEE, FLORIDA
CHANGES IN NET POSITION
Last of Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes, Levied for General Purposes	\$ 50,169	\$ 47,198	\$ 44,152	\$ 41,485	\$ 39,430	\$ 38,908	\$ 32,947	\$ 31,528	\$ 31,520	\$ 33,483
Public Service Tax	24,432	24,385	24,263	23,692	22,812	22,950	23,728	23,429	22,835	22,524
Permits and Fees	3,582	3,484	4,229	4,441	5,817	6,182	5,101	5,123	4,972	5,157
Grants and Contributions Not Restricted to Specific Programs	35,095	35,173	33,306	32,478	85,024	30,154	28,304	27,942	24,046	24,260
Unrestricted Investment Earnings	1,997	3,062	3,352	2,763	2,438	3,204	3,044	1,740	4,084	3,499
Net Securities Lending Income	3	3	2	2	2	5	-	5	14	11
Net Increase (Decrease) in Fair Value of Investments	(619)	450	1,248	(806)	(526)	178	14	131	(1,658)	76
Miscellaneous	7,834	3,844	7,781	8,828	14,251	14,475	7,634	13,052	1,806	5,058
Transfers	41,073	57,371	56,756	36,971	34,766	35,459	33,075	31,021	29,104	29,246
Total Governmental Activities	\$ 163,566	\$ 174,970	\$ 175,089	\$ 149,854	\$ 204,014	\$ 151,515	\$ 133,847	\$ 133,971	\$ 116,723	\$ 123,314
Business-Type Activities:										
Grants and Contributions, not restricted to specific programs	\$ 2,008	\$ 2,004	\$ 1,997	\$ 1,989	\$ 1,983	\$ 1,985	\$ -	\$ -	\$ -	\$ -
Unrestricted Investment Earnings	6,430	14,063	12,415	7,234	5,539	7,525	6,684	5,332	6,857	7,177
Net Securities Lending Income	12	14	10	7	5	11	-	38	30	25
Net Increase (Decrease) in Fair Value of Investments	(6,544)	5,856	16,446	(8,700)	(3,418)	739	52	202	(7,495)	426
Miscellaneous	627	205	1,856	23,655	(337)	1,094	19	2,058	-	(1)
Transfers	(41,073)	(57,371)	(56,756)	(36,971)	(34,766)	(35,459)	(33,075)	(31,021)	(29,104)	(29,246)
Total Business-type Activities	\$ (38,540)	\$ (35,229)	\$ (24,032)	\$ (12,786)	\$ (30,994)	\$ (24,105)	\$ (26,320)	\$ (23,391)	\$ (29,712)	\$ (21,619)
Total Primary Government	\$ 125,026	\$ 139,741	\$ 151,057	\$ 137,068	\$ 173,020	\$ 127,410	\$ 107,527	\$ 110,580	\$ 87,011	\$ 101,695
Change in Net Position										
Governmental Activities	\$ (38,117)	\$ (43,588)	\$ (22,312)	\$ (29,213)	\$ 24,675	\$ (11,935)	\$ (31,902)	\$ (43,503)	\$ (22,522)	\$ 123,314
Business Activities	(22,880)	(24,954)	24,042	30,003	33,005	23,124	40,233	20,085	11,916	39,723
Total Primary Government	\$ (60,997)	\$ (68,542)	\$ 1,730	\$ 790	\$ 57,680	\$ 11,189	\$ 8,331	\$ (23,418)	\$ (10,606)	\$ 163,037

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CITY OF TALLAHASSEE, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable	\$ 1,241	\$ 1,154	\$ 1,500	\$ 1,186	\$ 1,147	\$ 1,513	\$ 809	\$ 819	\$ 700	\$ 709
Spendable:										
Committed	21,011	16,846	-	23,306	26,492	25,251	25,420	21,414	20,552	21,746
Assigned	2,012	2,578	-	3,076	5,192	2,479	2,479	2,545	1,741	1,777
Unassigned	2,565	2,481	1,541	804	2,952	6,544	1,041	2,472	1,575	160
Total General Fund	<u>\$ 26,829</u>	<u>\$ 23,059</u>	<u>\$ 3,041</u>	<u>\$ 28,372</u>	<u>\$ 35,783</u>	<u>\$ 35,787</u>	<u>\$ 29,749</u>	<u>\$ 27,250</u>	<u>\$ 24,568</u>	<u>\$ 24,392</u>
All Other Governmental Funds										
Unreserved, reported in:										
Non-Spendable	205	-	594	-	620	584	580	626	1,226	1,696
Spendable:										
Restricted	54,465	44,290	59,785	58,904	39,487	39,331	44,722	56,705	29,526	64,690
Committed	27,826	16,033	21,256	25,322	23,160	24,227	23,715	25,673	26,627	25,612
Assigned	-	-	-	1,990	57	161	-	-	2,136	2,586
Unassigned	(1,172)	(613)	-	283	1,060	(91)	(148)	(605)	(1,073)	(1,881)
Total all Other Governmental Funds	<u>\$ 81,324</u>	<u>\$ 59,710</u>	<u>\$ 81,635</u>	<u>\$ 86,499</u>	<u>\$ 64,384</u>	<u>\$ 64,212</u>	<u>\$ 68,869</u>	<u>\$ 82,399</u>	<u>\$ 58,442</u>	<u>\$ 92,703</u>

Note: In accordance with requirements of GASB Statement 54, which was effective for periods beginning after June 15, 2010, fund balances are classified based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The GASB was implemented in fiscal 2011. Retroactive restatement was not possible due to personnel constraints.

CITY OF TALLAHASSEE, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Taxes	\$ 74,602	\$ 71,582	\$ 68,419	\$ 65,174	\$ 62,243	\$ 61,858	\$ 56,675	\$ 54,962	\$ 54,357	\$ 56,006
Licenses and Permits	5,819	4,455	5,574	5,576	6,978	7,168	6,176	6,047	5,745	5,967
Intergovernmental Revenues	59,133	52,907	40,116	42,405	49,151	42,605	33,231	39,032	34,350	43,105
Charges for Services	10,745	9,620	10,044	9,151	8,830	9,385	9,043	8,789	9,184	8,866
Fines and Forfeitures	879	998	726	826	970	1,119	1,550	1,713	2,478	2,647
Net Investment Earnings	1,956	2,736	3,174	2,602	2,169	2,841	2,847	1,550	3,748	3,065
Securities Lending Income	3	6	8	4	6	11	-	10	49	51
Net Inc (Dec) in the Fair Value of Investments	(584)	422	1,163	(822)	(429)	145	12	126	(1,491)	30
Miscellaneous Revenues	10,881	16,881	13,770	13,209	14,889	16,070	15,631	12,765	13,013	15,371
Total Revenues	\$ 163,434	\$ 159,607	\$ 142,994	\$ 138,125	\$ 144,807	\$ 141,202	\$ 125,165	\$ 124,994	\$ 121,433	\$ 135,108
Expenditures:										
General Government	\$ 40,905	\$ 33,918	\$ 44,974	\$ 28,938	\$ 28,611	\$ 28,589	\$ 30,497	\$ 28,660	\$ 26,007	\$ 26,915
Public Safety	74,633	74,553	70,743	69,665	66,808	64,603	58,615	57,281	55,861	54,138
Transportation	27,996	43,221	35,952	38,194	31,212	32,026	33,231	34,270	51,224	39,910
Human Services	9,690	8,507	4,718	4,954	4,487	3,415	2,955	2,375	3,284	2,977
Economic Environment	15,641	10,903	7,296	8,837	7,178	8,093	7,636	8,621	9,194	11,994
Physical Environment	6,852	6,712	21,843	5,670	9,681	9,515	3,390	2,406	2,890	3,200
Cultural and Recreation	20,479	20,405	25,527	23,948	23,306	23,770	21,986	22,486	21,242	20,452
Securities Lending Expense:										
Interest	-	1	6	1	2	2	-	5	33	40
Agent Fees	-	-	-	-	-	1	-	1	3	2
Debt Service:										
Principal Retired	9,266	8,873	8,189	7,325	8,119	7,530	6,620	6,050	5,320	10,675
Interest and Fiscal Charges	4,339	4,624	5,315	3,948	4,226	4,502	5,324	3,105	2,956	5,010
Bond Issuance Costs	84	-	-	210	5	-	-	263	236	-
Advance Refunding Escrow	-	-	-	-	-	-	-	-	10,340	-
Total Expenditures	\$ 209,885	\$ 211,717	\$ 224,563	\$ 191,690	\$ 183,635	\$ 182,046	\$ 170,254	\$ 165,523	\$ 188,590	\$ 175,313
Excess of Revenues Over (Under) Expenditures	(46,451)	(52,110)	(81,569)	(53,565)	(38,828)	(40,844)	(45,089)	(40,529)	(67,157)	(40,205)
Other Financing Sources (Uses):										
Transfers In	71,147	\$ 86,390	\$ 73,682	\$ 62,845	\$ 60,433	\$ 59,942	\$ 55,167	\$ 52,970	\$ 53,159	\$ 54,769
Transfers Out	(29,959)	(28,874)	(27,674)	(26,383)	(24,283)	(24,823)	(21,426)	(20,283)	(23,143)	(23,807)
Sale of Capital Assets	3,641	187	4,630	838	2,846	5,370	317	579	3,055	-
Proceeds from Loans from Other Funds	11,260	-	-	-	-	1,736	-	-	-	-
Refunding Bond Issue	-	-	-	30,969	-	-	-	33,902	58,164	-
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	(58,164)	-
Total Other Financing Sources (Uses)	\$ 56,089	\$ 57,703	\$ 50,638	\$ 68,269	\$ 38,996	\$ 42,225	\$ 34,058	\$ 67,168	\$ 33,071	\$ 30,962
Net Change in Fund Balances	\$ 9,638	\$ 5,593	\$ (30,931)	\$ 14,704	\$ 168	\$ 1,381	\$ (11,031)	\$ 26,639	\$ (34,086)	\$ (9,243)
Debt Services as a Percentage of Noncapital Expenditures	6.78 %	6.73 %	5.62 %	6.60 %	10.05 %	7.22 %	7.12 %	6.59 %	5.17 %	10.47 %

