

**City of Marianna
Marianna, Florida**

**Basic
Financial Statements**

For the year ended September 30, 2022

City of Marianna
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September 30, 2022

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the City Council
City of Marianna, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marianna, Florida (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marianna, Florida, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Community Redevelopment Agency, Community Redevelopment Agency West End, and the Debt Service Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 2 to the financial statements, in 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4.1 through 4.10 and other required supplementary information 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance 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. 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 schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2023 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Grimsley & Associates

Marianna, Florida
May 31, 2023

Grimsley & Associates, P.A.
Certified Public Accountants

CITY OF MARIANNA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Marianna (the "City") has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the City's financial activities, (c) identify changes in the City's financial position (its ability to address the next and subsequent year challenges), (d) identify material deviations from the financial plan (approved budget), and (e) highlight significant issues in individual funds.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of resources of the City of Marianna exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$101,680,539. Of this amount, \$7,892,767 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

The City's total net position increased by \$4,751,568 from the prior year.

As of the close of the current fiscal year, the City of Marianna governmental funds reported combined ending fund balances of \$6,395,590, a decrease of \$741,873 in comparison with the prior year. The decrease was mainly due to a transfer of approximately \$615,000 to MH&R from the General Fund. Approximately 76% of this amount, or \$4,887,442 is available for spending at the City's discretion (unassigned fund balance).

Governmental funds' revenue decreased \$1,190,829 or (13.7%) from the prior year. Current expenditures decreased \$5,049,834 from the prior year. Other financing sources decreased \$4,593,617 from the prior year. The decrease in expenditures and other financing sources was due to refinancing of debt in FY 2020-2021.

The City's Enterprise Funds ended the year with a net position in the amount of \$70,303,480 an increase of \$4,473,928 over last year. Operating revenues increased from last year by \$3,571,796, mainly due to recovery from pandemic.

The MH&R experienced increased revenues from the prior year of \$2,475,010, due to the continued recovery of the previous year's effects of the pandemic on occupancy.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements have 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 themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements provide both short-term and long-term information about the City's overall financial condition in a manner similar to those of a private-sector business. This statement combines and consolidates governmental fund's current financial resources (short-term expendable resources) with capital assets and long-term obligations. The statements include a

CITY OF MARIANNA MANAGEMENT'S DISCUSSION AND ANALYSIS

statement of net position and a *statement of activities* that are designed to provide consolidated financial information about the governmental activities of the City presented on the accrual basis of accounting. The *Statement of Net Position* provides information about the government's financial position, its assets, deferred outflows of resources, deferred inflows of resources, and liabilities, using an economic resources measurement focus. The difference between the assets, deferred outflows, deferred inflows, and liabilities, the net position, is a measure of the financial health of the City.

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. This statement is intended to summarize and simplify the user's analysis of cost of various governmental services. An increase or decrease in net position is an indication of whether the City's financial health is improving or deteriorating.

Both of these government-wide financial statements present the functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The *governmental activities* of the City include general government, planning, public safety, streets, mainstreet, and parks and recreation. Property taxes and state and federal revenues finance most of the governmental activities. In addition, in 1993 the City created a Community Redevelopment Agency (CRA) which is a blended component unit in the City's financial statements. The CRA area is 0.3993 square miles and is governed by the City Commission. A second CRA was created in December 2020, the West End CRA. This is also governed by the City Commission.

The *business-type activities* of the City consist of the natural gas, water, and sewer utilities, the health and rehabilitation center and the airport. The City charges fees to customers and residents to help cover the costs of services it provides.

Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the City, you need to consider additional nonfinancial factors such as changes in the City's property tax base and the condition of the City's capital assets including infrastructure assets.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the City's most significant funds-not the City as a whole. Funds are accounting devices that the City uses to keep track of specific resources of funding and spending for particular purposes. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the City's financial activities, focusing on its most significant or "major" funds rather than fund types. All City's funds may be classified in the broad category of *Governmental Funds and Proprietary Funds* as discussed below.

CITY OF MARIANNA MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds - these funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that may be used to evaluate the City's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

Governmental fund information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund and the Debt Service fund. The Community Redevelopment Agency (CRA) is reported as a blended component unit in the City's general fund financial statements.

Proprietary Funds – these funds provide the same type of information as the business-type activities in the government-wide financial statements, only in more detail.

The City maintains one type of proprietary fund, which is the Enterprise Funds. The City uses enterprise funds to account for the fiscal activities relating to the natural gas, water, and sewer systems, the airport and the health and rehabilitation center.

Fiduciary Funds-these funds provide information about financial relationships-like the retirement plan for the City's employees-in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The City has the municipal fireman's and police officers' pension trust fund. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in net position. These activities are excluded from the government-wide financial statements because the assets cannot be used to support or finance the City's programs or operations.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

This section is used to present condensed financial information from the government-wide statements.

STATEMENT OF NET POSITION

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources (governmental and business-type activities) by approximately \$101.7 million at the close of the most recent fiscal year. At the end of the current and prior fiscal years, the City is able to report positive balances in all categories of net position.

CITY OF MARIANNA MANAGEMENT'S DISCUSSION AND ANALYSIS

STATEMENT OF NET POSITION

	Governmental Activities		Business - Type Activities		Totals	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 9,278,622	\$ 9,531,555	\$ 12,772,154	\$ 11,998,388	\$ 22,050,776	\$ 21,529,943
Non-current assets	30,048,158	31,796,580	74,472,613	69,744,135	104,520,771	101,540,715
Total assets	39,326,780	41,328,135	87,244,767	81,742,523	126,571,547	123,070,658
Deferred outflow s of resources	1,937,628	808,555	2,054,326	1,761,606	3,991,954	2,570,161
Current and other Liabilities	3,189,845	2,701,072	3,569,079	3,340,535	6,758,924	6,041,607
Non-current liabilities	5,560,860	4,918,754	13,869,457	9,100,208	19,430,317	14,018,962
Total liabilities	8,750,705	7,619,826	17,438,536	12,440,743	26,189,241	20,060,569
Deferred inflow s of resources	1,136,644	3,417,445	1,557,077	5,233,834	2,693,721	8,651,279
Net position:						
Net investment in capital assets	23,447,587	22,648,340	68,492,526	64,743,910	91,940,113	87,392,250
Restricted	1,508,148	1,443,649	339,511	379,321	1,847,659	1,822,970
Unrestricted	6,421,324	7,007,430	1,471,443	706,321	7,892,767	7,713,751
Total net position	\$ 31,377,059	\$ 31,099,419	\$ 70,303,480	\$ 65,829,552	\$ 101,680,539	\$ 96,928,971

CITY OF MARIANNA MANAGEMENT'S DISCUSSION AND ANALYSIS

STATEMENT OF ACTIVITIES

The following schedule summarizes revenues and expenses for the past two fiscal years:

	Governmental Activities		Business - Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program Revenues:						
Charges for Services	\$ 1,212,487	\$ 1,186,757	\$ 22,449,073	\$ 18,880,770	\$ 23,661,560	\$ 20,067,527
Grants and Contributions	1,091,993	20,176,600	6,857,565	4,896,672	7,949,558	25,073,272
General Revenues:						
Property Taxes	799,665	722,931	-	-	799,665	722,931
Other Taxes	3,631,114	3,453,922	-	-	3,631,114	3,453,922
Investment Earnings	38,631	6,998	66,722	17,089	105,353	24,087
Other	720,003	1,134,019	291,446	203,736	1,011,449	1,337,755
Total Revenues	7,493,893	26,681,227	29,664,806	23,998,267	37,158,699	50,679,494
EXPENSES						
Program Activities						
General Government	2,554,554	3,380,305	-	-	2,554,554	3,380,305
Public Safety	2,579,552	1,803,005	-	-	2,579,552	1,803,005
Highways and Streets	1,771,266	1,472,840	-	-	1,771,266	1,472,840
Culture and Recreation	533,813	429,476	-	-	533,813	429,476
Interest on long-term debt	76,625	82,092	-	-	76,625	82,092
Business-type Activities	-	-	24,891,321	22,042,107	24,891,321	22,042,107
Total Expenses	7,515,810	7,167,718	24,891,321	22,042,107	32,407,131	29,209,825
Increase (decrease) in Net Position before transfers	(21,917)	1,513,509	4,773,485	1,956,160	4,751,568	3,469,669
Transfers	299,557	1,100,174	(299,557)	(1,100,174)	-	-
Increase in Net Position	277,640	2,613,683	4,473,928	855,986	4,751,568	3,469,669
Net Position - Beginning	31,099,419	28,485,736	64,973,566	64,973,566	96,072,985	93,459,302
Net Position - Ending	\$ 31,377,059	\$ 31,099,419	\$ 69,447,494	\$ 65,829,552	\$ 100,824,553	\$ 96,928,971

CITY OF MARIANNA MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

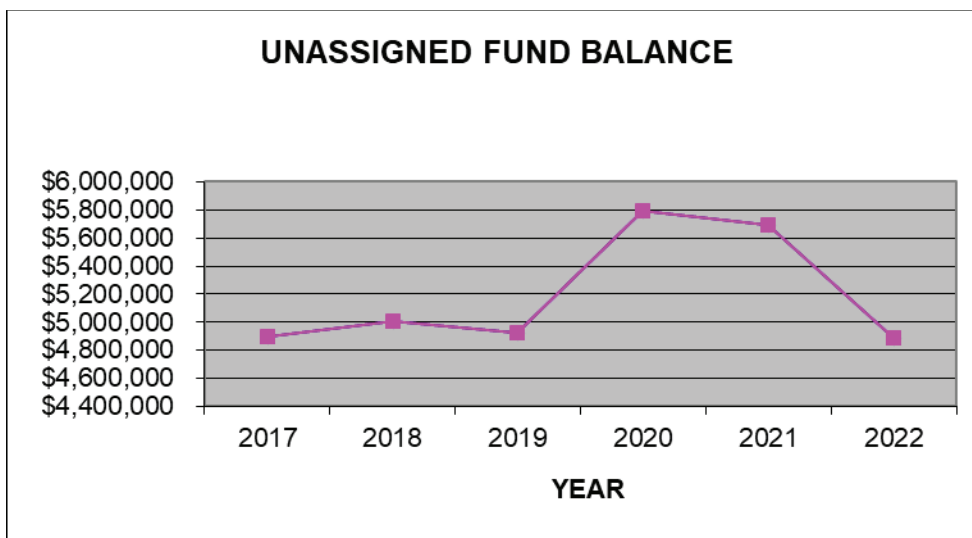
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The primary purpose 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 the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,395,590. Of this amount, *unassigned fund balance* is \$4,887,442, which is available for spending (depending on fund restrictions) at the City's discretion. The *assigned fund balance* is \$1,008,508, the *restricted fund balance* is \$467,165, and *nonspendable fund balance* is \$32,475.

General Fund Unassigned/Undesignated Fund Balance. As depicted in the following graph, the unassigned/undesignated fund balances of the City's General Fund (the general operating fund of the City) held steady from 2017-2019, then a large increase in 2020. The fund balance started to decline in 2021, with a large decline in 2022 because of a transfer to MH&R.



CITY OF MARIANNA MANAGEMENT'S DISCUSSION AND ANALYSIS

MAJOR FUNDS

GOVERNMENTAL FUNDS

The General Fund, Community Redevelopment Agency, and the Debt Service Fund are reported as the major governmental funds.

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the General Fund. The General Fund consists of Administration Departments, Police Department, Fire Department, Street Department, Planning Department and Recreation Department.

In addition, the Community Redevelopment Agency (CRA) is reported as a blended component unit in the governmental fund financial statements. The CRA accounts for the resources of the City's Community Redevelopment Plan.

The Debt Service Fund accounts for the resources for and the accumulation of the payments of the interest and principal on debt instruments.

PROPRIETARY FUNDS

There are three major proprietary (business-type) funds:

Utility Department (Gas, Water and Sewer)
Health and Rehabilitation Center (MHR)
Airport

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgetary control is established within each department at the line item. Budget amendments are presented to and approved by the City Commission. Over the course of the year, the City Council approved one budget amendment. The final budgeted revenues included a decrease of \$22,291,315 from the original budget and the final budgeted expenditures resulted in a decrease of \$22,074,500 from the original budget. These decreases in budget numbers were due to grants not being spent in 21/22. With these budget adjustments, the resources available for appropriation were \$61,435 above the final budgeted amount. The actual expenditures were \$101,808 below the final budget amounts.

CITY OF MARIANNA MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

LONG-TERM DEBT

At year-end, the City had \$10,433,941 in bonds payable, notes payable and compensated absences, an increase of around 3% from last year. More detailed information about the City's long-term liabilities is presented in Note 8 to the financial statements.

Included in the City's long-term debt is \$1,076,316 in notes payable to the State of Florida under their State Revolving Fund (SRF) for improvements to the wastewater treatment facility, \$867,528 for improvements to the water system, \$1,030,560 for improvements to the sewer system, \$420,779 for improvements to the Sunland water system, \$972,976 for the Solar farm and \$1,107,593 for wastewater system upgrades. The City was designated by the State as a Disadvantaged Small Community, making it eligible for grant funds from FDEP. These funds are to be received by the City towards the debt repayment, at \$750,000 per year.

CAPITAL ASSETS

At the end of current fiscal year, the City had invested \$101.3 million in a broad range of capital assets, including buildings, equipment, park and recreation facilities, and water, gas and sewer utilities. This amount represents a net increase (including additions and deletions) of \$4,820,294 or 5%, over last year. More detailed information about the City's capital assets is presented in Note 7 to the financial statements.

The City's investment in capital assets such as land, buildings, machinery and equipment amounts to 90.4% of net position for the current fiscal year, approximately the same as the prior year. This amount is presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The City uses these capital assets to provide services to the citizens and consequently these assets are not available for future spending. Although our investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF MARIANNA MANAGEMENT'S DISCUSSION AND ANALYSIS

This year's major capital asset additions included the following:

Purchase of a Track Loader-\$89,926
Purchase of HVAC-Middle School Gym-\$79,200
Purchase of a Backhoe-\$107,425
Water Tank Rehab Project-\$89,708
Completion of Recertification of Airport Park-\$9,846
Completion of Recertification of Distribution Park-\$46,370
Completion of Public Safety Complex (Adm. Building)-\$444,114
Construction in Progress on WWTP Upgrade Project-\$4,816,059
Construction in Progress on FDOT-Apron Rehab-\$75,520
Construction in Progress Tri-State Water Line Project-\$62,041
Construction in Progress-CNG Storage System Upgrade-\$250,829
Construction in Progress Blue Sky-\$2,085,837
Construction in Progress Tara Estates Project-\$99,404
Construction in Progress 4th SCOP/Water Replacement-\$108,300
Construction in Progress-Old Cottondale Rd Project-\$931,041

SIGNIFICANT ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's total budget for the 2022-2023 fiscal year totals \$61,726,695. Of this, \$30,933,743 is for the General fund, \$132,000 is for the CRA, \$12,295,200 is for the Utility fund, \$2,066,765 is for the Airport, and \$16,298,987 is for the Health and Rehabilitation Center. The General Fund consists of governmental services such as general administration, public safety, street, mainstreet, planning and zoning, and parks and recreation. The Enterprise Funds consist of the City's sewer, water and gas utilities, the airport and the health and rehabilitation center.