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CITY OF TALLAHASSEE, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Real Property	Personal Property	Centrally Assessed Property	Less: Tax-Exempt Property	Total Taxable Assessed Value ⁽¹⁾	Total Direct Tax Rate	Estimated Actual Taxable Value ⁽²⁾	Taxable Assessed Value as a Percentage of Actual Taxable Value ⁽³⁾
2012	\$ 15,333,433	\$ 1,756,386	\$ 5,253	\$ 7,834,968	\$ 9,260,104	3.70 %	\$ 20,111,850	46.04 %
2013	14,506,724	1,650,817	5,617	7,364,930	8,798,228	3.70	19,015,479	46.27
2014	14,499,790	1,654,905	5,923	7,342,511	8,818,107	3.70	19,012,492	46.38
2015	15,242,081	1,696,448	6,113	7,718,416	9,226,226	3.70	19,934,875	46.28
2016	15,744,126	1,701,380	6,175	7,857,175	9,594,506	4.20	20,531,389	46.73
2017	16,904,533	1,637,177	6,532	8,074,382	10,473,860	4.10	21,821,461	48.00
2018	16,898,065	1,635,772	6,447	8,077,231	10,463,053	4.10	21,812,098	47.97
2019	18,947,903	1,732,595	6,539	8,741,897	11,945,140	4.10	24,337,690	49.08
2020	20,053,175	1,731,585	2,647	9,059,939	12,727,468	4.10	21,787,407	58.42
2021	20,954,844	1,748,069	2,706	9,442,398	13,263,221	4.10	26,712,493	49.65

Source: Leon County Property Appraiser

Note: Assessed values are determined as of January 1 for each fiscal year.

⁽¹⁾ Total assessed values less exemptions

⁽²⁾ Estimated actual value is based on the assumption that the assessed values is 85% of the actual value.

⁽³⁾ Calculated Figure

See Independent Auditors' Report

**CITY OF TALLAHASSEE, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years
(Rate per 1,000 of assessed value)**

Fiscal Year	Direct	Overlapping			Total	
	City of Tallahassee	Leon County School Board	Leon County	N.W . Fla Water Management		
	Operating	Operating	Debt Service	Operating	Operating	
2012	3.70	7.78	-	8.31	0.04	19.83
2013	3.70	7.71	-	8.31	0.04	19.76
2014	3.70	7.35	-	8.31	0.04	19.40
2015	3.70	7.38	-	8.81	0.04	19.93
2016	4.20	7.20	-	8.31	0.04	19.75
2017	4.10	6.85	-	8.31	0.04	19.30
2018	4.10	6.34	-	8.31	0.04	18.79
2019	4.10	6.17	-	8.31	0.04	18.62
2020	4.10	6.17	-	8.31	0.04	18.62
2021	4.10	6.25	-	8.31	0.03	18.69

Source: Leon County Tax Collector

**CITY OF TALLAHASSEE, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(in thousands)**

Tax payer	Type of Business	2021			2012		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Smith Interest General Partnership	Retail	\$ 155,714	1	24.26 %	\$ 123,896	1	17.89 %
Capital Regional Medical Center	Medical	77,745	2	12.11 %	N//		- %
The Standard At Tallahassee, LLC.	Real Estate	68,703	3	10.70 %	N//		- %
District Joint Venture, LLC	Real Estate	63,871	4	9.95 %	59,944	5	8.66 %
Wal-Mart Stores	Retail	48,073	5	7.49 %	52,455	7	7.57 %
Koger Center (CSMC)	Real Estate	47,191	6	7.35 %	N//		- %
Woodlands of Tallahassee, LLC	Real Estate	46,917	7	7.32 %	N//		- %
LJC Wescott, LLC.	Real Estate	46,156	8	7.19 %	N//		- %
Embarq Florida Inc./Centurylink	Communications	44,283	9	6.90 %	119,969	2	17.32 %
Comcase CableVision, Inc.	Communications	43,176	10	6.73 %	39,172	10	5.66 %
Tallahassee Medical Center, LLC	Medical	N//		- %	65,333	4	9.43 %
Talquin Electric Corporation, Inc.	Utilities	N//		- %	64,676	6	9.34 %
St. Joe Company	Real Estate	N//		- %	45,737	8	6.60 %
Florida Gas Transmission	Utilities	N//		- %	83,849	3	21.11 %
Capital City Bank	Financial Services	N//		- %	37,513	9	5.42 %
Total		\$ 641,829		100.00 %	\$ 692,544		109.00 %

Source: Leon County Tax Collector

CITY OF TALLAHASSEE, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(in thousands)

Fiscal Year Ended September 30,	Total Tax Levy 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
2012	\$ 34,707	\$ 33,055	95.2 %	\$ 71	\$ 33,126	95.7 %
2013	32,648	31,458	96.4	55	31,513	96.5
2014	32,673	31,471	96.3	53	31,524	95.7
2015	34,392	32,891	95.6	47	32,938	95.8
2016	40,352	38,837	96.2	-	38,837	96.2
2017	40,857	39,628	97.0	71	39,699	97.2
2018	42,970	41,410	96.4	72	41,482	96.5
2019	45,858	44,123	96.2	29	44,152	96.3
2020	49,015	47,197	96.3	13	47,210	96.3
2021	52,138	50,042	96.0	27	50,069	96.0

CITY OF TALLAHASSEE, FLORIDA
ASSESSED VALUATIONS, MILLAGE AND TAXES
LEVIED AND COLLECTED
Last Ten Fiscal Years
(in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Valuations	\$22,705,619	\$21,787,407	\$20,687,037	\$18,540,284	\$18,548,241	\$17,451,681	\$16,944,644	\$16,160,618	\$16,163,157	\$17,095,072
Exemptions										
Agricultural Adjustment	\$ 79,918	\$ 64,748	\$ 44,422	\$ 46,859	\$ 46,859	\$ 49,272	\$ 42,463	\$ 37,998	\$ 38,173	\$ 38,367
Government Exemption	5,557,954	5,498,771	5,291,477	5,042,044	5,040,624	4,963,425	4,839,361	4,641,924	4,620,454	4,782,072
Institutional Exemption	848,798	776,875	740,842	629,419	631,059	616,233	667,825	658,118	643,767	667,240
Individual/Homestead Exemptions	1,455,966	1,421,990	1,394,483	1,347,750	1,347,729	1,322,310	1,319,847	1,329,354	1,354,810	1,382,463
Other Exemptions & Adjustments	1,499,762	1,297,554	1,270,673	1,011,159	1,008,110	905,934	848,920	675,118	707,727	964,826
Total Exemption and Adjustments	\$ 9,442,398	\$ 9,059,938	\$ 8,741,897	\$ 8,077,231	\$ 8,074,381	\$ 7,857,174	\$ 7,718,416	\$ 7,342,512	\$ 7,364,931	\$ 7,834,968
Taxable Valuation	\$13,263,221	\$12,727,469	\$11,945,140	\$10,463,053	\$10,473,860	\$ 9,594,507	\$ 9,226,228	\$ 8,818,106	\$ 8,798,226	\$ 9,260,104
Millage Levied										
Total Taxes Levied	\$ 52,138	\$ 49,015	\$ 48,975	\$ 42,914	\$ 40,857	\$ 40,352	\$ 34,392	\$ 32,673	\$ 32,648	\$ 34,707
Less: Adjustments & Discount	(1,882)	1,753	1,644	1,545	1,457	1,433	1,214	1,145	1,129	1,167
Net Taxes Levied	\$ 54,020	\$ 47,262	\$ 47,331	\$ 41,369	\$ 39,400	\$ 38,919	\$ 33,178	\$ 31,528	\$ 31,519	\$ 33,540
Net Collected ⁽¹⁾⁽²⁾	\$ 50,042	\$ 47,197	\$ 44,123	\$ 41,410	\$ 39,431	\$ 38,908	\$ 32,891	\$ 31,511	\$ 31,507	\$ 33,055

Source: Leon County Property Appraiser

⁽¹⁾ Florida Statutes provide for a discount of up to four percent for early payment of ad valorem taxes. All unpaid taxes become delinquent on April 1 and are sold at auction on June 1 of each year as tax certificates. The City, after all tax certificates are sold, has fully collected all ad valorem tax revenues.