Subsequent to year end:

1. Subsequent to year end, the Commission approved a \$4 million DEO grant to replace the HVAC at MH&R Center.
2. Approved multiple grants to include improvements to City-wide stormwater, City-wide wastewater City-wide water, backup generator at MH&R, a new Public Safety building, Kelson Avenue stormwater improvements, and various projects under the Hometown recovery grant. These grants total in excess of \$50 million.
3. Awarded bid to Arrow Construction for \$82,600 for removal of dilapidated structures.
4. Approved a five year contract with Watchguard for body cameras for a total of \$64,463.
5. Approved \$175,000 out of discretionary road tax monies for resurfacing projects.
6. Awarded bid to Contracting Unlimited in the amount of \$746,526.50 for new waterline along Old Cottondale Road.
7. Approved the Fire and Police Pension to convert to a Local Law Plan, from their current Chapter Plans.

CITY OF MARIANNA MANAGEMENT'S DISCUSSION AND ANALYSIS

8. Approved amendment of contract with Mott MacDonald on WWTP upgrade project for additional \$30,000 in engineering fees.
9. Approved FDEM grant for \$950,000 for multipurpose building at the MERE and \$468,132 for Public Works Building modifications and generator.
10. Commission was awarded \$124,235 from Jackson County BOCC for paving of 4th street.
11. Was awarded grants for the Public Works hardening project in excess of \$2 million.
12. Approved garbage and special pick-up rate increase.
13. Awarded selective demolition project at St. Luke Church to Great Southern Demolition at cost of \$132,850.
14. Awarded 4th Street SCOP project to Blankenship Contracting in the amount of \$944,171.49
15. Approved increase to septic and grease disposal fees.
16. Approved increase in water, sewer and gas tap fees.
17. Approved a LOC with Regions Bank to be used if necessary on the grants that City has received.
18. Awarded \$5,207,000 for construction of a resiliency hub/building at MERE complex.
19. Approved projects to be funded with ARPA monies.
20. Approved purchase of a pickup for Public Works in amount of \$30,111.58.
21. Approved task order with DHM in amount of \$44,876.70 on 4th Street Project.
22. Approved pumps for WWTP for \$46,780.88.
23. Hired a new City Manager for City of Marianna.
24. Approved an amendment to Alday-Howell engineering contract on the Tara Estates Project, adding \$177,758 to their contract, all grant funded.
25. Awarded contract on Tara Estates Project to Blankenship Contracting in the amount of \$2,091,318.35.
26. Approved purchase of a washing machine for MH&R for \$27,022.
27. Approved an employee retention policy for City employees.
28. Approved \$36,000 in West End CRA funding for engineering services for Graham's Place.
29. Awarded a FDEP grant for \$4,450,000 for Springs and Watershed Restoration Program.
30. Approved Task Order with Mott MacDonald for \$35,000 for water meter reading project.
31. Awarded MAI Concrete Apron Rehab Project to Pettibone Concrete in amount of \$1,196,975.

REQUESTS FOR INFORMATION

This report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

KIMBERLY J. APPLEWHITE, CPA, CITY CLERK/FINANCE DIRECTOR
P.O. BOX 936
MARIANNA, FL 32447

City of Marianna
Statement of Net Position (Page 1 of 2)

September 30, 2022

	Governmental Activities	Business- Type Activities	Total
Assets			
Cash and cash equivalents	\$ 3,113,176	\$ 6,291,001	\$ 9,404,177
Restricted assets			
Cash and cash equivalents	4,301,806	778,126	5,079,932
Receivables, net	280,498	2,684,856	2,965,354
Due (to) from other funds	193,941	(193,941)	-
Due from other governments	1,338,090	2,567,389	3,905,479
Accrued interest receivable	636	515	1,151
Inventories	32,475	451,426	483,901
Prepaid expenses	-	32,665	32,665
Deposits	18,000	160,117	178,117
Note receivable	-	72,462	72,462
Leases receivable	227,664	379,138	606,802
Net pension asset - police and firefighters' pension	2,542,287	-	2,542,287
Capital assets, net			
Nondepreciable capital assets	2,030,795	13,555,300	15,586,095
Depreciable capital assets, net	25,247,412	60,465,713	85,713,125
Total assets	39,326,780	87,244,767	126,571,547
Deferred outflows of resources			
Other post employment benefits	7,099	21,629	28,728
Pension - police and firefighters	1,497,558	-	1,497,558
Pension - FRS	432,971	2,032,697	2,465,668
Total deferred outflows of resources	1,937,628	2,054,326	3,991,954

The accompanying notes are an integral part of these financial statements

City of Marianna
Statement of Net Position (Page 2 of 2)

Liabilities

Accounts payable	261,554	2,380,743	2,642,297
Liabilities payable from restricted assets	-	433,973	433,973
Accrued interest payable	35,168	22,344	57,512
Unearned revenue	2,585,674	9,728	2,595,402
Long-term liabilities			
Portion due or payable within one year			
Bonds payable	256,558	-	256,558
Notes payable	-	523,045	523,045
Leases payable	-	45,333	45,333
Compensated absences payable	50,891	153,913	204,804
Portion due or payable after one year			
Bonds payable	3,574,062	-	3,574,062
Notes payable	-	4,952,707	4,952,707
Leases payable	-	58,214	58,214
Compensated absences payable	203,566	615,652	819,218
Net pension liability - Florida Retirement System	1,704,963	8,004,394	9,709,357
Other post-employment benefits	78,269	238,490	316,759
Total liabilities	8,750,705	17,438,536	26,189,241

Deferred inflows of resources

Other post-employment benefit	45,122	137,488	182,610
Leases	224,805	351,534	576,339
Pension - police and firefighters	639,218	-	639,218
Pension - FRS	227,499	1,068,055	1,295,554
Total deferred inflows of resources	1,136,644	1,557,077	2,693,721

Net position

Net investment in capital assets	23,447,587	68,492,526	91,940,113
Restricted for:			
Capital projects	954,701	-	954,701
Debt service	238,810	196,176	434,986
Community development projects	171,850	-	171,850
Other purposes	142,787	143,335	286,122
Unrestricted	6,421,324	1,471,443	7,892,767
Total net position	\$ 31,377,059	\$ 70,303,480	\$ 101,680,539

The accompanying notes are an integral part of these financial statements

City of Marianna Statement of Activities

For the year ended September 30, 2022

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS- ACTIVITIES	TOTALS
Primary Government							
Governmental Activities:							
General government	\$ 2,554,554	\$ 493,358	\$ 320,780	\$ 144,000	\$ (1,596,416)	\$ -	\$ (1,596,416)
Public Safety	2,579,552	477,053	3,127	65,446	(2,033,926)	-	(2,033,926)
Highways and streets	1,771,266	140,781	6,250	506,020	(1,118,215)	-	(1,118,215)
Culture and recreation	533,813	101,295	-	46,370	(386,148)	-	(386,148)
Interest on long-term debt	76,625	-	-	-	(76,625)	-	(76,625)
Total governmental activities	7,515,810	1,212,487	330,157	761,836	(5,211,330)	-	(5,211,330)
Business Type Activities:							
Water	2,386,776	1,442,995	-	6,143,769	-	5,199,988	5,199,988
Gas	1,786,234	2,730,637	-	-	-	944,403	944,403
Sewer	3,500,044	2,776,947	-	-	-	(723,097)	(723,097)
Airport	1,523,321	665,830	45,000	212,990	-	(599,501)	(599,501)
MHR	15,694,946	14,832,664	455,806	-	-	(406,476)	(406,476)
Total business-type activities	24,891,321	22,449,073	500,806	6,356,759	-	4,415,317	4,415,317
Total primary government	\$ 32,407,131	\$ 23,661,560	\$ 830,963	\$ 7,118,595	(5,211,330)	4,415,317	(796,013)
General Revenues							
Taxes:							
Property taxes, levied for general purposes					799,665	-	799,665
Franchise and public service taxes					3,631,114	-	3,631,114
Interest and investment earnings					38,631	66,722	105,353
Miscellaneous					720,003	291,446	1,011,449
Transfers					299,557	(299,557)	-
Total general revenues and transfers					5,488,970	58,611	5,547,581
Change in net position					277,640	4,473,928	4,751,568
Net position - beginning					31,099,419	65,829,552	96,928,971
Net position - ending					\$ 31,377,059	\$ 70,303,480	\$ 101,680,539

The accompanying notes are an integral part of these financial statements

City of Marianna
Balance Sheet
Governmental Funds

September 30, 2022

	General	Community Redevelopment Agency	Community Redevelopment Agency - West End	Debt Service Fund	Total
Assets					
Cash and cash equivalents	\$ 3,113,176	-	-	-	\$ 3,113,176
Accounts receivable, net	280,498	-	-	-	280,498
Due from other governments	1,261,411	57,897	18,782	-	1,338,090
Due from other funds	220,876	-	-	-	220,876
Inventory	32,475	-	-	-	32,475
Restricted assets					
Cash and cash equivalents	3,906,046	114,218	7,564	273,978	4,301,806
Deposits	18,000	-	-	-	18,000
Total assets	\$ 8,832,482	\$ 172,115	\$ 26,346	\$ 273,978	\$ 9,304,921
Liabilities					
Accounts payable	\$ 2,847,552	111	-	-	\$ 2,847,663
Accrued expenses	-	-	-	35,168	35,168
Payable to other funds	-	-	26,500	-	26,500
Total liabilities	2,847,552	111	26,500	35,168	2,909,331
Fund balances					
Nonspendable	32,475	-	-	-	32,475
Restricted for:					
Law Enforcement	56,505	-	-	-	56,505
Debt service	-	-	-	238,810	238,810
Community development projects	-	172,004	(154)	-	171,850
Assigned to:					
Health Equity	18,000	-	-	-	18,000
Recreation	35,807	-	-	-	35,807
Road resurfacing	790,068	-	-	-	790,068
Fire Department Capital Assets	164,633	-	-	-	164,633
Unassigned	4,887,442	-	-	-	4,887,442
Total fund balances	5,984,930	172,004	(154)	238,810	6,395,590

The accompanying notes are an integral part of these financial statements

City of Marianna
 Reconciliation of the Balance Sheet of Governmental
 Funds to the Statement of Net Position

September 30, 2022

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

Total fund balances – governmental funds \$ 6,395,590

Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the governmental funds. 27,278,207

Net pension assets are not financial resources in the current period and, therefore, are not reported in the governmental funds. 2,542,287

Lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Lease interest receivable	\$	636	
Lease receivable		227,664	
<hr/>			
Total assets			228,300

Long-term liabilities, including notes payable, are not due and payable in the current period, and, therefore, are not reported in the governmental funds.

Balances at September 30, 2022 were:

Bonds payable	\$	3,830,620	
Other post-employment benefits		78,269	
Net pension liability		1,704,963	
Compensated absences		254,457	
<hr/>			
Total long-term liabilities			(5,868,309)

Deferred outflows and inflows of resources related to pensions and other post-employment benefits are applicable to future periods and, therefore, are not reported in the funds.

Deferred inflow of resources - other post-employment benefits	(45,122)
Deferred inflow of resources - leases	(224,805)
Deferred outflows of resources - other post-employment benefits	7,099
Deferred outflows of resources - pensions	1,930,529
Deferred inflows of resources - pensions	(866,717)

<hr/>	\$	31,377,059
Net position of governmental activities		<hr/>

The accompanying notes are an integral part of these financial statements

City of Marianna
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the year ended September 30, 2022

	General	Community Redevelopment Agency	Community Redevelopment Agency - West End	Debt Service Fund	Total
Revenues					
Property taxes, levied for general purposes	\$ 799,665	-	-	-	\$ 799,665
Other taxes	3,554,435	57,897	18,782	-	3,631,114
Intergovernmental	322,223	-	-	-	322,223
Licenses and permits	99,824	-	-	-	99,824
Charges for services	1,212,487	-	-	-	1,212,487
Fines and forfeitures	14,339	-	-	-	14,339
Grants	1,091,993	-	-	-	1,091,993
Interest	34,035	209	-	-	34,244
Other fees and miscellaneous	284,509	-	-	-	284,509
Total revenues	7,413,510	58,106	18,782	-	7,490,398
Expenditures					
Current					
General government	2,088,118	17,518	-	-	2,105,636
Public safety	2,400,619	-	-	-	2,400,619
Highways and streets	1,385,597	-	-	-	1,385,597
Culture and recreation	442,912	-	-	-	442,912
Capital outlay					
General government	655,207	-	-	-	655,207
Public safety	91,679	-	-	-	91,679
Highways and streets	1,010,284	-	-	-	1,010,284
Culture and recreation	109,438	-	-	-	109,438
Debt Service					
Principal	-	-	-	253,831	253,831
Interest and other charges	-	-	-	76,625	76,625
Total expenditures	8,183,854	17,518	-	330,456	8,531,828
Excess of revenues over (under) expenditures	(770,344)	40,588	18,782	(330,456)	(1,041,430)
Other financing sources (uses)					
Proceeds from long-term debt	-	-	-	-	-
Transfers in	1,121,643	23,319	7,564	332,902	1,485,428
Transfers out	(1,150,001)	(35,870)	-	-	(1,185,871)
Net other financing sources (uses)	(28,358)	(12,551)	7,564	332,902	299,557
Net change in fund balances	(798,702)	28,037	26,346	2,446	(741,873)
Fund balances - beginning	6,783,632	143,967	(26,500)	236,364	7,137,463
Fund balances - ending	\$ 5,984,930	172,004	(154)	\$ 238,810	\$ 6,395,590

The accompanying notes are an integral part of these financial statements

City of Marianna

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

For the year ended September 30, 2022

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

Net change in fund balances - total governmental funds	\$	(741,873)
Capital outlay, reported as expenditures in governmental funds, is shown as capital assets in the Statement of Net Position.		1,866,608
Depreciation expense on governmental capital assets is included in the governmental activities in the Statement of Activities.		(1,321,192)
Lease related revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds		3,495
Repayment of long-term debt is reported as an expenditure in governmental funds, but as a reduction in long-term liabilities in the Statement of Net Position.		253,831
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These expenses included:		
Other post-employment benefits		6,345
Compensated absences		11,293
Government funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		199,133
Change in net assets of governmental activities	\$	277,640