⁽²⁾ Net collected includes penalties or late payments.

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

(in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
General Revenue Bonds	\$ 78,585	\$ 87,595	\$ 96,215	\$ 104,155	\$ 83,915	\$ 91,825	\$ 99,355	\$ 105,975	\$ 71,800	\$ 90,475
Unamortized Premiums/Discounts	10,230	11,610	12,928	14,143	11,317	12,343	13,107	13,753	8,745	-
Bank of America Loan Payable	525	780	1,033	1,282	1,527	1,736	-	-	-	-
Public Improvement Revenue Note	7,310	-	-	-	-	-	-	-	-	-
Redevelopment Revenue Note	3,950	-	-	-	-	-	-	-	-	-
Total Governmental Activities	\$ 100,600	\$ 99,985	\$ 110,176	\$ 119,580	\$ 96,759	\$ 105,904	\$ 112,462	\$ 119,728	\$ 80,545	\$ 90,475
Business-Type Activities:										
Energy System	\$ 498,025	\$ 515,690	\$ 564,335	\$ 582,427	\$ 494,988	\$ 539,447	\$ 557,345	\$ 581,028	\$ 594,510	\$ 607,356
Airport Refunding	-	-	-	-	-	-	-	-	-	925
Consolidated Utility System	308,585	318,295	330,350	339,185	330,495	338,180	345,455	323,440	329,970	336,235
Transportation Improvement Bond	6,356	7,185	7,995	-	-	-	-	-	-	-
Unamortized Premiums/Discounts	92,059	96,783	86,236	89,164	52,974	29,857	31,187	14,877	15,492	16,106
AMI Loan Payable	9,335	12,211	14,977	17,639	20,634	23,514	26,282	28,941	33,332	35,706
Bank of America Loan Payable	254	378	500	621	739	840	-	-	-	-
Republic Parking Loan	-	-	331	367	401	-	-	-	-	-
Total Business-Type Activities	\$ 914,619	\$ 950,542	\$ 1,004,724	\$ 1,029,403	\$ 900,231	\$ 931,838	\$ 960,269	\$ 948,286	\$ 973,304	\$ 996,328
Total Primary Government	\$ 1,015,219	\$ 1,050,527	\$ 1,114,900	\$ 1,148,983	\$ 996,990	\$ 1,037,742	\$ 1,072,731	\$ 1,068,014	\$ 1,053,849	\$ 1,086,803
Per Capita	\$ 5,118	\$ 5,289	\$ 5,697	\$ 5,258	\$ 5,249	\$ 5,471	\$ 5,595	\$ 5,604	\$ 5,830	\$ 6,043

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
for the fiscal year ended September 30, 2021
Last Ten Fiscal Years
(in thousands)

Fiscal Year ended Sept. 30	General Revenue Bonds	Percentage of Actual Taxable Value of Property ⁽¹⁾	Per Capita ⁽²⁾
2012	\$ 90,475	0.45 %	\$ 493
2013	80,545	0.42	438
2014	119,728	0.63	651
2015	112,462	0.56	598
2016	104,168	0.51	549
2017	95,232	0.44	502
2018	118,298	0.54	615
2019	109,143	0.45	558
2020	99,205	0.46	499
2021	78,585	0.29	396

Source: City of Tallahassee, Accounting Services

⁽¹⁾ See Assessed Value and Estimated Actual Trend Value of Taxable Property Schedule for Property Value Data.

⁽²⁾ See Demographic and Economic Statistics for Population Data.

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2021
(in thousands)

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable⁽¹⁾</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Leon County School Board ⁽²⁾	\$ 142,536	68	\$ 96,924
Debt repaid with non self-supporting revenue debt:			
Leon County ⁽³⁾	39,359	68	<u>26,764</u>
Subtotal, Overlapping Debt			123,688
City Direct Debt	78,585	68	<u>53,438</u>
Total Direct and Overlapping Debt			<u><u>\$ 177,126</u></u>

⁽¹⁾ City's share calculated based on 2012 County Taxable Value of \$13,387,231,768 and City's Taxable Value of \$8,808,227,231 which results in 66 percent overlapping

⁽²⁾ Leon County School Board

⁽³⁾ Leon County

See Independent Auditors' Report

**CITY OF TALLAHASSEE, FLORIDA
LEGAL DEBT MARGIN
SEPTEMBER 30, 2021
(in thousands)**

The City has no legal debt margin requirements set forth by either State Statute or City Ordinance.

CITY OF TALLAHASSEE, FLORIDA
REVENUE BOND COVERAGE
ENERGY SYSTEM REVENUE BONDS
Last Ten Fiscal Years
(in thousands)

Fiscal Year Ending	Gross Revenue ⁽¹⁾	Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirements ⁽³⁾			Coverage
				Principal	Interest	Total	
2012	\$ 316,839	\$ 236,621	\$ 80,218	\$ 12,224	\$ 31,307	\$ 43,531	1.84
2013	286,876	202,640	84,236	12,846	30,687	43,533	1.93
2014	310,314	211,408	98,906	13,482	30,048	43,530	2.27
2015	314,807	217,485	97,322	11,058	26,703	37,761	2.58
2016	298,689	202,714	95,975	17,898	28,794	46,692	2.06
2017	326,028	170,978	155,050	191,754	25,734	217,488	0.71
2018	314,604	198,297	116,307	17,536	29,854	47,390	2.45
2019	318,751	202,032	116,719	18,092	29,795	47,887	2.44
2020	304,599	203,585	101,014	128,840	29,486	158,326	0.64
2021	301,294	192,562	108,732	17,665	27,582	45,247	2.40

⁽¹⁾ Total operating revenues plus operating interest earned.

⁽²⁾ Total operating expenses exclusive of depreciation.

⁽³⁾ Includes principal and interest of revenue bonds only.

**CITY OF TALLAHASSEE, FLORIDA
REVENUE BOND COVERAGE
CONSOLIDATED UTILITY SYSTEM REVENUE BONDS
Last Ten Fiscal Years
(in thousands)**

Fiscal Year Ending	Gross Revenues ⁽¹⁾	Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirements ⁽³⁾			Coverage
				Principal	Interest	Total	
2012	\$ 101,822	\$ 53,868	\$ 47,954	\$ 6,010	\$ 16,939	\$ 22,949	2.09
2013	92,737	51,176	41,561	6,265	16,684	22,949	1.81
2014	99,063	51,802	47,261	6,695	15,747	22,442	2.11
2015	101,087	52,429	48,658	6,695	15,747	22,442	2.17
2016	103,063	54,501	48,562	7,275	17,251	24,526	1.98
2017	106,599	59,553	47,046	7,685	16,878	24,563	1.92
2018	112,656	59,843	52,813	151,755	15,008	166,763	0.32
2019	120,573	59,337	61,236	8,835	17,103	25,938	2.36
2020	125,598	66,943	58,655	26,930	16,915	43,845	1.34
2021	127,617	71,207	56,410	9,710	16,211	25,921	2.18

⁽¹⁾ Total operating revenues of the Sewer, Water, and Stormwater Utilities Funds plus operating interest earned.

⁽²⁾ Total operating expenses of water and sewer funds exclusive of depreciation.

⁽³⁾ Includes principal and interest of revenue bonds only.

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
DEMOGRAPHIC STATISTICS
Last Ten Fiscal Years

Year	Estimated ⁽¹⁾ Population	Airline Passengers	Electric KWH Sold (000's)	Water Consumed (Gals) (Millions)	Gas Used (Cu. Ft.) (Millions)	Housing Units	Leon County School (2) Enrollment
2012	183,643	684,990	2,698,016	9,434	2,505	85,066	34,157
2013	183,727	697,633	2,638,092	8,492	2,714	85,475	34,738
2014	183,784	708,433	2,763,936	8,801	2,931	86,242	34,955
2015	187,996	690,533	2,677,292	8,540	2,930	86,735	34,797
2016	189,675	699,035	2,623,259	8,705	2,719	89,252	33,300
2017	189,625	717,559	2,693,286	9,145	2,705	89,798	33,993
2018	192,381	796,214	2,798,286	8,578	2,971	91,703	34,012
2019	195,713	851,689	2,857,242	8,643	3,031	92,349	34,085
2020	198,627	513,719	2,787,057	10,070	2,821	93,295	34,000
2021	198,371	539,609	2,784,362	9,534	3,006	96,521	32,000

Year	City Personal Income (3) (Thousands)	Per Capita Personal Income (3)	Number of Labor Force (4)	Number of Employed (4)	Numbered of Unemployed (4)	Unemployment Rate (Percent) (4)
2012	N/A	\$ N/A	96,530	89,636	6,894	8.2 %
2013	N/A	N/A	97,523	91,785	5,738	5.9
2014	N/A	N/A	101,034	95,302	5,732	5.7
2015	N/A	N/A	99,331	94,321	5,010	5.0
2016	N/A	N/A	99,879	94,852	5,027	5.0
2017	N/A	N/A	101,300	95,674	5,626	4.0
2018	N/A	N/A	101,793	98,162	3,631	3.6
2019	N/A	N/A	102,904	99,510	3,394	3.3
2020	N/A	N/A	90,583	86,053	4,530	4.7
2021	N/A	N/A	99,280	95,606	3,673	3.8

Source: City records, except as noted.

⁽¹⁾U.S. Census 2000; all other numbers are estimated by the Bureau of Economic and Business Research, University of Florida

⁽²⁾Leon County School Board

⁽³⁾Bureau of Economic Analysis, U.S. Department of Commerce.

⁽⁴⁾Florida Department of Economic Opportunity

N/A - Not Available

See Independent Auditors' Report

**CITY OF TALLAHASSEE, FLORIDA
PRINCIPAL EMPLOYERS
Current and Nine Years Ago**

Employer	Type of Business	2021 ⁽¹⁾			2012 ⁽²⁾		
		Number of Employees	Rank	% age of Total	Number of Employees	Rank	% age of Total
State of Florida	Government	26,0	1	40.0 %	20,9	1	39.3 %
Florida State University	Education	15,0	2	23.2	13,5	2	25.3
Tallahassee Memorial Hospital	Education	5,3	3	8.3	3,0	4	5.8
Leon County School Board	Healthcare	4,3	4	6.6	4,3	3	8.1
City of Tallahassee	Government	2,8	5	4.4	2,8	5	5.3
Walmart Stores, Inc.	Retail	2,6	6	4.1	2,0	6	3.8
Publix Super Markets	Retail	2,5	7	3.9			-
Florida A&M University	Education	1,7	8	2.7	1,9	7	3.6
Leon County	Government	1,7	9	2.7	1,7	9	3.3
Tallahassee Community College ⁽³⁾	Education	1,4	10	2.4	1,8	8	3.4
Capital Regional Medical Center	Healthcare	1,0	11	1.7	1,1	10	2.1
Total		<u>64,819</u>		<u>100.0 %</u>	<u>53,3</u>		<u>100.0 %</u>

Note: In previous years, data was presented for Leon County rather than City of Tallahassee.

⁽¹⁾ Data from employers or Website

⁽²⁾ Data from Leon County CAFR 2008.

⁽³⁾ Formerly known as the "Tallahassee Community Hospital".

CITY OF TALLAHASSEE, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
City Commission & Appointed Officials	123	114	110	111	124	134	134	133	130	130
Administration & Professional Services	72	72	70	67	62	184	183	181	179	182
Aviation	54	54	54	55	55	55	53	53	53	53
Communications	9	9	9	9	8	14	14	13	13	12
Customer Services	130	126	130	17	17	1	1	1	1	1
Human Resources & Workforce Development	28	35	35	35	35	-	-	-	-	-
Technology and Innovations	98	96	99	99	100	-	-	-	-	-
Real Estate Management	7	8	8	7	11	-	-	-	-	-
Housing and Community Resilience	17	17	16	18	20	36	36	37	37	37
Economic Vitality/Minority & Women Business Enterprise	-	-	8	-	-	-	-	-	-	-
Energy Services - Electric & Gas	330	330	325	328	336	303	302	298	298	298
Emergency Preparedness & Facilities Security	1	3	4	4	5	1	1	1	1	1
Energy Services						N/A	N/A	30	29	29
Environmental Services & Facilities Management	23	23	22	22	12	14	14	14	13	13
Ethics	2	2	2	2	-	1	N/A	N/A	N/A	N/A
Fire	301	300	299	299	297	296	280	280	280	280
Fleet	82	81	82	82	82	80	61	59	58	57
TEMPO	9	3	-	-	-	-	-	-	-	-
Growth Management	71	71	77	77	80	63	63	63	62	61
Community Relations	9	9	10	-	-	-	-	-	-	-
Parks & Recreation & Neighborhood Affairs	177	180	178	177	173	173	171	171	170	172
Planning/PLACE	24	25	25	25	27	26	26	26	26	27
Police	482	483	483	483	466	466	433	427	427	483
Public Works						286	285	286	283	278
Community Beautification & Waste Management	147	146	151	151	148	83	84	87	88	88
Sustainability & Community Preparedness	15	15	-	-	-	-	-	-	-	-
StarMetro	140	140	139	140	141	148	170	170	170	170
Utility Services	-	-	-	129	135	148	145	120	120	112
Underground Utilities & Public Infrastructure	505	513	516	514	531	362	361	361	362	362
Total	2,856	2,855	2,852	2,851	2,865	2,874	2,817	2,811	2,800	2,846

Source: City of Tallahassee Budget

Note: The City was reorganized in FY 2009, combining some departments and creating new departments. Deleted departments are shown with "0" FTE employees.

"N / A" = not applicable

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
OPERATING INDICATORS BY FUNCTION / PROGRAM
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2017</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2011</u>
Police										
Arrests	3,459	3,145	5,828	6,267	7,044	5,998	5,933	6,053	5,360	5,362
Traffic violations	5,352	5,663	10,990	9,710	15,459	14,716	13,652	13,039	30,166	\$ 31,508
Parking violations	13,924	11,144	10,470	13,804	14,891	18,886	15,948	17,872	17,146	16,104
Fire										
Emergency responses	30,957	27,687	19,789	28,015	27,379	27,849	24,704	22,075	22,820	22,920
Fires reported	906	926	1,041	1,033	989	1,225	1,047	1,153	1,206	1,379
Gas										
Daily average consumption (MCF)	8,236	7,582	8,090	7,988	7,411	7,450	8,030	8,030	6,800	6,959
Number of service connections	34,342	33,378	32,528	31,471	30,638	30,355	29,659	29,275	28,576	28,018
Water										
Daily average consumption (MGD)	26	28	27	25	26	26	26	26	26	26
Number of service connections	87,891	87,007	86,299	86,528	84,783	75,334	83,554	83,384	83,095	82,606
Electric										
Net System Energy Generated (K W H) (Millions)	2,784	2,787	2,857	2,798	2,693	2,630	2,773	2,763	2,638	2,248
Average number residential customers	92,342	91,805	91,125	89,798	89,070	99,793	88,112	87,674	87,862	86,921
Average residential monthly bill	119	117	117	119	108	113	123	121	113	118
Sewage										
Daily average treatment (MDG)	16	16	19	16	17	17	16	16	18	16
Number of service connections	75,741	74,892	74,146	74,322	72,614	72,070	71,556	71,440	71,172	70,660
Transit										
Total revenue miles	1,870,628	1,932,618	2,267,715	2,141,697	2,133,772	2,254,316	2,246,364	2,591,582	2,140,779	2,089,369
Passengers trips	1,095,127	2,014,966	3,448,266	3,289,053	3,302,667	3,759,543	4,260,333	4,241,111	4,585,634	4,759,287
Solid Waste										
Number of customers	65,017	57,389	64,117	61,547	52,528	63,455	63,455	63,284	63,190	62,859
Refuse collected (in tons)	156,743	151,366	153,907	149,560	149,560	139,778	144,488	119,659	117,392	137,346
Recyclables collected (in tons)	12,577	12,337	12,491	13,297	13,297	24,474	24,474	33,752	96,405	1
Airport										
Number of passengers	539,609	513,719	851,689	796,214	717,559	699,035	690,533	708,433	697,633	\$ 684,990

Source: Various city departments

N / A - Not Available

CITY OF TALLAHASSEE, FLORIDA
CAPITAL ASSETS STATISTICS BY FUNCTION / PROGRAM
Last Ten Fiscal Years

Function / Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicular units										
Marked vehicles	306	356	326	309	300	306	289	284	284	266
Motorcycles	9	9	9	9	9	9	9	9	9	9
Unmarked vehicles	164	167	144	150	152	153	137	143	137	133
Bicycle patrol units	25	25	25	25	16	16	16	15	15	7
Fire stations	16	16	16	16	16	16	16	15	15	15
Gas										
Gas lines (in miles)	963	950	930	923	910	905	885	881	878	868
Plant Capacity (MCF)	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Water										
Water mains (in miles)	1,211	1,211	1,211	1,211	1,202	1,201	1,212	1,206	1,203	1,193
Deep Wells	27	27	27	27	27	27	27	27	27	27
Plant Capacity (MGD)	79	79	76	76	76	76	74	76	74	74
Electric										
Generating plants	4	3	3	3	3	3	3	3	3	3
Generating capacity (MW)	799	702	702	711	711	746	746	746	794	805
Transmission lines (in miles)	219	219	219	214	214	214	204	204	204	194
Number of street lights	19,660	19,302	19,302	18,825	18,825	18,710	18,589	18,188	18,125	18,040
Distribution lines (in miles)	2,044	2,023	2,023	1,995	1,995	1,942	2,937	2,937	2,927	2,870
Sewage										
Number of lift stations	110	110	110	110	107	107	109	111	109	111
Sanitary sewers (in miles)	1,064	1,064	1,059	1,050	1,039	1,039	1,049	1,046	1,042	1,034
Number of disposal plants	1	1	1	1	1	1	1	1	2	2
Capacity of treatment plans (MGD)	27	27	27	27	27	27	27	27	31	31
Transit										
Bus Plaza	1	1	1	1	1	1	1	1	1	1
Buses	55	55	55	58	65	65	58	58	58	56
Refuse Collection										
Collection trucks	83	82	73	73	73	69	69	67	65	63
Parks and recreation										
Community centers and specialty center	12	12	12	11	11	11	11	11	11	11
Summer playgrounds and camps	46	46	46	43	43	43	43	43	43	43
Athletic fields	86	86	86	86	86	86	86	86	86	86
Golf courses	2	2	2	2	2	2	2	2	2	2
Swimming pools	11	11	11	11	11	11	11	11	11	11
Park acreage	3,881	3,881	3,881	3,881	3,881	3,529	3,529	3,529	3,529	3,881
Fitness trails	30	30	30	30	30	30	30	30	30	30
Tennis/racquetball courts	67	67	67	67	67	67	67	67	67	67
Gymnasiums, center sites	9	9	9	7	7	7	7	7	7	7
Gymnasiums, school sites	5	5	5	5	5	4	4	4	4	4
Airport	1	1	1	1	1	1	1	1	1	1
Other public works										
Traffic signals ⁽¹⁾	85	85	85	73	73	73	73	73	71	71

Source: Various city departments

⁽¹⁾ The department did not have asset tracking database prior to FY 04. Only City owned signals are counted.