The accompanying notes are an integral part of these financial statements

City of Marianna
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund

For the year ended September 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS (BUDGETAR BASIS)	VARIANCE WITH FINAL BUDGET
Revenues				
Taxes	\$ 3,985,000	\$ 4,345,600	\$ 4,354,100	\$ 8,500
Licenses and permits	81,500	97,600	99,824	2,224
Intergovernmental	232,500	322,800	322,223	(577)
Charges for services	1,148,190	1,189,790	1,212,487	22,697
Fine and forfeitures	13,000	13,000	14,339	1,339
Grants	24,051,500	1,084,300	1,091,993	7,693
Miscellaneous revenue	131,700	298,985	318,544	19,559
Total revenues	29,643,390	7,352,075	7,413,510	61,435
Expenditures				
General government	17,718,528	2,751,528	2,743,325	8,203
Public safety	2,485,749	2,555,249	2,492,298	62,951
Highways and streets	9,710,914	2,405,914	2,395,881	10,033
Culture and recreation	444,971	572,971	552,350	20,621
Total expenditures	30,360,162	8,285,662	8,183,854	101,808
Excess of revenues over (under) expenditures	(716,772)	(933,587)	(770,344)	163,243
Other financing sources (uses)				
Proceeds from long-term debt	-	-	-	-
Transfers in	1,180,648	1,180,648	1,121,643	(59,005)
Transfers out	(380,000)	(1,131,500)	(1,150,001)	(18,501)
Total other financing sources	800,648	49,148	(28,358)	(77,506)
Net change in fund balances	83,876	(884,439)	(798,702)	85,737
Fund balances - beginning	6,783,632	6,783,632	6,783,632	-
Fund balances - ending	\$ 6,867,508	\$ 5,899,193	\$ 5,984,930	\$ 85,737

The accompanying notes are an integral part of these financial statements

City of Marianna

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Community Redevelopment Agency

For the year ended September 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET
Revenues				
Taxes	\$ 84,000	\$ 54,000	\$ 57,897	\$ 3,897
Interest	-	-	209	209
Total revenues	84,000	54,000	58,106	4,106
Expenditures				
General government	72,000	42,000	17,518	24,482
Total expenditures	72,000	42,000	17,518	24,482
Excess of revenues over (under) expenditures	12,000	12,000	40,588	28,588
Other financing sources (uses)				
Transfers in	42,000	38,000	23,319	(14,681)
Transfers out	(121,000)	(141,000)	(35,870)	105,130
Total other financing sources	(79,000)	(103,000)	(12,551)	90,449
Net change in fund balance	(67,000)	(91,000)	28,037	119,037
Fund balance - beginning	143,967	143,967	143,967	-
Fund balance - ending	\$ 76,967	\$ 52,967	\$ 172,004	\$ 119,037

The accompanying notes are an integral part of these financial statements

City of Marianna

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Community Redevelopment Agency - West End

For the year ended September 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET
Revenues				
Taxes	\$ -	\$ 22,000	\$ 18,782	\$ (3,218)
Interest	-	-	-	-
Total revenues	-	22,000	18,782	(3,218)
Expenditures				
General government	-	30,000	-	30,000
Total expenditures	-	30,000	-	30,000
Excess of revenues over (under) expenditures	-	(8,000)	18,782	26,782
Other financing sources (uses)				
Transfers in	-	8,000	7,564	(436)
Transfers out	-	-	-	-
Total other financing sources	-	8,000	7,564	(436)
Net change in fund balance	-	-	26,346	26,346
Fund balance - beginning	(26,500)	(26,500)	(26,500)	-
Fund balance - ending	\$ (26,500)	\$ (26,500)	\$ (154)	\$ 26,346

The accompanying notes are an integral part of these financial statements

City of Marianna

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Debt Service Fund

For the year ended September 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL AMOUNTS (BUDGETAR BASIS)	VARIANCE WITH FINAL BUDGET
Revenues				
Interest	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
General government	-	-	-	-
Principal	254,000	254,000	253,831	169
Interest	78,400	78,400	76,625	1,775
Total expenditures	332,400	332,400	330,456	1,944
Other financing sources (uses)				
Proceeds from long-term debt	-	-	-	-
Transfers in	332,400	332,400	332,902	502
Transfers out	-	-	-	-
Total other financing sources	332,400	332,400	332,902	502
Net change in fund balance	-	-	2,446	2,446
Fund balance - beginning	236,364	236,364	236,364	-
Fund balance - ending	\$ 236,364	\$ 236,364	\$ 238,810	\$ 2,446

The accompanying notes are an integral part of these financial statements

City of Marianna
Statement of Net Position
Proprietary Funds

September 30, 2022

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS			
	UTILITY	MHR	AIRPORT	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 5,324,404	\$ 560,785	\$ 410,454	\$ 6,295,643
Accounts receivable, net	764,019	1,925,531	10,172	2,699,722
Accrued interest receivable	-	-	515	515
Due from other governments	2,561,089	-	6,300	2,567,389
Inventories	239,611	112,054	99,761	451,426
Prepaid expenses	18,700	13,965	-	32,665
Lease receivable	-	-	173,148	173,148
Total current assets	8,907,823	2,612,335	700,350	12,220,508
Noncurrent assets				
Restricted assets				
Cash and cash equivalents	737,184	36,300	-	773,484
Deposits	159,348	769	-	160,117
Note receivable	-	-	72,462	72,462
Lease receivable	-	-	205,990	205,990
Capital assets				
Nondepreciable	13,044,310	52,000	458,990	13,555,300
Depreciable, net	36,707,750	5,235,083	18,522,880	60,465,713
Total noncurrent assets	50,648,592	5,324,152	19,260,322	75,233,066
Total assets	59,556,415	7,936,487	19,960,672	87,453,574
Deferred outflows of resources				
Other post-employment benefits	2,939	18,582	108	21,629
Pension	353,330	1,669,258	10,109	2,032,697
Total deferred outflows of resources	356,269	1,687,840	10,217	2,054,326
Liabilities				
Current liabilities				
Accounts payable	831,974	1,527,289	36,346	2,395,609
Due to other funds	6,987	186,190	764	193,941
Unearned revenue	9,728	-	-	9,728
Accrued compensated absences	25,106	126,273	-	151,379
Notes payable	523,045	-	-	523,045
Leases payable	-	22,866	22,467	45,333
Accrued interest payable	22,148	161	35	22,344
Liabilities payable from restricted assets	397,673	36,300	-	433,973
Total current liabilities	1,816,661	1,899,079	59,612	3,775,352
Noncurrent liabilities				
Accrued compensated absences	100,426	517,760	-	618,186
Net pension liability	1,391,351	6,573,235	39,808	8,004,394
Notes payable	4,952,707	-	-	4,952,707
Leases payable	-	29,869	28,345	58,214
Other post-employment benefits	32,410	204,892	1,188	238,490
Total noncurrent liabilities	6,476,894	7,325,756	69,341	13,871,991
Total liabilities	8,293,555	9,224,835	128,953	17,647,343
Deferred inflows of resources				
Other post-employment benefits	18,684	118,119	685	137,488
Pensions	185,653	877,090	5,312	1,068,055
Leases	-	-	351,534	351,534
Total deferred inflows of resources	204,337	995,209	357,531	1,557,077
Net position				
Net investment in capital assets	44,276,308	5,234,348	18,981,870	68,492,526
Restricted for:				
Debt service	196,176	-	-	196,176
Other purposes	143,335	-	-	143,335
Unrestricted	6,798,973	(5,830,065)	502,535	1,471,443
Total net position	\$ 51,414,792	\$ (595,717)	\$ 19,484,405	\$ 70,303,480

The accompanying notes are an integral part of these financial statements

City of Marianna
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds

For the year ended September 30, 2022

	BUSINESS -TYPE ACTIVITIES/ENTERPRISE FUNDS			
	UTILITY	MHR	AIRPORT	TOTAL
Operating revenues				
Water, sewer, and gas revenue pledged as security for revenue bonds	\$ 6,950,579	\$ -	\$ -	\$ 6,950,579
Charges for services	-	14,843,925	666,100	15,510,025
Total operating revenues	6,950,579	14,843,925	666,100	22,460,604
Operating expenses				
Personal services	1,677,035	9,543,003	66,659	11,286,697
Utilities	279,773	323,468	34,265	637,506
Services and supplies	2,214,164	3,224,088	429,286	5,867,538
Repairs and maintenance	154,127	170,216	30,086	354,429
Insurance premiums	174,506	408,847	98,347	681,700
Other operating expenses	36,094	1,654,170	7,192	1,697,456
Depreciation and amortization	3,065,953	369,096	857,128	4,292,177
Total operating expenses	7,601,652	15,692,888	1,522,963	24,817,503
Net operating income (loss)	(651,073)	(848,963)	(856,863)	(2,356,899)
Nonoperating revenues (expenses)				
Interest income	55,379	723	10,620	66,722
Miscellaneous revenue	162,846	-	117,069	279,915
Interest expense	(71,402)	(2,058)	(358)	(73,818)
Total nonoperating revenues (expenses)	146,823	(1,335)	127,331	272,819
Income (loss) before contributions and transfers	(504,250)	(850,298)	(729,532)	(2,084,080)
Capital contributions	6,143,769	455,806	257,990	6,857,565
Transfers, net	(504,421)	232,134	(27,270)	(299,557)
Change in net position	5,135,098	(162,358)	(498,812)	4,473,928
Total net position - beginning	46,279,694	(433,359)	19,983,217	65,829,552
Total net position - ending	\$ 51,414,792	\$ (595,717)	\$ 19,484,405	\$ 70,303,480

The accompanying notes are an integral part of these financial statements

City of Marianna
Statement of Cash Flows (Page 1 of 2)
Proprietary Funds

For the year ended September 30, 2022

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS			
	UTILITY	MHR	AIRPORT	TOTAL
Operating activities				
Receipts from customers and users	\$ 6,942,792	\$ 14,007,843	\$ 666,323	\$ 21,616,958
Payments to suppliers	(2,959,404)	(3,456,574)	(913,364)	(7,329,342)
Payments to employees	(1,590,950)	(9,625,296)	(50,955)	(11,267,201)
Other receipts (payments)	(97,324)	(1,654,171)	1,133	(1,750,362)
Net cash provided by (used in) operating activities	2,295,114	(728,198)	(296,863)	1,270,053
Noncapital financing activities				
Operating subsidies and transfers to other funds	(394,243)	(403,103)	(440,640)	(1,237,986)
Net cash provided by (used in) noncapital financing activities	(394,243)	(403,103)	(440,640)	(1,237,986)
Capital and related financing activities				
Proceeds from capital debt	1,254,400	71,490	67,389	1,393,279
Capital contributions	5,699,018	455,806	561,765	6,716,589
Purchase of capital assets	(8,105,047)	(261,519)	(202,490)	(8,569,056)
Principal payments on capital debt	(778,871)	-	-	(778,871)
Principal payments on leases	-	(18,755)	(16,577)	(35,332)
Interest payments on capital debt	(228,473)	(1,897)	(323)	(230,693)
Other receipts (payments)	176,294	(6,616)	117,069	286,747
Net cash provided by (used in) capital and related financing activities	(1,982,679)	238,509	526,833	(1,217,337)
Investing activities				
Interest and dividends	55,379	723	10,105	66,207
Net cash provided by (used in) investing activities	55,379	723	10,105	66,207
Net increase (decrease) in cash and cash equivalents	(26,429)	(892,069)	(200,565)	(1,119,063)
Cash - beginning of the year	6,088,017	1,489,154	611,019	8,188,190
Cash - ending of the year	\$ 6,061,588	\$ 597,085	\$ 410,454	\$ 7,069,127
Classified on the Statement of Net Position as:				
Current assets - cash and cash equivalents	\$ 5,324,404	\$ 560,785	\$ 410,454	\$ 6,295,643
Noncurrent assets - restricted cash and cash equivalents	737,184	36,300	-	773,484
	\$ 6,061,588	\$ 597,085	\$ 410,454	\$ 7,069,127

The accompanying notes are an integral part of these financial statements

City of Marianna
Statement of Cash Flows (Page 2 of 2)
Proprietary Funds

For the year ended September 30, 2022

	BUSINESS-TYPE ACTIVITIES/ENTERPRISE FUNDS			
	UTILITY	MHR	AIRPORT	TOTAL
Reconciliation of net operating income to net cash provided by operating activities				
Net operating income (loss)	\$ (651,073)	\$ (848,963)	\$ (856,863)	\$ (2,356,899)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation and amortization	3,065,954	369,096	857,128	4,292,178
(Increase) decrease in accounts receivable	(7,787)	(836,082)	8,548	(835,321)
(Increase) decrease in inventory	(57,877)	(3,101)	(55,586)	(116,564)
(Increase) decrease in deposits	(71,269)	(1)	-	(71,270)
(Increase) decrease in prepaid insurance	(18,700)	59,708	-	41,008
Increase (decrease) in accounts payable	35,955	518,478	(250,090)	304,343
Increase (decrease) in unearned revenue	(5,962)	-	-	(5,962)
Increase (decrease) in other liabilities	5,873	12,667	-	18,540
Net cash provided by (used in) operating activities	\$ 2,295,114	\$ (728,198)	\$ (296,863)	\$ 1,270,053

The accompanying notes are an integral part of these financial statements

City of Marianna
Statement of Changes in Fiduciary Net Position
Fiduciary Funds

September 30, 2022

	PENSION TRUST	
	MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND	MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND
Assets		
Cash and cash equivalents	\$ 98,546	\$ 113,384
Due from the State of Florida	-	-
Investments, at fair value:		
Other investments, fixed income	1,419,554	1,876,328
Other equity investments	2,572,576	3,333,773
Total investments	3,992,130	5,210,101
Total assets	\$ 4,090,676	\$ 5,323,485
Liabilities		
Deferred compensation benefits payable	\$ -	\$ -
Total liabilities	-	-
Net position		
Held in trust for pension and other purposes	\$ 4,090,676	\$ 5,323,485

The accompanying notes are an integral part of these financial statements

City of Marianna
Statement of Changes in Fiduciary Net Position
Fiduciary Funds

For the year ended September 30, 2022

	PENSION TRUST	
	MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND	MUNICIPAL POLICE OFFICERS' RETIREMENT TRUST FUND
Additions		
Contributions		
State and city contributions	\$ 47,748	\$ 54,084
Plan members	30,554	34,141
Total contributions	78,302	88,225
Investment earnings		
Net increase (decrease) in fair value of investments	(1,139,897)	(1,479,348)
Interest and dividends	269,646	353,662
Total investment earnings	(870,251)	(1,125,686)
Total additions	(791,949)	(1,037,461)
Deductions		
Benefits	144,902	201,027
Administrative expenses	28,551	22,146
Total deductions	173,453	223,173
Change in net position	(965,402)	(1,260,634)
Net position - beginning	5,056,078	6,584,119
Net position - ending	\$ 4,090,676	\$ 5,323,485

The accompanying notes are an integral part of these financial statements

City of Marianna
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Marianna (the “City”) was incorporated in 1911 under Section 1911-6371 of the Laws of Florida. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles applicable to governments. The following is a summary of the more specific policies:

A. Reporting Entity

As required by generally accepted accounting principles, the accompanying financial statements present the City as a primary government and its component units, entities for which the City is considered financially accountable. The component units are included in the reporting entity because of the significance of their operational relationship with the primary government. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. The primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. On this basis, the following entity is not a part of the City of Marianna and thus, is excluded from the accompanying financial statements:

Marianna Housing Authority - This authority was created by the City pursuant to State Statutes with commissioners of the Authority appointed by the City Commission. Operations are administered by the Authority and financed with Federal funds and rentals. Outstanding debt of the Authority is not an obligation of the City.

B. Government-Wide and Fund Financial Statements

The basic financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between governmental and business-type activities. Government-wide financial statements comprised of the statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

City of Marianna
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues are classified into three categories: charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to direct recovery from customers for services rendered. Grants and contributions refer to revenues restricted for specific programs whose use may be restricted further to operational or capital items. The general revenues section displays revenue collected that helps support all functions of government and contributes to the change in the net assets for the fiscal year.

The fund financial statements follow and report additional and detailed information about operations for major funds individually and non-major funds in the aggregate for governmental funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations.

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

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

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, considered to be sixty days. 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.

City of Marianna
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following are reported as major governmental funds:

General Fund – This is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Community Redevelopment Agency (CRA) - On June 9, 1993, the City adopted a Community Redevelopment Plan and created a Community Redevelopment Agency (CRA) by Ordinance #822 and Resolution 93-8. The board consists of the Mayor and four City Commissioners. The total area of the CRA was 0.08581 square miles. The plan was amended by the City Commission on June 6, 1995 by Resolution 95-5, which expanded the area of the CRA to 0.3993 square miles. The City reports the blended presented component unit, Community Redevelopment Agency (CRA), as a major fund to comply with Florida Statutes.

Community Redevelopment Agency – West End Redevelopment Area (West End Trust Fund)- On December 1, 2020, the City adopted a Community Redevelopment Plan and created a Community Redevelopment Agency West End Trust Fund by Ordinance #1099 and Resolution 2020-11. The board consists of the Mayor and four City Commissioners. The area of the CRA is the West End “blighted area” within the meaning of Chapter 163, Part III, Florida Statutes. The City reports the blended presented component unit, Community Redevelopment Agency – West End, as a major fund to comply with Florida Statutes.

Debt Service Fund – Accounts for the resources for and the accumulation of the payments of the interest and principal on debt instruments. The Debt Service Fund is not major for the current year. However, it is presented separately as the only governmental non-major fund.

The City reports the following major proprietary funds:

Utility – Accounts for the operations of the utilities (water, gas and wastewater).

Marianna Health and Rehabilitation Center (MHR) – Accounts for the activities at the City’s nursing home facility.

Airport – Accounts for activities at the municipal airport. It includes the Marianna Airport Authority.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Proprietary Funds are charges to customers for sales and services. Operating expenses for the Proprietary Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

City of Marianna
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following fiduciary funds:

Municipal Firefighter's Pension and Police Officer's Retirement Trust Funds - accounts for the pension funds for City firefighters and police officers. The funds were created by the State of Florida.

D. Cash and Cash Equivalents

Cash and Cash Equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

E. Investments

Investments are stated at cost or amortized cost, except in the Pension Trust Funds and Agency Fund where Investments are stated at fair value.

F. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or net realizable value. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased.

G. Compensated Absences

Full time employees accrue annual leave based on years of service (section 4.2 of the Personnel Policy Manual) and one 8 hour day of sick of leave per month. Any unused annual and sick leave at the end of the fiscal year may carry forward up to a maximum of 20 days annual leave and 75 days of sick leave respectively. Any annual leave in excess of 20 days of annual leave and 75 days of sick leave accruing to the benefit of any employee at the end of the fiscal year which is not taken will be forfeited. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual and sick leave balances.

H. Bond Discounts and Issue Costs

In the proprietary funds, bond discounts and premiums are amortized over the term of the bonds using the straight-line method which, for the bond discounts and premiums, is not materially different than the effective interest method. Unamortized bond discounts and premiums are presented in the financial statements as reductions/additions in bonds payable.

City of Marianna
Notes to Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Restricted Assets

Restricted assets consist of cash which is required by resolution or contractual obligation to be set aside for specific purposes and is therefore unavailable for general operating purposes. When both restricted and unrestricted (unassigned) net assets are available, restricted assets are applied first. When both assigned and unassigned net assets are available, assigned net assets are applied first.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

K. Accounts Receivables

Accounts receivables are shown at their net realizable value. See Note 5 for allowance for doubtful accounts.

L. Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources for the leases. The deferred inflow of resources is recorded at the initiation of the leases in an amount equal to the initial recording the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

M. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and capital assets with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Capital Assets (Continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Buildings	30 – 50 years
Electrical, sewer, water and wastewater system	30 – 50 years
Equipment	5 – 10 years
Infrastructure	50 years

N. Right to Use Assets and Leases Payable

The City engages in various lease agreements in which it is the Lessee. The City recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statement to account for the leases. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the contract. Key estimates and judgements related to lessee leases include how the City determines (1) the discount rate it used to discount the expected lease payments to present value, (2) the lease term, and (3) the lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and the exercise price of any purchase options that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with capital assets as right-to-use intangible assets and lease liabilities are reported as capital lease payable in long-term debt in the statement of net position.

O. Subsequent Events

Subsequent events have been evaluated through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

P. Fund Balance Reporting and Governmental Fund-Type Definitions

The City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or spendable. See Note 15.

Q. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

R. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that future time.

S. Impact of Recently Issued Accounting Pronouncements

New Accounting Standards Adopted

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Impact of Recently Issued Accounting Pronouncements (Continued)

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Recently Issued But Not Yet Effective

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the City upon implementation. Management has not yet evaluated the effect of implementation of these standards.

Statement No.	GASB Accounting Standard	GASB Effective Fiscal Year
91	<i>Conduit Debt Obligations</i>	2023
92	<i>Omnibus 2020</i>	2023
93	<i>Replacement of Interbank Offered Rates</i>	2022
94	<i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2024
96	<i>Subscription-Based Information Technology Arrangements</i>	2024
97	<i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans</i>	2023
98	The Annual Comprehensive Financial Report	2023
99	<i>Omnibus 2022</i>	2023
100	<i>Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62</i>	2024
101	<i>Compensated Absences</i>	2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Pensions

For purpose 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 pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The City follows these procedures in establishing the budget reflected in the financial statements:

1. City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. The budget is legally enacted through passage of an ordinance.
3. The budget of the General fund is prepared on the modified accrual basis of accounting the following exception:
The City includes a portion of the prior year's fund balance represented by unappropriated liquid assets remaining in the fund as a budgeted revenue in the succeeding year. The results of operation in accordance with generally accepted accounting principles do not recognize the fund balance allocation as revenue, as it is the result of the prior period's excess of revenues over expenditures.
4. Budgetary control is at the department level.

City of Marianna
Notes to Financial Statements

NOTE 3: 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 County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide. State statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The millage rate assessed by the City for the fiscal year ended September 30, 2022 was 2.9985.

All property is assessed according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the Department of Revenue for review to determine if the rolls meet all of the appropriate requirements.

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 at 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 at 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 twenty-two months.

Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of property or by the seven year statute of limitations.

Since the Jackson County Tax Collector's Office acts quickly in selling tax certificates and in remitting such collections to the City, no delinquent or uncollected property taxes exist at year end. The City Tax Calendar is as follows:

Valuation Date:	January 1
Levy Date:	November 1
Due Date:	March 31, Succeeding Year
Lien Date:	April 1, Succeeding Year

NOTE 4: DEPOSITS AND INVESTMENTS

At year end, the carrying amount of the City's deposits was \$14,696,039 and the bank balance was \$15,195,020. The bank balance was covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Deposit 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 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.

Florida Statutes authorize the City to invest in certificates of deposit, repurchase agreements and the State Treasurer's Investment Pool. In addition, the statutes allow the City to invest in bonds, notes or other obligations of the United States Government, certain bonds of any state or local government unit, and bonds issued by certain government agencies.

The City invested funds in the Florida State Board of Administration Local Governments Surplus Funds Investment Pool. At September 30, 2022, the market value and the carrying value of these funds was \$5,205,841. The funds are carried as a cash equivalent on the balance sheet at September 30, 2022 (See Note 1, Section D for definition of cash equivalents) and are included in carrying value and bank balance in the first paragraph of this note. Additional information and investment policies regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration at www.sbafla.com/prime.

The State of Florida's Local Government Investment Pool is administered by the Florida State Board of Administration (SBA), which provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administrative Code identifies the rules and regulations governing the administration of the State Pool. These rules provide guidance and establish the general operating procedures for the administration of the pool. The SBA provides regulatory oversight for the Florida PRIME Fund. As a pool participant, the City owns a share of the respective pool, not the underlying securities.

The Florida PRIME Fund is an external investment pool that has adopted operating procedures consistent with the requirements of GASB Statement No. 79 to measure its investments at amortized cost. Therefore, the City's investment in PRIME is at amortized cost.

Custodial Credit Risk

At September 30, 2022, the City did not hold any deposits or investments that were considered to have custodial credit risk.

City of Marianna
Notes to Financial Statements

NOTE 4: DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk

At September 30, 2022, the City did not hold any investments that were considered to have concentration of credit risk.

Credit Risk

The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as to credit risk because the City investments are not evidenced by specific, identifiable investment securities.

As of September 30, 2022, the City's investment in the Florida PRIME is rated by Standard and Poors and the current rating is AAAM.

Interest Rate Risk

The dollar weighted average days to maturity (WAM) of the Florida PRIME at September 30, 2022, is 21 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2022, is 72 days.

The City also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan allows the employees to designate where the plan funds are invested. At September 30, 2022, plan funds totaling \$2,701,436 were invested in mutual funds. These funds are carried as an investment in the agency fund.

Foreign Currency Risk

At September 30, 2022, the City did not hold any investments that were considered to have foreign currency risk.

NOTE 5: ACCOUNTS RECEIVABLE AND NOTE RECEIVABLE

	GENERAL	UTILITY	AIRPORT	MHR	TOTAL
Trade receivable	\$ 97,592	\$ 766,450	\$ -	\$ 3,347,013	\$ 4,211,055
Other receivables	194,370	2,386	10,172	-	206,928
Interest receivable	20,967	-	-	-	20,967
Less allowance for doubtful accounts	(32,431)	(4,817)	-	(1,421,482)	(1,458,730)
Accounts Receivables, net	\$ 280,498	764,019	\$ 10,172	\$ 1,925,531	\$ 2,980,220

City of Marianna
Notes to Financial Statements

NOTE 5: ACCOUNTS RECEIVABLE AND NOTE RECEIVABLE (continued)

Receivables arise primarily from utility services (sewer, gas and water) provided by the City of Marianna, Florida and nursing home services provided by the Marianna Health and Rehabilitation Center. The City grants credit to customers, substantially all of whom are local residents.

Other receivables for the General Fund include \$427,541 in property liens for the removal of dilapidated structures. This amount includes the lien, the associated recording costs and the interest to date. Because of the age of the liens and the likelihood of collection, the City has included the full amount in the allowance for doubtful accounts.

The note receivable for the Airport fund had an original balance of \$100,000. The note is receivable in monthly installments of \$1,266.76, including 9% interest. The note matures November 5, 2025 with a balloon payment of \$42,063.

NOTE 6: INTERFUND BALANCES

Interfund balances are generally used to meet cash demands necessary to pay operating expenses. Amounts are generally repaid during the next fiscal year. Balances due to/from other funds at September 30, 2022 are as follows:

Receivable fund	Payable fund		
General	Proprietary Funds	\$	193,941

For Governmental Funds, the interfund balance is comprised of \$193,941 in due to other funds. For Proprietary Funds, the interfund balance is comprised of \$193,941 in due from other funds.

TRANSFERS IN

Transfers Out	General	CRA	Debt Service	Utility	Airport	MHR	Total
General	\$ -	\$ 30,883	\$ 332,902	\$ -	\$ -	\$ 786,216	\$ 1,150,001
CRA	35,870	-	-	-	-	-	35,870
Debt Service	-	-	-	-	-	-	-
Utility	491,503	-	-	-	-	12,918	504,421
Airport	27,270	-	-	-	-	-	27,270
MHR	567,000	-	-	-	-	-	567,000
	\$ 1,121,643	\$ 30,883	\$ 332,902	\$ -	\$ -	\$ 799,134	\$ 2,284,562

City of Marianna
Notes to Financial Statements

NOTE 7: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2022 was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,521,337	\$ 359,175	\$ -	\$ 1,880,512
Construction in progress	3,354,762	1,534,046	(4,738,525)	150,283
Total capital assets, not being depreciated	4,876,099	1,893,221	(4,738,525)	2,030,795
Capital assets, being depreciated:				
Infrastructure	3,073,268	3,348,185	-	6,421,453
Buildings	8,054,093	683,459	-	8,737,552
Improvements other than buildings	16,006,121	276,143	-	16,282,264
Equipment	6,160,860	404,125	-	6,564,985
Total capital assets, being depreciated	33,294,342	4,711,912	-	38,006,254
Less: accumulated depreciation for:				
Infrastructure	874,802	81,665	-	956,467
Buildings	2,773,515	388,877	-	3,162,392
Improvements other than buildings	3,503,037	338,110	-	3,841,147
Equipment	4,286,296	512,540	-	4,798,836
Total accumulated depreciation	11,437,650	1,321,192	-	12,758,842
Total capital assets, being depreciated, net	21,856,692	3,390,720	-	25,247,412
Governmental activities capital assets, net	\$ 26,732,791	\$ 5,283,941	\$ (4,738,525)	\$ 27,278,207

City of Marianna
Notes to Financial Statements

NOTE 7: CAPITAL ASSETS (Continued)

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Business-type activities:				
Utility				
Capital assets, not being depreciated:				
Land	\$ 1,073,892	\$ -	\$ -	\$ 1,073,892
Construction in progress	5,212,586	7,206,163	(448,331)	11,970,418
<hr/>				
Total capital assets, not being depreciated	6,286,478	7,206,163	(448,331)	13,044,310
<hr/>				
Capital assets, being depreciated:				
Buildings	1,377,244	-	-	1,377,244
Improvements other than buildings	77,371,972	1,006,929	-	78,378,901
Equipment	2,391,571	340,286	-	2,731,857
<hr/>				
Total capital assets, being depreciated	81,140,787	1,347,215	-	82,488,002
<hr/>				
Less: accumulated depreciation for:				
Buildings	1,170,544	9,762	-	1,180,306
Improvements other than buildings	39,822,372	2,871,388	-	42,693,760
Equipment	1,721,383	184,803	-	1,906,186
<hr/>				
Total accumulated depreciation	42,714,299	3,065,953	-	45,780,252
<hr/>				
Total capital assets, being depreciated, net	38,426,488	(1,718,738)	-	36,707,750
<hr/>				
Utility capital assets, net	\$ 44,712,966	\$ 5,487,425	\$ (448,331)	\$ 49,752,060

City of Marianna
Notes to Financial Statements

NOTE 7: CAPITAL ASSETS (Continued)