CITY OF TALLAHASSEE, FLORIDA

Miscellaneous Statistical Data

September 30, 2021

<p>Governance</p> <p>Date of Incorporation 1825</p> <p>Date Present Charter Adopted 1996</p> <p>Form of Government: Commission-Manager</p> <p>Commission Composed of: Mayor and Four Commissioners</p> <p>Terms of Office:</p> <p>Mayor - Four Years (Elected by Tallahassee Citizens)</p> <p>Commissioners - Four Years (Elected by Tallahassee Citizens)</p> <p>Manager (Appointed by Commission)</p> <p>Transportation:</p> <p>Airlines, Bus Lines, and Railroad Freight and Passenger</p> <p>Communications:</p> <p>Newspapers, Radio Stations, Television Stations; Cable Television and Telephone Service</p> <p>Climate</p> <p>Average Annual Temperature - in °F 67.7</p> <p>Average Annual Rainfall - in inches 63.2</p> <p>Area - in square miles 103.29</p>	<p>Education:</p> <p>Number of Public Schools ⁽¹⁾ 50</p> <p>Number of Public School Instructors ⁽¹⁾ 2,400</p> <p>Number of Public School Students, (PK-12) ⁽¹⁾ 32,000</p> <p>Number of Vocational-Technical Schools ⁽¹⁾ 1</p> <p>Number of Community Colleges 1</p> <p>Number of Universities 2</p> <p>Number of College-level Instructors ⁽⁴⁾ 5,796</p> <p>Number of College-level Students ⁽²⁾ 72,263</p> <p>Major Annual Events:</p> <p>Springtime Tallahassee Festival</p> <p>Fourth of July "Celebrate America"</p> <p>North Florida Fair</p> <p>Market Days</p> <p>Winter Festival</p> <p>Culture, Recreation, and Health:</p> <p>Conference Center, Civic Center, and Theaters</p> <p>Seating Capacity (Leon County Civic Center and Museums) 13,375</p> <p>Libraries (including branches) 12</p> <p>Skating Rinks 2</p> <p>Golf Courses 9</p> <p>Hospital Beds ⁽³⁾ 1,038</p>
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Source: City of Tallahassee Records except as noted below:

⁽¹⁾ Leon County /School Board

⁽²⁾ Tallahassee Community College; Florida State University; Florida A & M University

⁽³⁾ Tallahassee Memorial Healthcare and Capital Regional Medical Center

⁽⁴⁾ Full Time Faculty at Tallahassee Community College, Florida State University, and Florida A&M University

CITY OF TALLAHASSEE, FLORIDA
Schedule of Insurance
September 30, 2021

Line of Coverage	Carrier	Limits/Coverage	Deductible/Retention	Effective	Expiration	Premium		Policy #
Terrorism	Lloyds of London	Primary Property Damage: Annual Aggregate - \$250,000,000 Liability: Each Claim - \$1,000,000 Annual Aggregate - \$2,000,000 Biological, Chemical or Nuclear: Annual Aggregate - \$1,000,000 Excess Property Damage: Annual Aggregate - \$100,000,000 excess of \$250,000,000	Property Damage - \$100,000 Liability - \$100,000 \$100,000; 72 hour waiting period Per Primary	5/1/2021	5/1/2022	Total Premium Paid	75,310	UTS258316.20
							26,683	W18584210601
							101,993	
Property	Factory Mutual Insurance Company-UTILITY ONLY	Policy Limit - \$1,000,000,000 Total Insurable Value - \$1,192,238,861 (as of binding) Automatic Coverage - 90 days, but not to exceed \$100,000,000 Computer Systems Non Physical Damage and Data, Programs or Software combined - \$1,000,000, Aggregate Earth Movement - \$250,000,000, Aggregate Errors and Omissions - \$100,000,000 Expediting Costs - \$50,000,000 Extra Expense - \$50,000,000 Flood - \$250,000,000 Service Interruption - Property Damage & Time Element - \$25,000,000 Sublimits are noted in the proposal & policies	\$100,000 - per Occurrence \$100,000 - Wastewater Treatment Plant \$500,000 - Power Generation Plants \$250,000 - Transformers not at Power Generation locations \$750,000 - Steam Turbine Generators \$1,500,000 - Gas Turbine Generators \$500,000 - Flood for property at locations identified in policy Named Storm Deductible per schedule Refer to policy for full explanation of deductibles	5/1/2021	5/1/2022	Premium	3,806,695	1082764
						Fire College Trust Fund	2,529	
						Total Premium Paid	3,809,224	
PROPERTY	AmRisc MUNICIPAL ONLY	Policy Limit - \$250,000,000 Total Insurable Value - \$385,969,130 (as of binding) Automatic Coverage - 90 days, but not to exceed \$100,000,000 Computer Systems Non Physical Damage and Data, Programs or Software combined - \$1,000,000, Aggregate Earth Movement - \$250,000,000, Aggregate Errors and Omissions - \$100,000,000 Expediting Costs - \$50,000,000 Extra Expense - \$50,000,000 Flood - \$250,000,000 Service Interruption - Property Damage & Time Element - \$25,000,000 Sublimits are noted in the proposal & policies	\$100,000 - per Occurrence \$100,000 - Wastewater Treatment Plant \$500,000 - Power Generation Plants \$250,000 - Transformers not at Power Generation locations \$750,000 - Steam Turbine Generators \$1,500,000 - Gas Turbine Generators \$500,000 - Flood for property at locations identified in policy Named Storm Deductible per schedule Refer to policy for full explanation of deductibles	5/1/2021	5/1/2022	Premium Inspection Fee Brokerage policy fee Total Premium Paid	\$ 935,383 \$ 37,500 \$ 1,375 \$ 974,258	835715
Fine Arts	Travelers Property Casualty Company of America	Fine Arts	Basic Deductible - \$1,000 Windstorm Deductible: \$1,000	8/19/2021	8/19/2022	Policy Fee	1,995	QT-660-2G88697A-1H-21
Surety	Auto-Owners Insurance Co.	James Cooke Bond		9/8/2021	9/8/2022	Premium	259	66117834