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Airport				
Capital Assets, not being depreciated:				
Land	\$ 75,509	\$ -	\$ -	\$ 75,509
Construction in progress	356,094	85,366	(57,979)	383,481
Total capital assets, not being depreciated	431,603	85,366	(57,979)	458,990
Capital assets, being depreciated:				
Buildings	11,030,774	-	-	11,030,774
Improvements other than buildings	14,665,252	67,798	-	14,733,050
Equipment	962,022	39,916	(8,735)	993,203
Right-to-use assets	-	67,389	-	67,389
Total capital assets, being depreciated	26,658,048	175,103	(8,735)	26,824,416
Less: accumulated depreciation for:				
Buildings	2,629,300	250,678	-	2,879,978
Improvements other than buildings	3,967,184	555,482	-	4,522,666
Equipment	856,659	34,121	(8,735)	882,045
Right-to-use assets	-	16,847	-	16,847
Total accumulated depreciation	7,453,143	857,128	(8,735)	8,301,536
Total capital assets, being depreciated, net	19,204,905	(682,025)	-	18,522,880
Airport capital assets, net	\$ 19,636,508	\$ (596,659)	\$ (57,979)	\$ 18,981,870

City of Marianna
Notes to Financial Statements

NOTE 7: CAPITAL ASSETS (Continued)

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
MHR				
Capital assets, not being depreciated:				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Construction in progress	-	2,000	-	2,000
<hr/>				
Total capital assets, not being depreciated	50,000	2,000	-	52,000
<hr/>				
Capital assets, being depreciated:				
Buildings	9,541,222	-	-	9,541,222
Equipment	3,489,711	188,028	-	3,677,739
Right-to-use assets	-	71,490	-	71,490
<hr/>				
Total capital assets, being depreciated	13,030,933	259,518	-	13,290,451
<hr/>				
Less: accumulated depreciation for:				
Buildings	4,668,117	233,274	-	4,901,391
Equipment	3,018,155	116,384	-	3,134,539
Right-to-use assets	-	19,438	-	19,438
<hr/>				
Total accumulated depreciation	7,686,272	369,096	-	8,055,368
<hr/>				
Total capital assets, being depreciated, net	5,344,661	(109,578)	-	5,235,083
<hr/>				
MHR capital assets, net	\$ 5,394,661	\$ (107,578)	\$ -	\$ 5,287,083

City of Marianna
Notes to Financial Statements

NOTE 7: CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to functions as follows:

Governmental activities

General government	\$ 442,632
Public safety	406,328
Highways and streets	383,057
Culture and recreation	89,175
<hr/>	
Total depreciation expense-governmental activities	\$ 1,321,192
<hr/>	

Business-type activities

Gas	\$ 219,476
Water	716,977
Sewer	2,129,500
MHR	369,096
Airport	857,128
<hr/>	
Total depreciation expense-business-type activities	\$ 4,292,177
<hr/>	

City of Marianna
Notes to Financial Statements

NOTE 8: LONG-TERM DEBT

Long-term debt activity for the year ended September 30, 2022, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Governmental activities:					
General					
Bonds payable from direct placement	\$ 4,084,451	\$ -	\$ (253,831)	\$ 3,830,620	\$ 256,558
Compensated absences	265,750	203,632	(214,925)	254,457	50,891
	<u>4,350,201</u>	<u>203,632</u>	<u>(468,756)</u>	<u>4,085,077</u>	<u>307,449</u>
Business-type activities:					
Compensated absences					
	751,025	563,498	(544,958)	769,565	153,913
Leases payable	-	138,878	(35,331)	103,547	45,333
Notes payable from direct borrowings	5,000,225	1,254,400	(778,873)	5,475,752	523,045
	<u>5,751,250</u>	<u>1,956,776</u>	<u>(1,359,162)</u>	<u>6,348,864</u>	<u>722,291</u>
Total	<u>\$ 10,101,451</u>	<u>\$ 2,160,408</u>	<u>\$ (1,827,918)</u>	<u>\$ 10,433,941</u>	<u>\$ 1,029,740</u>

City of Marianna
Notes to Financial Statements

NOTE 8: LONG-TERM DEBT (Continued)

Payments on the notes, leases payable, and sales tax revenue bonds that pertain to the City's governmental activities are made by the debt service funds. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund.

The City's outstanding bonds from direct placements related to governmental activities of \$3,830,620 contain provisions that in an event of default, outstanding amounts become immediately due if the City is unable to make payment.

The City's outstanding notes from direct borrowings related to business-type activities of \$5,475,752 contain provisions that if the City meets any conditions of default, the repayment schedule may be accelerated and/or the interest rate increased.

Total interest expense for the year ended September 30, 2022 was \$150,443. Interest paid during the year ended September 30, 2022 was \$154,854.

Debt service requirements on long-term debt at September 30, 2022 are as follows:

FISCAL YEAR ENDING SEPTEMBER 30,	GOVERNMENTAL ACTIVITIES	
	REVENUE BONDS FROM DIRECT PLACEMENT	
	PRINCIPAL	INTEREST
2023	\$ 256,558	\$ 73,883
2024	259,317	68,754
2025	262,109	63,570
2026	264,933	58,329
2027	267,791	53,032
2028-2032	1,383,019	183,639
2033-2037	1,136,893	45,492
Total	\$ 3,830,620	\$ 546,699

City of Marianna
Notes to Financial Statements

NOTE 8: LONG-TERM DEBT (Continued)

FISCAL YEAR ENDING SEPTEMBER 30,	BUSINESS-TYPE ACTIVITIES			
	NOTES PAYABLE FROM DIRECT BORROWING		LEASE PAYABLE	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2023	\$ 523,045	\$ 65,213	\$ 45,333	\$ 1,860
2024	566,793	57,387	46,433	761
2025	575,069	49,111	11,584	25
2026	498,325	40,826	197	-
2027	289,803	34,913	-	-
2028-2032	1,505,290	115,900	-	-
2033-2037	1,072,628	31,655	-	-
2038-2042	363,958	919	-	-
2043-2047	80,841	-	-	-
Total	\$ 5,475,752	\$ 395,924	\$ 103,547	\$ 2,646

Governmental activities

Revenue Bonds from Direct Placement

\$3,793,000 Capital Improvement Revenue Bonds - Series 2020 due in annual installments of \$273,248 to \$308,286 from October 2021 to April 2036, including interest at 1.97%, collateralized by tax revenue. \$ 3,557,113

\$309,000 Capital Improvement Revenue Bonds - Series 2020 due in annual installments of \$24,501 from September 2021 to September 2035, including interest at 2.25%, collateralized by equipment. \$ 273,507

Total revenue bonds **3,830,620**

Total governmental activities **\$ 3,830,620**

City of Marianna
Notes to Financial Statements

NOTE 8: LONG-TERM DEBT (Continued)

Business-type activities

Notes Payable from Direct Borrowing

State of Florida - State Revolving Fund original amount of \$75,087 dated September 2021, payable in semiannual installments of \$3,754, including interest at 0%, collateralized by equipment, due October 2042	\$ 1,029,123
State of Florida - State Revolving Fund original amount of \$82,600 dated September 2020, payable in semiannual installments of \$2,065, including interest at 0%, collateralized by equipment, due April 2041.	78,470
State of Florida - State Revolving Fund original amount \$4,375,466 dated August 2011, payable in semiannual installments of \$40,489, including interest at 1.095%, collateralized by equipment, due June 2035.	1,030,560
State of Florida - State Revolving Fund original amount \$1,493,124 dated December 2009, payable in semiannual installments of \$47,503, including interest at 2.57%, due April 2030.	867,528
State of Florida - State Revolving Fund original amount \$18,395,733 dated September 2001, payable in semiannual installments of \$149,731, including interest at .83%, due January 2029.	1,076,316
State of Florida - State Revolving Fund original amount \$461,688 dated March 2014, payable in semiannual installments of \$13,226, including interest at 1.08%, due February 2036.	420,779
State of Florida - State Revolving Fund original amount \$376,693 dated February 2018, payable in semiannual installments of \$2,072, including interest of 0%, due May 2038.	70,431
State of Florida - State Revolving Fund, original amount \$932,404 dated August 2018, payable in semiannual installments of \$20,209, including interest at 0%, due March 2032	889,181
State of Florida - State Revolving Fund original amount \$15,000 dated June 2017, payable in semiannual installments of \$798, including interest at .36%, due February 2028.	13,364
Total notes payable	5,475,752

City of Marianna
Notes to Financial Statements

NOTE 8: LONG-TERM DEBT (Continued)

Business-type activities (Continued)

Lease Payable

<p>Perry Brothers Aviation Fuels, LLC - Initial lease liability of \$67,389 effective 2/1/2022, payable in 36 montly installments of \$1,900, including interest of .82%. The value of the right to use asset as of 9/30/22 of \$67,389 with accumulated amortization of \$16,547 is included in the Airport's right-to-use assets found in Note 7.</p>	50,812
<p>Xerox - Initial lease liability of \$9,386 effective 11/5/2021, payable in 48 monthly installments of \$197, including interest of .35%. The value of the right-to-use asset as of 9/30/22 of \$9,386 with accumulated amortization of \$2,151 is included in the Center's right-to-use assets found in Note 7.</p>	7,244
<p>Ecolab - Initial lease liability of \$10,138 effective 5/1/2022, payable in 36 monthly installments of \$285,2 including interest of .8%. The value of the right-to-use asset as of 9/30/22 of \$10,138 with accumulated amortization of \$1,408 is included in the Center's right-to-use assets found in Note 7.</p>	8,739
<p>Huntington Creative Fleet Leasing - Initial lease liability of \$51,966 effective 11/1/2021, payable in 36 monthly installments of \$1,551, including interest of 5%. The value of the right-to-use asset as of 9/30/22 of \$51,966 with accumulated amortization of \$15,879 is included in the Center's right-to-use assets found in Note 7.</p>	36,752
<p>Total leases payable</p>	103,547
<p>Total business-type activities</p>	\$ 5,579,299

City of Marianna Notes to Financial Statements

NOTE 9: MAJOR SUPPLIER

All natural gas sold by the City is purchased from a single supplier, Florida Gas Utility Company. Purchases totaled \$1,440,384 for the year ended September 30, 2022. The City has placed a deposit totaling \$159,348 with Florida Gas Utility Company to collateralize the credit needed with the company.

NOTE 10: DEFERRED COMPENSATION PLAN

The City 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. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the government subject only to the claims of the government's general creditors. Participants' rights under the plan are equal to those of general creditors of the government in an amount equal to the fair market value of the deferred account for each participant.

Investments are managed by the plan's trustee under one of four investment options, or a combination thereof. The choice of the investment option(s) is made by the participants.

NOTE 11: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY

Defined Benefit Plans

The City participates in two defined benefit pension plans that are administered by the State of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida Legislature. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website (www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports).

NOTE 11: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

The Florida Retirement System (FRS) Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan with a Deferred Retirement Option Program (DROP) available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree under a state administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

Benefits Provided

Benefits under the FRS Pension Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes.

City of Marianna
Notes to Financial Statements

NOTE 11: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Contributions

The contribution requirements of plan members and the employer are established and may be amended by the Florida Legislature. Employees are required to contribute 3.00% of their salary to the FRS. The employer's contribution rates as of September 30, 2022, were as follows:

	FRS	HIS
Florida Retirement System:		
Regular	10.25%	1.66%
Senior Management Service Class	29.91%	1.66%
Special Risk	26.17%	1.66%
DROP	16.94%	1.66%

The employer's contributions for the year ended September 30, 2022, were \$911,661 to the FRS and \$211,419 to the HIS.

Pension Liabilities and Pension Expense

In its financial statements for the year ended September 30, 2022, the City reported a liability for its proportionate share of the net pension liabilities of the FRS Pension Plan and its proportionate share of the net pension liability of the HIS Program. The net pension liabilities were measured as of June 30, 2022. The City's proportions of the net pension liabilities were based on the City's share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net Pension Liability at June 30, 2022	\$ 7,130,179	\$ 2,579,178
Proportion at:		
Current measurement date	0.0001916	0.0002435
Prior measurement date	0.0001946	0.0002396
Pension expense (benefit)	\$ 874,358	\$ 94,973

City of Marianna
Notes to Financial Statements

NOTE 11: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Deferred Outflows/Inflows of Resources Related to Pensions

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 338,642	\$ -	\$ 78,284	\$ (11,348)
Changes of assumptions	878,112	-	147,840	(398,997)
Net difference between projected and actual earnings on pension plan investments	470,805	-	3,734	-
Changes in proportion and differences between employer contributions and proportionate share of contributions City contributions subsequent to the measurement date	108,105	(506,597)	144,470	(378,612)
the measurement date	252,553	-	43,123	-
Total	\$2,048,217	\$ (506,597)	\$ 417,451	\$ (788,957)

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer's fiscal year end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2022. Other pension-related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	FRS	HIS
2023	\$ 309,377	\$ (95,365)
2024	116,016	(53,901)
2025	(103,126)	(24,878)
2026	915,238	(53,901)
2027	51,562	(124,389)
Thereafter	-	(58,048)
Total	\$ 1,289,067	\$ (410,482)

NOTE 11: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2022, was determined by an actuarial valuation dated July 1, 2022, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.70%	3.54%
Discount rate	6.70%	3.54%

Mortality assumptions for both plans were based on the PUB-2010 base table.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The following changes in key actuarial assumptions occurred in 2022:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 6.8% to 6.7%. The maximum amortization period decreased to 20 years for all current and future amortization bases.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability increased from 2.16% to 3.54%.

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary's assumptions based on the long-term target asset allocation.

City of Marianna
Notes to Financial Statements

NOTE 11: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate (Property)	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Total	100.00%			

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.7%. FRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 3.54% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate.

	FRS Net Pension Liability		
	Current		
	1% Decrease (5.70%)	Discount Rate (6.70%)	1% Increase (7.70%)
Governmental Employer's proportionate share of the net pension liability	\$ 2,165,351	\$ 1,252,059	\$ 488,439
Business-Type Employer's proportionate share of the net pension liability	\$ 10,165,803	\$ 5,878,120	\$ 2,293,106

City of Marianna
Notes to Financial Statements

NOTE 11: STATE RETIREMENT PROGRAM AND NET PENSION LIABILITY (Continued)

	HIS Net Pension Liability		
	Current		
	1% Decrease	Discount Rate	1% Increase
	(2.54%)	(3.54%)	(4.54%)
Governmental Employer's proportionate share of the net pension liability	\$ 518,159	\$ 452,904	\$ 398,906
Business-Type Employer's proportionate share of the net pension liability	\$ 2,432,632	\$ 2,126,274	\$ 1,872,770

Pension Plans' Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

Defined Contribution Plan

Pursuant to Chapter 121, Florida Statutes, the Florida Legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan during the year ended September 30, 2022, totaled \$209,673.

NOTE 12: POLICE AND FIREFIGHTERS' PENSION PLAN

The City maintains two separate single employer defined benefit pension plans for firefighters and police. They are accounted for as pension trust funds and reported on herein as part of the City's reporting entity. Each plan is administered through its own Board of Trustees.

Summary of significant accounting policies – The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Investments are reported at fair value.

Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value.

The City recognized as revenues and expenditures on-behalf payments relating to pension contributions for its public safety employees that the State of Florida paid to the Police and Firefighter retirement plans in the amounts of \$54,084 and \$47,748, respectively. These contributions are funded by an excise tax upon certain casualty insurance companies on their gross receipts of premiums from policy holders.

Funding policy – The City uses the Aggregate Actuarial Cost Method (AACM) for the Firefighters' Retirement System and the Police's Retirement System to determine required contributions under its retirement systems because it provides for the systematic funding of the normal cost and any unfunded actuarial accrued liabilities. This is an acceptable method to the State of Florida. These liabilities are being funded over a 5 year period for the Police Retirement System and the Firefighters' Retirement System.

The State of Florida has established guidelines for state and local pension plan funding and requires submission to and approval of the local government's actuarial reports by a State Bureau, at least every third year. The City's pension plans, by policy, require the following:

1. Bi-annual actuarial reports as of October 1 of each year to determine the next year's required contributions.
2. Employee contributions at 5% of compensation for the Police Retirement System and the Firefighters' Retirement System.
3. Employer contributions in accordance with the actuarially determined requirement using the AACM for the Police Retirement System and the Firefighters' Retirement System.

City of Marianna
Notes to Financial Statements

NOTE 12: POLICE AND FIREFIGHTERS' PENSION PLAN (Continued)

Plan Description

Police Pension Plan	Firefighters' Pension Plan
<i>Plan Administration</i>	<i>Plan Administration</i>
The Plan is administered by a Board of Trustees comprised of:	The Plan is administered by a Board of Trustees comprised of:
a) Two City Council appointees,	a) Two City Council appointees,
b) Two Members of the System elected by a majority of the other covered Police Officers, and	b) Two Members of the System elected by a majority of the other covered Firefighters, and
c) A fifth Member elected by the other 4 and appointed by Council.	c) A fifth Member elected by the other 4 and appointed by Council.

Benefits Provided

Both plans provide retirement, termination, disability and death benefits.

Plan Membership as of October 1, 2021:	Police Pension Plan	Firefighters' Pension Plan
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	7	6
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	1	1
Active Plan Members	17	16
Total Plan Members	25	23

Police Officers Pension Plan:

Normal Retirement:

Date: Earlier of: 1) Age 55 and 10 years of Credited Service, or 2) age 52 and 25 years of Credited Service. Benefit: 3.50% of Average Monthly Earnings times Years of Credited Service.

Early Retirement:

Date: Age 50 and 10 Years of Credited Service.

Benefit: Accrued benefit reduced by 3% for each year that the early retirement date precedes the normal retirement date.

Vesting (Termination of Employment):

Less than 10 Years: Refund of member contributions, without interest.

10 Years or More: Accrued pension payable at normal or early retirement date.

NOTE 12: POLICE AND FIREFIGHTERS' PENSION PLAN (Continued)

Cost of Living Adjustment:

Up to 3% per year beginning at age 65.

Disability:

Eligibility: Total and permanent disability is determined by the Board. The officer must not be able to perform useful and efficient service as a police officer. The disabled officer is subject to periodic medical examinations as directed by the Board.

Benefit: Service Connected: If the disability is service incurred, benefit shall be the accrued benefit as of the date of termination, not be less than 42% of the officer's average final compensation. If the disability is non-service incurred, the benefit shall be the accrued benefit as of the date of termination, not less than 25% of average final compensation.

Pre-Retirement Death:

Vested or Eligible to Retire: Accrued benefits payable to beneficiary for 10 years, or in accordance with available options. If not vested or eligible for early or normal retirement: Refund of contributions, without interest.

Firefighters Pension Plan:

Normal Retirement:

Date: Earlier of: 1) Age 55 and 10 years of Credited Service, or 2) age 52 and 25 years of Credited Service.

Benefit: 3.00% of Average Monthly Earnings times Years of Credited Service.

Early Retirement:

Date: Age 50 and 10 Years of Credited Service.

Benefit: Accrued benefit reduced at 3% for each year that the early retirement date precedes the normal retirement date.

Cost of Living Adjustment for Retirees:

Up to 3% per year beginning at age 65.

Vesting (Termination of Employment):

Less than 10 Years: Refund of member contributions, without interest.

10 Years or More: Accrued pension payable at normal or early retirement date.

Disability:

Eligibility: Total and permanent disability is determined by the Board. The firefighter must not be able to perform useful and efficient service as a firefighter. The disabled firefighter is subject to periodic medical examinations as directed by the Board.

City of Marianna
Notes to Financial Statements

NOTE 12: POLICE AND FIREFIGHTERS' PENSION PLAN (Continued)

Benefit: Service Connected: If the disability is service incurred, benefit shall be the accrued benefit as of the date of termination, not be less than 42% of the firefighters' average final compensation. If the disability is non-service incurred, the benefit shall be the accrued benefit as of the date of termination, not less than 25% of average final compensation.

Pre-Retirement Death Benefits:

Vested or Eligible to Retire: Accrued benefits payable to beneficiary for 10 years, or in accordance with available options. If not vested or eligible for early or normal retirement: Refund of contributions, without interest.

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2022:

Asset Class	Target Allocation	
	Police Pension Plan	Firefighters' Pension Plan
Domestic Equity	55%	55%
International Equity	10%	10%
Broad Market Fixed Income	30%	30%
Global Fixed Income	5%	5%
Total	100%	100%

Concentrations:

Each plan held several investments that represent five percent or more of the Pension Plan's fiduciary net position. Each plan held 15% in the Dodge & Cox Income Fund, 15% in the Metropolitan West Total Return Bond, 14% in the American Fund Europacific GR Fund, 25% in the JP Morgan US Research Enhanced Equity Fund, and 25% in the Fidelity Total Market Index Fund.

City of Marianna
Notes to Financial Statements

NOTE 12: POLICE AND FIREFIGHTERS' PENSION PLAN (Continued)

NET PENSION LIABILITY OF THE SPONSOR

The components of the net pension liability of the sponsor on September 30, 2022 were as follows:

	Police Pension Plan	Firefighters' Pension Plan
Total Pension Liability	\$ 3,731,100	\$ 3,140,774
Plan Fiduciary Net Position	(5,323,485)	(4,090,676)
Sponsor's Net Pension Liability	\$ (1,592,385)	\$ (949,902)

Plan Fiduciary Net Position as a percentage of		
Total Pension Liability	-142.68%	-130.24%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2020 using the following actuarial assumptions applied to all measurement periods.

	Police Pension Plan	Firefighters' Pension Plan
Inflation	2.50%	2.50%
Salary Increases	5.00%	5.00%
Discount Rate	6.50%	6.50%
Investment Rate of Return	6.50%	6.50%

Police Pension Plan	Firefighters Pension Plan
PUB-2010 Headcount Weighted Safety Employee Table, Sex Distinct. For dsabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table is used.	PUB-2010 Headcount Weighted Safety Employee Table, Sex Distinct. For dsabled participants, 80% PUB-2010 Headcount Weighted General Disabled Retiree Mortality Table is used.

The actuarial assumptions used in the October 1, 2020 valuation were based on the results of an actuarial experience study for the five years ending September 30, 2017.

The actuarial assumptions used in the October 1, 2020 valuation were based on the results of an actuarial experience study for the five years ending September 30, 2017.

City of Marianna
Notes to Financial Statements

NOTE 12: POLICE AND FIREFIGHTERS' PENSION PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return	
	Police Pension Plan	Firefighters' Pension Plan
Domestic Equity	7.50%	7.50%
International Equity	8.50%	8.50%
Broad Market Fixed Income	2.50%	2.50%
Global Fixed Income	3.50%	3.50%

Discount Rate:

The discount rate used to measure the total pension liability for the Police and Fire Pension Plan investments was 6.50%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension 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 was applied to all periods of projected benefit payments to determine the total pension liability.

City of Marianna
Notes to Financial Statements

NOTE 12: POLICE AND FIREFIGHTERS' PENSION PLAN (Continued)

Service Cost	Police Pension Plan Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2021	\$ 3,583,789	\$ 6,584,120	\$ (3,000,331)
Changes for a Year:			
Service Cost	114,484	-	114,484
Interest	233,854	-	233,854
Differences between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions - City & State	-	54,084	(54,084)
Contributions - Employee	-	34,141	(34,141)
Net Investment Income	-	(1,125,687)	1,125,687
Benefit Payments, including Refunds of Employees Contributions	(201,027)	(201,027)	-
Administrative Expense	-	(22,146)	22,146
Net Changes	147,311	(1,260,635)	1,407,946
Balances at September 30, 2022	\$ 3,731,100	\$ 5,323,485	\$ (1,592,385)

City of Marianna
Notes to Financial Statements

NOTE 12: POLICE AND FIREFIGHTERS' PENSION PLAN (Continued)

Service Cost	Firefighters' Pension Plan Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2021	\$ 2,992,621	\$ 5,056,079	\$ (2,063,458)
Changes for a Year:			
Service Cost	96,943	-	96,943
Interest	196,112	-	196,112
Differences between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contributions - City & State	-	47,748	(47,748)
Contributions - Employee	-	30,554	(30,554)
Net Investment Income	-	(870,251)	870,251
Benefit Payments, including Refunds of Employees Contributions	(144,902)	(144,902)	-
Administrative Expense	-	(28,552)	28,552
Net Changes	148,153	(965,403)	1,113,556
Balances at September 30, 2022	\$ 3,140,774	\$ 4,090,676	\$ (949,902)

City of Marianna
Notes to Financial Statements

NOTE 12: POLICE AND FIREFIGHTERS' PENSION PLAN (Continued)

Sensitivity of the Net Pension Liability to changes in the Discount Rate.
Sponsor's Net Pension Liability

	Current Discount		
	1% Decrease 5.50%	Rate 6.50%	1% Increase 7.50%
Police Pension Plan	\$ (1,015,997)	\$ (1,592,385)	\$ (2,057,759)
Firefighters' Pension Plan	\$ (518,744)	\$ (949,902)	\$ (1,301,582)

For the year ended September 30, 2022, the pension expense (benefit) recognized on the Police and Fire Pension Plans was (\$40,769) and (\$81,539), respectively.

On September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Police Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 69,398	\$ 117,770
Changes in Assumptions	73,060	50,169
Net difference between Projected and Actual Earnings on Pension Plan Investments	658,502	-
Total	\$ 800,960	\$ 167,939

Firefighters' Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 92,510	\$ 426,319
Changes in Assumptions	94,286	44,960
Net difference between Projected and Actual Earnings on Pension Plan Investments	509,802	-
Total	\$ 696,598	\$ 471,279

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer and State Contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2022.

City of Marianna
Notes to Financial Statements

NOTE 12: POLICE AND FIREFIGHTERS' PENSION PLAN (Continued)

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Police Pension Plan	
<i>Years ending September 30:</i>	
2023	\$ 91,928
2024	\$ 62,759
2025	\$ 144,251
2026	\$ 334,083
2027	\$ -
Thereafter	\$ -

Firefighters' Pension Plan	
<i>Years ending September 30:</i>	
2023	\$ (32,994)
2024	\$ 12,242
2025	\$ 61,817
2026	\$ 184,254
2027	\$ -
Thereafter	\$ -

NOTE 13: FIDUCIARY FUND INVESTMENTS

Investments shall be made solely in the interest of providing for the needs and activities of the Municipal Firefighters' Pension Trust Fund (Fire Pension Fund) and the Municipal Police Officers' Retirement Trust Fund (Police Retirement Fund) and for the purpose of providing long-term total return at a reasonable level of risk (volatility). An important objective is attaining "real", after inflation, growth in the Fund over a market cycle consistent with the level of risk assumed.

Investments shall be diversified so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances, it is clearly prudent not to do so.

City of Marianna
Notes to Financial Statements

NOTE 13: FIDUCIARY FUND INVESTMENTS (Continued)

Investment manager(s) retained will be given full investment discretion consistent with the investment objectives and guidelines provided regarding the purchase and sale of individual securities. The Fire Pension Fund Board and the Police Retirement Fund Board acknowledge that while the investment manager(s) expects to meet these objectives, there is no guarantee they can be achieved. The value and related income of the investments held by the Fire Pension Fund and Police Retirement Fund are sensitive to changes in economic conditions. Accordingly, investment values may be subject to risks by shifts in the market's perception of the issuers and changes in interest rates.

Carrying values of investments at September 30, 2022 were \$4,090,676 for the Firefighters' Pension Fund and \$5,323,485 for the Policemen's' Pension Fund.

The net decrease in fair value of the investments was \$1,110,453 and \$1,443,676 for the Fire Pension Fund and the Police Retirement Fund, respectively, for the year ended September 30, 2022.

The City categorizes its fair value measurements within the fair value hierarchy established by general 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.

The City has the following recurring fair value measurements as of September 30, 2022:

- Other fixed income investments of \$1,419,554 and \$1,876,328 for the firefighters and police pension plans, respectively, using quoted market prices (Level 1 inputs).
- Other equity investments totaling \$2,572,576 and \$3,333,773 for the firefighters and police pension plans, respectively, using quoted market prices (Level 1 inputs).

NOTE 13: FIDUCIARY FUND INVESTMENTS (Continued)

Custodial Credit Risk

Custodial risk is the risk that in the event of bankruptcy of the custodial entity, the Fire Pension Fund Board and the Police Retirement Fund Board deposits may not be returned to them. Neither the Fire Pension Fund Board nor the Police Retirement Fund Board has a policy for custodial credit risk. As of September 30, 2022, none of the money market and short term investment accounts were exposed to uninsured and uncollateralized custodial credit risk. At September 30, 2022, all investments were registered in the custodian's nominee name for the benefit of the appropriate Fund and were held in the possession of the custodian.

Interest Rate Risk

The Fire Pension Fund and the Police Retirement Fund do not have a formal investment policy that limits investment maturities as a means of managing its exposures to a fair value losses arising from increasing interest rates.

Credit Risk

Neither the Fire Pension Fund nor the Police Retirement Fund has an investment policy that limits its investment choices as it relates to ratings.

Foreign Currency Risk

The Fire Pension Fund and the Police Retirement Fund hold no foreign bonds or equities as of September 30, 2022. Neither Fund has an investment policy that limits its investment choices as it relates to foreign equities.

City of Marianna
Notes to Financial Statements

NOTE 13: INVESTMENTS (Continued)

Concentration of Credit Risk

Neither Fund Board places a limit on the amount the Fund may invest in any one issuer. At year end, more than 5% of the Fire Pension Fund and the Police Retirement Fund investments are held in five mutual funds, as listed below.

Investment	Market Value Percentage	
	Firefighter's Pension Plan	Police Pension Plan
Dodge & Cox Income Fund	15%	15%
Metropolitan West total Return BD Fund	15%	15%
American Funds Europacific Growth Fund	14%	14%
JP Morgan US Research Enhanced	25%	25%
Fidelity Total Market Index Fund	25%	25%
Total	94%	94%

NOTE 14: LEASE REVENUE

Lease agreements for various buildings and hangars are in place in the City's General Fund and Airport Fund. The lease terms vary from two to five years. Lease agreements for cell tower space are through January 31, 2037, renewable with the option of the lessee to cancel the lease given 60 days' notice prior to the expiration of each renewable term; the lessor has no rights of cancellation without cause during the term of any cell tower lease.