CITY OF TALLAHASSEE, FLORIDA

Schedule of Insurance

September 30, 2021

Line of Coverage	Carrier	Limits/Coverage	Deductible/Retention	Effective	Expiration	Premium	Policy #
Property- Boiler & Machinery Equipment Breakdown	CHUBB/Federal Insurance	Blanket Limit: \$100,000,000. Property Damage Included. Business Income with Extra Expense Extended Period Unlimited. Values \$396,279,670	Property Damage \$100,000. Business Income 24 hours. Extra Expenses No Deductible	5/1/2021	5/1/2022	Premium	18,371 76438847
Airport Operators Liability	Global Aerospace	Per Occurrence - \$100,000,000 Damage to Premises Rented to You - \$1,000,000 Personal and Advertising Injury Aggregate - \$25,000,000 Products-Completed Operations Aggregate - \$100,000,000 Hangarkeepers' Each Accident - \$100,000,000 Hangarkeepers' Each Aircraft - \$100,000,000 Non-Owned Aircraft - \$100,000,000	\$0 Each Occurrence or Offense Deductible \$0 Aggregate Deductible	10/1/2018	10/1/2021	Premium Annual Installments	40,633 15001414
Cyber Liability	ACE American Insurance Co.	\$10,000,000 - Maximum Aggregate Limit \$10,000,000 - Cyber Incident Response Fund \$100,000 - Non-Panell Response Provider \$10,000,000 - Business Interruption Loss & Extra Expense \$5,000,000 - Contingent BI and EE Unscheduled Providers \$10,000,000 - Digital Data Recovery \$10,000,000 - Network Extortion \$10,000,000 - Cyber, Privacy and Network Security Liability \$5,000,000 - Payment Card Loss \$10,000,000 - Regulatory Proceedings \$10,000,000 - Electronic, Social and Printed Media Liability	\$150,000 Each Incident	10/1/2020	10/1/2021	Premium	82,800 D940904110
EMS Liability	General Star Indemnity Co	\$6,000,000/\$8,000,000 - Professional Liability \$1,000,000/\$1,000,000 - Abuse/Molestation	\$0 Each Claim	10/1/2020	10/1/2021	Premium	68,334 IG927317D
XS Workers' Compensation	Safety National Casualty Co.	Statutory - Workers' Compensation \$1,000,000 - Employers Liability	\$1,250,000 Per Occurrence Retention	10/1/2020	10/1/2021	Premium FL WC Ins Guar Surchg Total Premium Paid	215,172 5P 4063833 2,251 \$ 217,323
Crime	Travelers Casualty and Surety Company of America	\$1,000,000 - Employee Theft Per Loss Coverage \$1,000,000 - Employee theft Per Employee Coverage \$1,000,000 - Forgery or Alteration \$1,000,000 - On Premises \$1,000,000 - In Transit \$1,000,000 - Money Orders & Counterfeit Money \$1,000,000 - Computer Crime \$1,000,000 - Funds Transfer Fraud EXCLUDED - Social Engineering Fraud \$100,000 Telecommunication Fraud \$25,000 - Personal Accounts Protection \$25,000 - Identity Fraud Expense Reimbursement \$5,000 - Claim Expense	\$ 75,000 \$ 75,000 \$ 75,000 \$ 75,000 \$ 75,000 \$ 75,000 \$ 75,000 \$ 75,000 \$ 75,000 n/a \$ 75,000 \$0 \$0	10/1/2020	10/1/2021	Premium	12,071 106175065
Firefighter Cancer Benefit	ACE American Insurance Co.	\$25,000 - First Diagnosis Cancer Benefit \$75,000 - Cancer Death Benefit	\$0	10/1/2020	10/1/2021	Premium	58,691 PTP N17937674
Fiduciary Firefighters	Travelers Casualty and Surety Company of America	\$1,000,000 for all Claims Settlement Program Limit of Liability \$250,000 HIPAA Limit of Liability \$1,000,000 502 (c) Penalties Limit of Liability \$250,000	\$0 Retention	10/1/2018	10/1/2021	Premium Annual Installments	3,703 106176744
Fiduciary General Employees	Travelers Casualty and Surety Company of America	\$1,000,000 for all Claims Settlement Program Limit of Liability \$250,000 HIPAA Limit of Liability \$1,000,000 502 (c) Penalties Limit of Liability \$250,000	\$0 Retention	10/1/2020	10/1/2021	Premium	19,245 106176742
Fiduciary Police Officers	Travelers Casualty and Surety Company of America	\$1,000,000 for all Claims Settlement Program Limit of Liability \$250,000 HIPAA Limit of Liability \$1,000,000 502 (c) Penalties Limit of Liability \$250,000	\$1,000 Retention	10/1/2018	10/1/2021	Premium	4,834 106176738
AD&D	ACE American Insurance Co.	Statutory AD&D Coverage		10/1/2019	10/1/2021	Premium	40,768 ADD N17938459
Broker/Agency Fee - Property	Public Risk Insurance Agency			11/30/2019	11/30/2020	Annual Installments	75,000
Broker/Agency Fee - Casualty	Public Risk Insurance Agency			10/1/2017	10/1/2020	Annual Installments	36,000
<i>This document is intended as a summary of insurance coverages only. Refer to the actual policy for coverage details.</i>						TOTAL PREMIUMS	5,565,502



**CITY OF
TALLAHASSEE**

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SINGLE AUDIT AND OTHER REPORTS

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

Independent Auditors' Report on Compliance For Each Major Federal Program, Major State Project, and the Passenger Facility Charge Program and on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance and Schedule of Passenger Facility Charges Required by the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, and Passenger Facility Charge Audit Guide for Public Agencies

Schedule of Findings and Questioned Costs

Summary Schedule of Prior Audit Findings

Schedule of Expenditures of Federal Awards and State Financial Assistance

Schedule of Expenditures of Passenger Facility Charges

Independent Accountants' Report

Independent Auditors' Management Letter



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

The Honorable Mayor and
Members of the City Commission
City of Tallahassee, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Tallahassee, Florida (the "City") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 28, 2022.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Honorable Mayor and
Members of the City Commission
City of Tallahassee, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, grant agreements and contracts, 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*.

We noted certain matters that we reported to management of the City in a separate letter dated April 28, 2022.

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 entity'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.

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
April 28, 2022



INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, MAJOR STATE PROJECT, AND THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE AND SCHEDULE OF PASSENGER FACILITY CHARGES REQUIRED BY THE UNIFORM GUIDANCE, CHAPTER 10.550, RULES OF THE AUDITOR GENERAL, AND PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES

The Honorable Mayor and
Members of the City Commission
City of Tallahassee, Florida

Report on Compliance for Each Major Federal Program, Major State Project, and the Passenger Facility Charge Program

We have audited the compliance of the City of Tallahassee, Florida (the “City”) with the types of compliance requirements described in the U.S. Office of Management and Budget (“OMB”) *Compliance Supplement*, the requirements described in the Department of Financial Services’ *State Projects Compliance Supplement*, and the requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration (the “Guide”) that could have a direct and material effect on each of the City’s major federal programs, major state projects, and the passenger facility charge program for the year ended September 30, 2021. The City’s major federal programs and major state projects are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs, state projects, and the passenger facility charge program.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the City’s major federal programs, major state projects, and the passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards* (“Uniform Guidance”); and Chapter 10.550, *Rules of the Auditor General*; and the Guide.

The Honorable Mayor and
Members of the City Commission
City of Tallahassee, Florida

Auditor's Responsibility (Continued)

Those standards, the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program, major state project, or the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program, major state project, and the passenger facility charge program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program, Major State Project,
and the Passenger Facility Charge Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs, major state projects, and the passenger facility charge program for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program, major state project, and the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, major state project, and the passenger facility charge program and to test and report on internal control over compliance in accordance with the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, and the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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, state project, or the passenger facility charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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, state project, or the passenger facility charge program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program, state project, or the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Honorable Mayor and
Members of the City Commission
City of Tallahassee, Florida

Report on Internal Control over Compliance (Continued)

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, Chapter 10.550, *Rules of the Auditor General*, and the Guide. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards and
State Financial Assistance and Schedule of Passenger Facility Charges**

We have audited the basic financial statements of the City as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 28, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, and schedule of passenger facility charges are presented for purposes of additional analysis, as required by the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, and the Guide, 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
April 28, 2022

CITY OF TALLAHASSEE, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2021

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

<u>Type of Auditor's Report Issued:</u>	Unmodified Opinion	
Internal control over financial reporting:		
• Material weakness(es) identified?	___ Yes	<u>X</u> No
• Significant deficiency(ies) identified?	___ Yes	<u>X</u> None reported
Noncompliance material to financial statements noted?	___ Yes	<u>X</u> No

Federal Awards and State Financial Assistance

Internal control over major programs/projects:		
• Material weakness(es) identified?	___ Yes	<u>X</u> No
• Significant deficiency(ies) identified?	___ Yes	<u>X</u> None reported

<u>Type of report issued on compliance for major federal programs and major state projects:</u>	Unmodified Opinion	
---	---------------------------	--

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform?	___ Yes	<u>X</u> No
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.554(1)(1)4, <i>Rules of the Auditor General</i> ?	___ Yes	<u>X</u> No
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.554(1)(i), <i>Rules of the Auditor General</i> ?	___ Yes	<u>X</u> No

Identification of Major Federal Programs and Major State Projects

<u>AL Number</u>	<u>Name of Federal Programs</u>
14.218	Entitlement Grants Cluster
14.231	Energy Solutions Grants Program
20.106	Airport Improvement Program
20.205	Highway Planning & Construction Cluster
20.507 & 20.526	Federal Transit Cluster
21.019	Coronavirus Relief Fund
21.027	Coronavirus State and Local Fiscal Recovery Funds
<u>CSFA Numbers</u>	<u>Name of State Projects</u>
55.004	Aviation Grant Programs
55.010	Public Transit Block Grant Program

Dollar threshold used to distinguish between Type A and Type B programs/projects: Federal	\$ <u>767,831</u>
State	\$ <u>750,000</u>

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	<u>X</u> Yes	___ No
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CITY OF TALLAHASSEE, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

For the Year Ended September 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

None Reported.

**SECTION III - FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS
AND QUESTIONED COSTS SECTION**

None Reported.

CITY OF TALLAHASSEE, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

2020-001 – Interfund Advance

Type of Finding – Significant Deficiency

Criteria:

U.S. GAAP requires that transfers between funds representing an advance extending beyond one year should be reflected as an asset in the fund loaning the money and a liability in the fund receiving the money.

Current Year Status:

The City has taken corrective action and we consider this finding fully resolved.

2019-002 – Capital Asset Reconciliation

Significant Deficiency:

During our audit, we noted that the City’s asset management system required a significant manual reconciliation process. This process includes information contained in excel spreadsheets required to reconcile to the general ledger. Information maintained in spreadsheets include significant assets in numbers and dollars which are not reported in the asset management system.

Current Year Status:

The City has taken corrective action and we consider this finding fully resolved.