The City received the following inflows of resources from leases in 2022:

	General Fund	Airport Fund
Lease Revenue		
Land	\$ 18,228	\$ 13,387
Building	45,452	98,543
Hangar	-	34,021
Total Lease Revenue	63,680	145,951
Interest Revenue	4,387	3,688
Total	\$ 68,067	\$ 149,639

City of Marianna
Notes to Financial Statements

NOTE 14: LEASE REVENUE (continued)

Maturity Schedule for Lease Receivables for September 30, 2022:

FISCAL YEAR ENDING SEPTEMBER 30,	General Fund			General Fund		
	Principal	Interest	Total Receipts	Principal	Interest	Total Receipts
2023	\$ 36,366	\$ 4,035	\$ 40,401	\$ 173,148	\$ 3,258	\$ 176,406
2024	22,895	3,677	26,572	128,740	1,681	130,421
2025	21,179	3,338	24,517	66,658	446	67,104
2026	19,999	2,997	22,996	10,592	37	10,629
2027	11,104	2,651	13,755	-	-	-
2028-2032	59,281	9,495	68,776	-	-	-
2033-2037	56,840	2,766	59,606	-	-	-
Total	\$ 227,664	\$ 28,959	\$ 256,623	\$ 379,138	\$ 5,422	\$ 384,560

NOTE 15: FUND EQUITY

Governmental Funds

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The City had \$32,475 in non-spendable net assets which represents the inventory balance at September 30, 2022.

Spendable fund balances are classified based on a hierarchy of the City's ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. For the year ending September 30, 2022, the City reports net assets as restricted, assigned and unassigned. Restricted net assets have externally imposed constraints placed on the use of resources by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Assigned net assets have constraints placed on the use of resources by the City's intent to use the resources for a specific purpose. Unassigned fund balances have not been restricted, committed or assigned to specific purposes within the general fund. In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned and unassigned.

City of Marianna
Notes to Financial Statements

NOTE 15: FUND EQUITY (Continued)

Enterprise Funds

Reservations of equity show amounts that are not appropriated for expenditure or are legally restricted for specific uses. The purpose for each is indicated as follows:

Funds	Purpose	Amount
Utility fund	Debt service	\$ 196,176
Utility fund	Other purposes	143,335
Total restricted fund equity		\$ 339,511

For the year ended September 30, 2022, Marianna Health and Rehabilitation Center has a negative retained earnings of \$595,717. This is due to the liabilities and related deferred inflows and outflows related to pensions and other post-employment benefits. The Center has also experiences a lower census due to the Covid-19 pandemic. For the year ended September 30, 2022, Community Redevelopment Agency West End has a negative fund balance. This fund was established in the prior year. Expenses related to Community Redevelopment Agency West End were paid from the General Fund. These funds are due back to the General Fund.

NOTE 16: POST EMPLOYMENT BENEFITS OTHER THAN PENSION

Plan Description – The City has implemented Governmental Accounting Standards Board Statement 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for retiree health insurance.

The City of Marianna Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan which provides Other Postemployment Benefits (OPEB) to eligible retirees and their eligible dependents. Pursuant to the provisions of Section 112.0801, the Florida Statutes, employees who retire from the City and eligible dependents, may continue to participate in the group health insurance plan. Retirees and their eligible dependents shall be offered the same health insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The Plan does not issue a publicly available financial report.

Eligibility for participation in the Plan is limited to full-time employees of the City. For all employees participating in the Florida Retirement System, participants are eligible for normal retirement upon attaining the earlier of 1) age 62 or 2) 30 years of service regardless of age. For all employees participating in the Police or Firemen’s pension, participants are eligible for normal retirement upon attained both the age of 50 and 10 years of service.

City of Marianna
Notes to Financial Statements

NOTE 16: POST EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

Benefits Provided – The City provides post-employment healthcare to its retirees. Health benefits are provided through the City’s healthcare provider, Blue Cross Blue Shield. The benefit levels are the same as those afforded to active employees. Health benefits include inpatient and outpatient medical services and prescriptions. Dental Insurance is also provided by Standard Insurance Company.

Membership – At September 30, 2022, there were no terminated employees entitled to benefits but not yet receiving them. The membership of the Plan consisted of:

Active employees	258
Retirees and beneficiaries currently receiving benefits	4
Total membership	262

Participating employers	1
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Contributions and Funding Policy – A qualifying trust or agency fund has not been authorized by the City. The City negotiates the premium rates with Blue Cross/Blue Shield and Standard Insurance. The required contribution is based on pay-as-you-go financing requirements. Retirees and beneficiaries currently receiving benefits are required to contribute 100% of their current premium costs, which for fiscal year 2022 was \$29,145. The chart below shows the cost of the monthly retiree premiums.

Coverage	3359 BC/BS	5360 BC/BS	Dental Standard
Retiree	\$ 738.86	\$ 702.93	\$ 23.96
Retiree & Spouse	\$ 1,238.71	\$ 1,178.40	\$ 42.36
Retiree & Children	\$ 1,176.18	\$ 1,189.99	\$ 61.60
Family	\$ 1,551.11	\$ 1,475.66	\$ 80.00

City of Marianna
Notes to Financial Statements

NOTE 16: POST EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Inflows of Resources Related to OPEB -

At September 30, 2022, the City reported a liability of \$314,759 for the net OPEB liability. The net OPEB liability was measured as of September 30, 2022, and was determined by an actuarial valuation as of September 30, 2021. Standard actuarial update procedures were used to roll forward to the measurement date from the actuarial valuation date. For the year ended September 30, 2022, the City recognized OPEB expense of \$24,661. At September 30, 2022, the City reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 78,166
Changes of assumptions or other inputs	28,728	104,444
Net difference between projected and actual investments	-	-
Total	\$ 28,728	\$ 182,610

Amounts reported as Deferred Inflows of Resources related to OPEB will be recognized in OPEB expense as follows:

Year ended September 30,	
2023	\$ (32,369)
2024	(32,372)
2025	(29,507)
2026	(30,871)
2027	(28,763)
Thereafter	-
Total	\$ (153,882)

City of Marianna
Notes to Financial Statements

NOTE 16: POST EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

The following shows the components of OPEB expense:

	Total OPEB Liability	Deferred Inflows	Deferred Outflows	OPEB Expense
Balance at October 1, 2021	\$ 457,815	\$ 51,979	\$ 38,305	\$ -
Service Cost	38,242	-	-	38,242
Interest Cost	10,288	-	-	10,288
Changes in Benefit Terms	-	-	-	-
Differences between Expected and Actual Experience with Regard to Economic or Demographic Assumptions	(64,240)	64,240	-	-
Current Year Amortization of Experience Difference	-	(18,918)	-	(18,918)
Change in Assumptions About Future Economic or Demographic Factors or Other Inputs	(108,337)	108,337	-	-
Current Year Amortization of Change in Assumptions	-	(23,028)	(9,577)	(13,451)
Benefit Payments	(17,009)	-	-	-
Net Change	\$ (141,056)	\$ 130,631	\$ (9,577)	\$ 16,161
Pay-As-You Go Related Costs:				
Contributions - Employer	\$ 25,509	\$ -	\$ -	\$ -
Benefit Payments	(17,009)	-	-	-
Administrative Expenses	(8,500)	-	-	8,500
Other	-	-	-	-
Net Change	-	-	-	8,500
Ending Balance, September 30, 2022	\$ 316,759	\$ 182,610	\$ 28,728	\$ 24,661

Discount Rate - Given the City's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.77%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index published by S&P Dow Indices as of the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's, or AA by Fitch. If there are multiple ratings, the lowest rating is used.

Actuarial Method and Assumptions – The total OPEB liability in the September 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation Rate	2.50%
Salary Increase Rate(s)	Varies by Service
Discount Rate	4.77%
Initial Trend Rate	7.50%
Ultimate Trend Rate	4.00%
Years to Ultimate	53

NOTE 16: POST EMPLOYMENT BENEFITS OTHER THAN PENSION (Continued)

All mortality rates were based on the Headcount-weighted PubG-2010 mortality tables.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net OPEB liability using a discount rate that is 1 percent lower (3.77%) or 1 percent point higher (5.77%) than the current discount rate:

	1% Decrease (3.77%)	Current Discount Rate (4.77%)	1% increase (5.77%)
Net OPEB Liability	\$ 346,157	\$ 316,759	\$ 289,717

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the City's proportionate share of the net OPEB liability if it were calculated using healthcare cost trend rates that are 1 percent lower (3.00% - 7.50%) or 1 percent point higher (5.00% - 9.50%) than the current healthcare cost trend rates:

	1% Decrease (3.00% - 7.50%)	Current Discount Rate (4.00% - 8.50%)	1% increase (5.00% - 9.50%)
Net OPEB Liability	\$ 277,206	\$ 316,759	\$ 365,838

NOTE 17: CONTINGENCIES AND COMMITMENTS

Various claims and lawsuits are pending against the City. In the opinion of management, the potential unrecorded liability on one significant claim cannot be determined as of the date of these financial statements. All other claims and lawsuits would not be significant to the City's financial statements.

The City has various leases for airport buildings and hangars, for office equipment, etc. Most of these leases are for one year and coincide with the City's fiscal year.

NOTE 18: SUBSEQUENT EVENTS

Subsequent to year end, the City entered into various grant agreements totaling approximately \$55,000,000 and approved several change orders on existing grants and projects. The City also approved capital projects and capital purchases totaling approximately \$15,000,000.

Subsequent to year end, the City approved the conversion of the Fire Pension Fund and the Police Retirement from Chapter Plans to Local Law Plans.

NOTE 19: RECLASSIFICATION

Certain 2021 amounts have been reclassified to conform to 2022 classifications. Such reclassifications had no effect on reported net income.

NOTE 20: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors or omissions; injuries to employees and/or the public; or damage to property of others; and natural disasters for which the City carries commercial insurance. Insurance against losses is provided for the following types of risk:

- Workers' compensation and employer's liability
- General and automobile liability
- Real and personal property damage
- Public officials' liability
- Accidental death and dismemberment

NOTE 21: GRANTS

The City participates in several state and federal grant programs. These programs are subject to program compliance audits by grantors or their representatives. The audits of these programs for, or including, the year ended September 30, 2022, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the City's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by granting agencies cannot be determined, although the City expects such amounts, if any, to be immaterial.

NOTE 22: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of the novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the ongoing operating activities and the future results of the City. The occurrence and extent of such an impact will depend on future developments, including (i) the and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain as of May 31, 2023.

Required Supplementary Information

City of Marianna
 Schedule of Contributions
 Florida Retirement System (Last 10 fiscal years)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability (asset)	0.019163%	0.019456%	0.020291%	0.021658%	0.021671%	0.021315%	0.021838%	0.022328%	0.021179%	0.021269%
City's proportionate share of the net pension liability (asset)	\$ 7,130,179	\$ 1,469,692	\$ 8,794,214	\$ 7,458,691	\$ 6,527,353	\$ 6,304,734	\$ 5,514,182	\$ 2,884,014	\$ 1,292,259	\$ 3,661,379
City's covered payroll	\$ 8,958,161	\$ 8,765,136	\$ 9,151,356	\$ 9,396,288	\$ 9,061,323	\$ 8,571,166	\$ 8,253,153	\$ 8,247,667	\$ 7,781,509	\$ 7,898,166
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	79.59%	16.77%	96.10%	79.38%	72.04%	73.56%	66.81%	34.97%	16.61%	46.36%
FRS Plan fiduciary net position as a percentage of the total pension liability	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%	N/A

Notes to schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30th of the current fiscal year.

See Independent Auditor's Report

City of Marianna
 Schedule of Contributions
 Florida Retirement System (Last 10 fiscal years)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 817,720	\$ 741,196	\$ 674,164	\$ 680,723	\$ 617,600	\$ 558,353	\$ 532,561	\$ 544,386	\$ 463,921	\$ 286,219
Contributions in relation to the contractually required contribution	(817,720)	(741,196)	(674,164)	(680,723)	(617,600)	(558,353)	(532,561)	(544,386)	(463,921)	(286,219)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 8,958,161	\$ 8,765,136	\$ 9,151,356	\$ 9,396,288	\$ 9,061,323	\$ 8,571,166	\$ 8,253,153	\$ 8,247,667	\$ 7,781,509	\$ 7,898,166
Contributions as a percentage of covered payroll	9.13%	8.46%	7.37%	7.24%	6.82%	6.51%	6.45%	6.60%	5.96%	3.62%

Notes to schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30th of the current fiscal year.

See Independent Auditor's Report

City of Marianna
 Schedule of Proportional Share of Net Pension Liability
 Health Insurance Subsidy (Last 9 fiscal years)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
City's proportion of the net pension liability (asset)	0.024351%	0.023955%	0.027131%	0.028578%	0.027685%	0.026836%	0.027428%	0.026404%	0.026005%	0.026498%
City's proportionate share of the net pension liability (asset)	\$ 2,579,178	\$ 2,938,543	\$ 3,312,642	\$ 3,197,557	\$ 2,930,254	\$ 2,869,426	\$ 3,196,245	\$ 2,692,816	\$ 2,431,532	\$ 2,307,016
City's covered payroll	\$ 8,958,161	\$ 8,765,136	\$ 9,151,356	\$ 9,396,288	\$ 9,061,323	\$ 8,571,166	\$ 8,253,153	\$ 8,247,667	\$ 7,781,509	\$ 7,898,166
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	28.79%	33.53%	36.20%	34.03%	32.34%	33.48%	38.73%	32.65%	31.25%	29.21%
HIS Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%	N/A

Notes to schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30th of the current fiscal year.

See Independent Auditor's Report

City of Marianna
 Schedule of Contributions
 Health Insurance Subsidy (Last 10 fiscal years)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 147,345	\$ 140,812	\$ 156,342	\$ 160,348	\$ 150,138	\$ 142,627	\$ 140,570	\$ 100,934	\$ 89,084	\$ 86,802
Contributions in relation to the contractually required contribution	(147,345)	(140,812)	(156,342)	(160,348)	(150,138)	(142,627)	(140,570)	(100,934)	(89,084)	(86,802)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 8,958,161	\$ 8,765,136	\$ 9,151,356	\$ 9,396,288	\$ 9,061,323	\$ 8,571,166	\$ 8,253,153	\$ 8,247,667	\$ 7,781,509	\$ 7,898,166
Contributions as a percentage of covered payroll	1.64%	1.61%	1.71%	1.72%	1.66%	1.66%	1.70%	1.22%	1.14%	1.10%

Notes to schedules:

The amounts presented for each fiscal year for the FRS and HIS were determined as of the measurement date, which was June 30th of the current fiscal year.