**SECTION III - FEDERAL AWARD AND STATE FINANCIAL ASSISTANCE FINDINGS
AND QUESTIONED COSTS SECTION**

None Reported.

City of Tallahassee
Schedule of Expenditures Federal and State Awards
September 30, 2021

Federal/State Grantor/Pass-Through Grantor/Program Title	AL or CSFA No	FAIN/State Grant Number	Pass-Through Grantor Award Number	20/21 Expenditures	Subrecipient Expenditures
FEDERAL AWARDS					
US DEPARTMENT OF HOUSING & URBAN DEVELOPMENT					
Direct Programs:					
Community Development Clock Grants/Entitlement Grants	14.218	B-16-MC-12-0019	N/A	378	
Community Development Clock Grants/Entitlement Grants	14.218	B-17-MC-12-0019	N/A	8,183	
Community Development Clock Grants/Entitlement Grants	14.218	B-18-MC-12-0019	N/A	27,197	16,250
Community Development Clock Grants/Entitlement Grants	14.218	B-19-MC-12-0019	N/A	568,742	122,846
COVID-19 Community Development Clock Grants/Entitlement Grants	14.218	B-20-MW-12-0019	N/A	630,657	553,851
Community Development Clock Grants/Entitlement Grants	14.218	B-20-MC-12-0019	N/A	624,100	249,019
TOTAL CDBG - ENTITLEMENT GRANTS CLUSTER				1,859,258	941,966
Home Investment Partnerships Program	14.239	M-17-MC-12-0221	N/A	7,235	
Home Investment Partnerships Program	14.239	M-18-MC-12-0221	N/A	135,103	69,288
Home Investment Partnerships Program	14.239	M-19-MC-12-0221	N/A	38,825	33,840
Home Investment Partnerships Program	14.239	M-20-MC-12-0221	N/A	65,260	7,110
Emergency Solutions Grant Program	14.231	E19-MC-12-0019	N/A	22	
COVID-19 Emergency Solutions Grant Program	14.231	E19-MC-12-0019	N/A	1,115,621	1,079,630
Emergency Solutions Grant Program	14.231	E20-MC-12-0019	N/A	149,683	128,227
TOTAL US DEPARTMENT OF HOUSING & URBAN DEV				3,371,008	2,260,060
US DEPARTMENT OF JUSTICE					
Direct Programs:					
Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1707	N/A	36,244	
Public Safety Partnership and Community Policing Grants	16.710	2015ULWX0013	N/A	19,857	
Public Safety Partnership and Community Policing Grants	16.710	2016ULWX0030	N/A	604,457	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX-0459	N/A	15,908	13,029
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0756	N/A	(3,324)	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0819	N/A	24,497	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	TBD	N/A	9,825	
Pass through Florida Department of Law Enforcement:					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	2020-JAGC-LEON-1-Y5-061	19,980	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	2020-JAGC-LEON-6-5R-117	20,585	
Florida Incident Based Reporting System	16.734	2020-NCSX-LEON-1-D6-010	N/A	125,900	
National Asset Forfeiture Strategic Plan	16.UNK	N/A	N/A	44,929	
Pass through Florida Department of Juvenile Justice:					
Juvenile Justice and Delinquency Prevention	16.540	N/A	10531	53,806	
TOTAL US DEPARTMENT OF JUSTICE				972,665	13,029
US DEPARTMENT OF TRANSPORTATION					
FEDERAL AVIATION ADMINISTRATION					
Direct Programs:					
Airport Improvement Program	20.106	3-12-0077-043-2019	N/A	166,541	
Airport Improvement Program	20.106	3-12-0077-044-2020	N/A	323	
COVID-19 Airport Improvement Program	20.106	3-12-0077-045-2020	N/A	1,316,651	
Airport Improvement Program	20.106	3-12-0077-046-2021	N/A	1,892,535	
Small Community Air Service Development Grant (SCASD)	20.930	DOT-OST-2015-0043	N/A	556,044	
FEDERAL TRANSIT ADMINISTRATION					
Direct Programs:					
Federal Transit Formula Grant	20.507	FL-2016-020	N/A	299,306	
Federal Transit Formula Grant	20.507	FL-2017-080	N/A	7,481	
Federal Transit Formula Grant	20.507	FL-2020-089	N/A	1,091,088	
Federal Transit Formula Grant	20.507	FL-2021-038	N/A	2,167,618	
COVID-19 Federal Transit Formula Grant	20.507	FL-2021-034	N/A	3,227,510	
Bus and Bus Facilities Formula Program	20.526	FL-2020-100	N/A	153,295	
Bus and Bus Facilities Formula Program	20.526	FL-2021-038	N/A	142,199	
Bus and Bus Facilities Formula Program	20.526	FL-2019-102	N/A	89,625	
TOTAL FEDERAL TRANSIT CLUSTER				7,178,122	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	FL-2017-078	N/A	7,495	
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	FL-2019-087	N/A	12,549	
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	FL-2021-045	N/A	114,872	
TOTAL TRANSIT SERVICES PROGRAMS CLUSTER				134,916	-
Pass through Florida Department of Transportation:					
Formula Grants for Rural Areas	20.509	N/A	G1M19	302,003	

City of Tallahassee
Schedule of Expenditures Federal and State Awards
September 30, 2021

Federal/State Grantor/Pass-Through Grantor/Program Title	AL or CSFA No	FAIN/State Grant Number	Pass-Through Grantor Award Number	20/21 Expenditures	Subrecipient Expenditures
<u>Pass through Florida Department of Transportation:</u>					
Highway Planning and Construction	20.205	N/A	G1670	179,072	
Highway Planning and Construction	20.205	N/A	G1353	61,826	
Highway Planning and Construction	20.205	N/A	G1P94	732,219	
<u>Pass through University of North Florida</u>					
Highway Planning and Construction	20.205	N/A	N/A	24,207	
<u>Pass through Capital Region Transportation Planning Agency</u>					
Highway Planning and Construction	20.205	N/A	99XXXX	217,492	
TOTAL HIGHWAY PLANNING AND CONSTR CLUSTER				1,214,815	-
TOTAL US DEPARTMENT OF TRANSPORTATION				12,761,950	-
<u>US DEPARTMENT OF TREASURY</u>					
Direct Programs:					
State and Local Fiscal Recovery Fund	21.027	SLF-6650	N/A	6,004,178	
<u>Pass through Leon County through FDEM</u>					
Coronavirus Relief Fund	21.019	N/A	N/A	463,438	
<u>Pass through Florida Housing Finance Corporation</u>					
Coronavirus Relief Fund	21.019	N/A	N/A	843,938	112,179
TOTAL US DEPARTMENT OF TREASURY				7,311,554	112,179
<u>US ENVIRONMENTAL PROTECTION AGENCY</u>					
<u>Pass through Florida Department of Environmental Protection:</u>					
Nonpoint Source Implementation Grants	66.460	N/A	NF038	228,729	
Nonpoint Source Implementation Grants	66.460	N/A	NF040	499,322	
TOTAL US ENVIRONMENTAL PROTECTION AGENCY				728,051	-
<u>US DEPARTMENT OF HOMELAND SECURITY</u>					
<u>Pass through Florida Division of Emergency Management</u>					
Homeland Security Grant Program	97.067	N/A	19-DS-01-02-47-02-322	37,251	
Homeland Security Grant Program	97.067	N/A	R0046	55,245	
Homeland Security Grant Program	97.067	N/A	19-DS-01-02-47-02-321	22,636	
Homeland Security Grant Program	97.067	N/A	R0049	1,526	
Homeland Security Grant Program	97.067	N/A	R0050	848	
Homeland Security Grant Program	97.067	N/A	R0050	40,000	
Homeland Security Grant Program	97.067	N/A	R0052	80,000	
Homeland Security Grant Program	97.067	N/A	R0175	74,971	
Homeland Security Grant Program	97.067	N/A	R0XXX	943	
Hazzard Mitigation Grant (HMGP)	97.039	N/A	DEM-18-HM-02-47-02-H0001	261,616	
TOTAL US DEPARTMENT OF HOMELAND SECURITY				575,036	-
TOTAL FEDERAL AWARDS EXPENDED				25,720,263	2,385,269
STATE AWARDS					
<u>NORTH FLORIDA WATER MANAGEMENT DISTRICT</u>					
Florida Springs Grant Program	37.052	17-056	N/A	21,318	
TOTAL NORTH FLORIDA WATER MANAGEMENT DISTRICT				21,318	-
<u>FLORIDA HOUSING FINANCE CORPORATION</u>					
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	N/A	256,393	215,983
TOTAL FLORIDA HOUSING FINANCE CORPORATION				256,393	215,983
<u>FLORIDA DEPARTMENT OF TRANSPORTATION</u>					
Florida Comm For The Transportation Disadvantaged Trip & Equip	55.001	G1007	N/A	332,980	
Florida Comm For The Transportation Disadvantaged Trip & Equip	55.001	G1X86	N/A	120,080	
Aviation Grant Programs	55.004	G0S01	N/A	104,696	
Aviation Grant Programs	55.004	G1363	N/A	6,746	
Aviation Grant Programs	55.004	G1921	N/A	548,290	
Aviation Grant Programs	55.004	G1991	N/A	256,550	
Aviation Grant Programs	55.004	G1540	N/A	120,065	
Aviation Grant Programs	55.004	G1A07	N/A	3,257	
Aviation Grant Programs	55.004	G1C03	N/A	3,868	
Public Transit Block Grant Program	55.010	G1T10	N/A	1,064,644	
Public Transit Service Development Program	55.012	G1D43	N/A	175,000	
TOTAL FLORIDA DEPARTMENT OF TRANSPORTATION				2,736,174	-
TOTAL STATE AWARDS EXPENDED				3,013,885	215,983
TOTAL FINANCIAL ASSISTANCE EXPENDED				28,734,148	2,601,252

City of Tallahassee
Schedule of Expenditures Federal and State Awards
September 30, 2021

NOTES

- 1) The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (Schedule) presents the activity of all federal programs and state projects of the City of Tallahassee for the year ended September 30, 2021. All expenditures related to federal awards and state projects received directly from federal and state agencies, as well as federal awards and state projects passed through other governmental agencies, are included in the accompanying Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2, US 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 Florida Auditor General.
- 2) The Schedule was prepared on the modified accrual basis of accounting.
- 3) No federal or state financial assistance was expended in non-cash assistance.
- 4) The City has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
- 5) Housing loans outstanding at year end:
- | | | | |
|---|--------|----|-----------|
| Community Development Block Grant – Entitlement | 14.218 | | 538,275 |
| Home Investment Partnerships Program | 14.239 | | 3,834,439 |
| State Housing Initiatives Partnership Program | 40.901 | | 1,662,680 |
| | | \$ | 6,035,394 |
- 6) Expenditures for the following awards included expenditures incurred through September 30, 2020:
- | | | | | |
|-------------------------------|--------|-------------|----|-----------|
| Federal Transit Formula Grant | 20.507 | FL-2021-034 | \$ | 3,227,510 |
|-------------------------------|--------|-------------|----|-----------|
- 7) Statement in accordance with Chapter 341.052, Florida Statutes, Florida Department of Transportation, Public Transit Block Grant funds did not exceed local revenue; were not expended for depreciation or amortization of capital assets; and did not supplant local tax revenues made available for operations in the previous year.

City of Tallahassee
 Schedule of Expenditures of Passenger Facility Charges
 For the Year Ended September 30, 2021

<u>Program Title</u>	<u>Expenditures</u>
Passenger Facility Charges Used:	
Passenger Facility Charge Application #06-06-C-00-TLH:	
Project 9: Terminal Rehabilitation - Phase II	\$ -
	<u>-</u>
Passenger Facility Charge Application #16-07-C-00-TLH:	
Project 1: Terminal Rehabilitation	105,315
Project 2: Terminal PLB Design, Acquisition and Installation	256,550
Project 4: Multiple-User Passenger Information Display Systems	<u>35,903</u>
	<u>397,768</u>
 Total Passenger Facility Charges Used	 \$ <u>397,768</u>

See independent auditors' report and report on compliance with requirements applicable to the passenger facility charge program and on internal control over compliance



INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor and
Members of the City Commission
City of Tallahassee, Florida

We have examined the compliance of the City of Tallahassee, Florida (the "City") with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2021. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of 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.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
April 28, 2022



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

The Honorable Mayor and
Members of the City Commission
City of Tallahassee, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Tallahassee, Florida (the "City") as of and for the year ended September 30, 2021, and have issued our report thereon dated April 28, 2022.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program, Major State Project, and the Passenger Facility Charge Program and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance and Schedule of Passenger Facility Charges Required by the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, and *Passenger Facility Charge Audit Guide for Public Agencies*; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings, and Independent Accountant's 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 those reports and schedule, which are dated April 28, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with the preceding audit, the current year status of prior audit findings is as follows:

The Honorable Mayor and
Members of the City Commission
City of Tallahassee, Florida

2020-002 Interfund Advance

Current Year Status: Corrective action has taken place and we consider this comment fully resolved.

2019-002 Capital Asset Reconciliation

Current Year Status: Corrective action has taken place and we consider this comment fully resolved.

2019-003 – Utility Accounts Receivable Aging Reports

Criteria:

Utility accounts receivable aging reports are an important tool to determine if the City's customer accounts receivable is properly valued. It can also be used to assist the City with determining if there are any issues with collections.

Condition:

During our testing of utility accounts receivable, it was noted that the City was not able to produce a detailed utility accounts receivable aging by customer.

Cause:

The City's Customer Information System ("CIS") does not have the capability to generate the report.

Effect:

The City may not be able to properly analyze its utility customer A/R including: the general aging of receivables, are there significant aged credit balances and which customers are significantly past due.

Recommendation:

The City is currently considering upgrading to a new CIS software. We recommend that the City require that the detailed accounts receivable customer aging reports be part of the reporting package for the new CIS software. We also recommend that the City include the Financial Services Department ("FSD") as part of the evaluation and conversion team for any new CIS software.

Current Year Status:

Repeated in the current year, the City is currently in the process of upgrading to a new CIS software.

Views of responsible officials and plan corrective action:

Financial Services staff has been participating on the CIS implementation team and continues to engage in discussions related to the integration of the new system with the general ledger, and the accounts payable module for refund checks. The design of the aged receivables report in the new system has also been discussed and reviewed by Financial Services staff. The implementation team is preparing to test the developed reports and should have a test copy of the report for review within the next month. The planned go-live date for the new CIS software system is anticipated for August 2022.

The Honorable Mayor and
Members of the City Commission
City of Tallahassee, Florida

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes 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 identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, see current year update to Finding 2019-003 in the prior audit finding section and finding 2021-001 below.

2021-001 – Interfund Activity Accounting

Criteria:

U.S. GAAP requires that transfers between funds representing an advance extending beyond one year should be reflected as an asset in the fund loaning the money and a liability in the fund receiving the money.

Condition:

During the current fiscal year, it was discovered that the City incorrectly recorded an advance to the electric and fire funds from the debt service fund. The advance was correctly reported in the electric and fire funds, however, an advance receivable was not recorded in the governmental fund statements, instead, it was recorded only at the entity-wide finance statements.

Cause:

Prior management had a different interpretation of GAAP which led to them not recording the advance in the governmental funds.

Effect:

A prior period adjustment due to a correction of an error was made to restate the beginning fund balance and the related receivable in the debt service fund.

Recommendation:

We recommend that the City strengthen procedures and internal controls involving interfund activity accounting.

The Honorable Mayor and
Members of the City Commission
City of Tallahassee, Florida

Views of responsible officials and plan corrective action:

Financial Services staff have engaged a consultant to assist them in reviewing and re-designing the general ledger chart of accounts to leverage best practice and address concerns identified in the audit. As part of this process, particular attention will be directed towards strengthening procedures and internal controls surrounding interfund activity accounting.

Special District Component Units

Section 10.554(1)(i)5.c, *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided 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 determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, see Attachment A for required information on the dependent special districts that are included in the reporting entity. The information in Attachment A has not been subject to auditing procedures, therefore no assurance is given on the provided information.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires 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 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, City Council, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
April 28, 2022

ATTACHMENT A

Special District Component Units - Reporting Requirements		
As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General		
	Blended Component Unit	Discretely Presented Component Unit
Reporting Requirements from Section 218.39 (3)(b), Florida Statutes	Community Redevelopment Agency	Downtown Improvement District
The total number of district employees compensated in the last pay period of the district's fiscal year as of September 30, 2021.	4	2
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as of September 30, 2021.	8	3
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as of September 30, 2021.	\$343,142	\$123,984
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as of September 30, 2021.	\$5,735,037	\$25,833
Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as of September 30, 2021 (provide list).	Magnolia Oaks Affordable Housing - \$500,000 Challenger Learning Center Renovations - \$615,417	None
A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as of September 30, 2021.	Refer to separately issued Financial Statements	See attachment B

ATTACHMENT B
CITY OF TALLAHASSEE, FLORIDA
Budgetary Comparison Schedule
Downtown Improvement Authority
2021-09-30

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Budgetary Fund Balance - October 1	\$ -	\$ -	\$ -	\$ -
Resources				
Taxes	253,169	253,169	236,236	(16,933)
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	67,500	67,500	85,716	18,216
Fines and Forfeitures	-	-	-	-
Interest Earned	2,000	2,000	2,019	19
Miscellaneous	15,900	15,900	15,127	(773)
Transfers from Other Funds	-	-	-	-
Amounts Available for Appropriations	<u>338,569</u>	<u>338,569</u>	<u>339,099</u>	<u>530</u>
Charges to Appropriations				
General Government	-	-	-	-
Public Safety	-	-	-	-
Transportation	-	-	-	-
Human Services	-	-	-	-
Economic Development	338,319	329,319	286,299	43,020
Physical Environment	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service	-	-	-	-
Transfers to Other Funds	250	9,250	9,250	-
Total Charges to Appropriations	<u>338,569</u>	<u>338,569</u>	<u>295,549</u>	<u>43,020</u>
Budgetary fund balance, September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,550</u>	<u>\$ 43,550</u>