See Independent Auditor's Report

City of Marianna
 Schedule of Changes in the Net Pension Liability and Related Ratios
 Police Pension Plan

Total Pension Liability	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Service Cost	\$ 114,484	\$ 107,497	\$ 99,218	\$ 120,494	\$ 140,491	\$ 131,300	\$ 138,753	\$ 128,773
Interest	233,854	223,125	229,777	218,230	204,171	201,977	181,444	167,598
Differences between Expected and Actual Experience	-	(205,008)	7,037	138,927	-	(178,589)	-	-
Changes of Assumptions	-	(87,331)	-	127,587	-	14,887	94,027	-
Benefit Payments, Including Refunds of Employee Contributions	(201,027)	(144,042)	(150,515)	(143,168)	(157,868)	(136,992)	(109,835)	(87,319)
Net Change in Total Pension Liability	147,311	(105,759)	185,517	462,070	186,794	32,583	304,389	209,052
Total Pension Liability -Beginning	3,583,789	3,689,548	3,504,031	3,041,961	2,855,167	2,822,584	2,518,195	2,309,143
Total Pension Liability- Ending (a)	\$ 3,731,100	\$ 3,583,789	\$ 3,689,548	\$ 3,504,031	\$ 3,041,961	\$ 2,855,167	\$ 2,822,584	\$ 2,518,195
Plan Fiduciary Net Position								
Contributions - City & State	54,084	53,618	53,237	49,692	46,083	45,421	43,746	46,880
Contributions - Employee	34,141	33,057	31,268	33,243	33,209	33,596	32,630	33,277
Net Investment Income	(1,125,687)	1,140,067	641,043	226,493	404,292	553,454	196,920	(16,855)
Benefit Payments, Including Refunds of Employee Contributions	(201,027)	(144,042)	(150,515)	(143,168)	(157,868)	(136,992)	(109,835)	(87,319)
Administrative Expense	(22,146)	(29,511)	(29,724)	(21,403)	(3,250)	-	(750)	(550)
Net Change in Plan Fiduciary Net Position	(1,260,635)	1,053,189	545,309	144,857	322,466	495,479	162,711	(24,567)
Plan Fiduciary Net Position- Beginning	6,584,120	5,530,931	4,985,622	4,840,765	4,518,299	4,022,820	3,860,109	3,884,676
Plan Fiduciary Net Position- Ending (b)	\$ 5,323,485	\$ 6,584,120	\$ 5,530,931	\$ 4,985,622	\$ 4,840,765	\$ 4,518,299	\$ 4,022,820	\$ 3,860,109
Net Pension Liability (Asset) - Ending (a) - (b)	\$ (1,592,385)	\$ (3,000,331)	\$ (1,841,383)	\$ (1,481,591)	\$ (1,798,804)	\$ (1,663,132)	\$ (1,200,236)	\$ (1,341,914)
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	142.68%	183.72%	149.91%	142.28%	159.13%	158.25%	142.52%	153.29%
Covered Payroll	\$ 678,519	\$ 661,134	\$ 637,059	\$ 664,860	\$ 664,172	\$ 669,593	\$ 652,600	\$ 715,919
Net Pension Asset as a Percentage of Covered Payroll	-234.69%	-453.82%	-289.04%	-222.84%	-270.83%	-248.38%	-183.92%	-187.44%

Notes to schedules: GASB Statements No. 67 and No. 68 were implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

City of Marianna
Schedule of Changes in the Net Pension Liability and Related Ratios
Firefighters' Pension Plan

Total Pension Liability	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Service Cost	\$ 96,943	\$ 91,026	\$ 103,579	\$ 101,425	\$ 115,638	\$ 108,073	\$ 120,359	\$ 111,702
Interest	196,112	187,070	216,733	196,944	190,583	212,305	195,642	184,479
Differences between Expected and Actual								
Experience	-	(533,366)	169,601	(11,974)	-	(498,423)	-	-
Changes of Assumptions	-	(68,624)	-	172,834	-	13,737	83,635	-
Benefit Payments, Including Refunds of								
Employee Contributions	(144,902)	(144,903)	(179,342)	(152,022)	(139,111)	(168,043)	(147,879)	(125,549)
Net Change in Total Pension Liability	148,153	(468,797)	310,571	307,207	167,110	(332,351)	251,757	170,632
Total Pension Liability -Beginning	2,992,621	3,461,418	3,150,847	2,843,640	2,676,530	3,008,881	2,757,124	2,586,492
Total Pension Liability- Ending (a)	\$ 3,140,774	\$ 2,992,621	\$ 3,461,418	\$ 3,150,847	\$ 2,843,640	\$ 2,676,530	\$ 3,008,881	\$ 2,757,124
Plan Fiduciary Net Position								
Contributions - City & State	47,748	39,672	43,109	62,705	67,551	68,232	76,268	75,497
Contributions - Employee	30,554	29,788	26,578	32,248	30,663	28,433	27,586	30,199
Net Investment Income	(870,251)	876,928	498,372	178,195	316,906	416,110	149,012	(11,330)
Benefit Payments, Including Refunds of								
Employee Contributions	(144,902)	(144,903)	(179,342)	(152,022)	(139,111)	(168,043)	(147,879)	(125,549)
Administrative Expense	(28,552)	(23,656)	(37,885)	(12,186)	(3,977)	(342)	(1,339)	(811)
Net Change in Plan Fiduciary Net Position	(965,403)	777,829	350,832	108,940	272,032	344,390	103,648	(31,994)
Plan Fiduciary Net Position- Beginning	5,056,079	4,278,250	3,927,418	3,818,478	3,546,446	3,202,056	3,098,408	3,130,402
Plan Fiduciary Net Position- Ending (b)	\$ 4,090,676	\$ 5,056,079	\$ 4,278,250	\$ 3,927,418	\$ 3,818,478	\$ 3,546,446	\$ 3,202,056	\$ 3,098,408
Net Pension Liability (Asset) - Ending (a) - (b)	\$ (949,902)	\$ (2,063,458)	\$ (816,832)	\$ (776,571)	\$ (974,838)	\$ (869,916)	\$ (193,175)	\$ (341,284)
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	130.24%	168.95%	123.60%	124.65%	134.28%	132.50%	106.42%	112.38%
Covered Payroll	\$ 620,879	\$ 595,762	\$ 531,560	\$ 644,960	\$ 613,263	\$ 568,447	\$ 551,720	\$ 583,468
Net Pension Liability as a Percentage of Covered Payroll	-152.99%	-346.36%	-153.67%	-120.41%	-158.96%	-153.03%	-35.01%	-58.49%

Notes to schedules:

GASB Statements No. 67 and No. 68 were implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

See Independent Auditor's Report

City of Marianna

Schedule of Contributions and Other Required Supplementary Information
Police and Firefighters' Pension Plan

SCHEDULE OF CONTRIBUTIONS – POLICE AND FIREFIGHTERS' PENSION PLANTS

Police Pension Plan	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Actuarially Determined Contribution	\$ -	\$ -	\$ -	\$ -	\$ 7,970	\$ 8,035	\$ 7,500	\$ 9,983
Contributions in relation to the Actuarially Determined Contributions	54,084	53,618	53,237	49,692	46,083	45,421	43,746	46,880
Contribution Deficiency (Excess)	\$ (54,084)	\$ (53,618)	\$ (53,237)	\$ (49,692)	\$ (38,113)	\$ (37,386)	\$ (36,246)	\$ (36,897)
Covered Payroll	\$ 678,519	\$ 661,134	\$ 637,059	\$ 664,860	\$ 664,172	\$ 669,593	\$ 652,600	\$ 715,919
Contributions as a Percentage of Covered Payroll	7.97%	8.11%	8.36%	7.47%	6.94%	6.78%	6.70%	6.55%

Firefighters' Pension Plan	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Actuarially Determined Contribution	\$ 13,659	\$ -	\$ -	\$ -	\$ 65,006	\$ 60,255	\$ 71,067	\$ 75,497
Contributions in relation to the Actuarially Determined Contributions	47,748	39,672	43,109	62,705	67,551	68,232	76,268	85,010
Contribution Deficiency (Excess)	\$ (34,089)	\$ (39,672)	\$ (43,109)	\$ (62,705)	\$ (2,545)	\$ (7,977)	\$ (5,201)	\$ (9,513)
Covered Payroll	\$ 620,879	\$ 595,762	\$ 531,560	\$ 644,960	\$ 613,263	\$ 568,447	\$ 551,720	\$ 583,468
Contributions as a Percentage of Covered Payroll	7.69%	6.66%	8.11%	9.72%	11.02%	12.00%	13.82%	14.57%

Notes to schedules:

GASB Statements No. 67 and No. 68 were implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

DISABILITY RATE TABLE – POLICE AND FIREFIGHTERS' PENSION PLANS

Age	% Becoming Disabled During the Year	
	Police Pension	Firefighters' Pension
20	0.03%	0.03%
30	0.04%	0.04%
40	0.07%	0.07%
50	0.18%	0.18%

ANNUAL MONEY-WEIGHTED RATE OF RETURN NET OF INVESTMENT EXPENSE

Annual money-weighted rate of return net of investment expense	2022	2021	2020	2019	2018	2017	2016	2015
Police Pension Plan	-17.67%	20.34%	12.37%	4.21%	9.06%	13.91%	6.09%	-0.44%
Firefighters' Pension Plan	-17.97%	20.29%	11.84%	4.39%	8.91%	13.26%	6.02%	-0.37%

This schedule is presented to illustrate the requirements of GASB 68. Currently, only data for fiscal years ended September 30, 2015 through 2022 are available.

City of Marianna
 Required Pension Supplementary Information
 Police and Firefighters' Pension Plan

TERMINATION RATE TABLE – POLICE AND FIREFIGHTERS' PENSION PLANS

% Terminating During the Year		
<u>Service</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>
0-2 Years	25.00%	20.00%
3 Years	25.00%	15.00%
4 Years	15.00%	15.00%
5-10 Years	7.50%	7.50%
11+ Years	7.50%	5.00%

SCHEDULE OF EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Schedule of Contributions

Police Pension Plan:

Year Ended September 30	Annual Required Contribution	City Contribution	State Contribution	Percentage Contributed
2015	\$ 9,983	\$ 8,702	\$ 42,981	517.71%
2016	\$ 7,500	\$ -	\$ 43,746	583.28%
2017	\$ 8,035	\$ -	\$ 45,421	565.29%
2018	\$ 7,970	\$ -	\$ 46,083	578.21%
2019	\$ -	\$ -	\$ 49,692	N/A
2020	\$ -	\$ -	\$ 53,237	N/A
2021	\$ -	\$ -	\$ 53,618	N/A
2022	\$ -	\$ -	\$ 54,084	N/A

Schedule of Contributions

Firefighters' Pension Plan:

Ended September 30	Required Contribution	City Contribution	State Contribution	Percentage Contributed
2015	\$ 75,497	\$ 36,607	\$ 48,403	112.60%
2016	\$ 71,067	\$ 25,613	\$ 50,655	107.32%
2017	\$ 60,255	\$ 22,377	\$ 45,854	113.24%
2018	\$ 65,006	\$ 22,081	\$ 45,199	103.50%
2019	\$ -	\$ -	\$ 62,705	N/A
2020	\$ -	\$ -	\$ 43,109	N/A
2021	\$ -	\$ -	\$ 39,672	N/A
2022	\$ 13,659	\$ -	\$ 47,748	N/A

Notes to schedules:

GASB Statements No. 67 and No. 68 were implemented in 2015. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

See Independent Auditor's Report

City of Marianna

Schedule of Changes in the Sponsor's Total OPEB Liability and Related Ratios

Reporting Period	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Measurement Period	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Total OPEB Liability				
Service Cost	\$ 38,242	\$ 40,393	\$ 29,900	\$ 27,613
Interest	10,288	10,010	13,985	15,838
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	(64,240)	-	(49,266)	-
Changes of Assumptions	(108,337)	(12,643)	36,483	24,470
Benefit Payments	(17,009)	(14,589)	(12,815)	(5,603)
Net Change in Total OPEB Liability	(141,056)	23,171	18,287	62,318
Total OPEB Liability - Beginning	457,815	434,644	416,356	354,038
Total OPEB Liability - Ending	\$ 316,759	\$ 457,815	\$ 434,643	\$ 416,356
Covered Employee Payroll	\$ 9,915,717	\$ 11,205,475	\$ 10,663,756	\$ 10,655,235
Sponsor's Total OPEB Liability as a percentage of Covered	3.19%	4.09%	4.08%	3.91%

Notes to Schedule:

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

FY 2022	4.77%
FY 2021	2.43%
FY 2020	2.14%
FY 2019	3.58%

GRIMSLEY & ASSOCIATES

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITORS' MANAGEMENT LETTER

Honorable Mayor and Members
of the City Council
Marianna, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Marianna, Florida (the City), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated May 31, 2023.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance For Each Major Federal Program and Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Profession 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 May 31, 2023, 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. No such findings and recommendations were made in the preceding annual financial audit report.

Honorable Mayor and Members
of the City Council
Marianna, 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 the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific 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, we did not have any such recommendations.

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, which warrants the attention of those charges with governance. In connection with our audit, we did not have any such findings.

Special District Component Units

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

Honorable Mayor and Members
of the City Council
Marianna, Florida

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the following specific information for each dependent special district was provided to us by management of the City:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year being reported (see information required in Section 218.32 (1)(e)2.a., Florida Statutes).
 - The City of Marianna Redevelopment Agency 0
 - The City of Marianna Health and Rehabilitation Center 196
 - The City of Marianna Municipal Airport Development Authority 2
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year being reported (see information required in Section 218.32 (1)(e)2.b., Florida Statutes). There were none.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency (see information required in Section 218.32 (1)(e)2.c., Florida Statutes).
 - The City of Marianna Redevelopment Agency \$ 0
 - The City of Marianna Health and Rehabilitation Center \$7,236,145
 - The City of Marianna Municipal Airport Development Authority \$ 34,922
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency (see information required in Section 218.32(1)(e)2.d., Florida Statutes). There were none.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project (see information required in Section 218.32(1)(e)2.e., Florida Statutes). There were none.
- f. A budget variance report 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, as follows:
 - City of Marianna Community Redevelopment Agency – See page 13 and 14 of the financial statements.
 - Marianna Health and Rehabilitation Center – there was no amendments to the original budget.
 - Marianna Municipal Airport Development Authority – a budget variance based on the budget adopted before the beginning of the fiscal year under Section 189.016(4), Florida Statutes and the amended final budget under Section 189.016(6), Florida Statutes are as follows: the original budget totaled \$994,541 and was amended by 167,478, for final budget expenditures of \$1,162,019.

Honorable Mayor and Members
of the City Council
Marianna, Florida

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 City Council Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Marianna, Florida
May 31, 2023

Grimsley & Associates

Grimsley & Associates, P.A.
Certified Public Accountants

GRIMSLEY & ASSOCIATES

Professional Association

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MEMBER
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OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES, *LOCAL GOVERNMENT INVESTMENT POLICIES*

Honorable Mayor and Members
of the City Council
Marianna, Florida

We have examined City of Marianna, Florida's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. Management of the City is responsible for the City of Marianna, Florida's compliance with those requirements. Our responsibility is to express an opinion on the City of Marianna, Florida'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 our examination to obtain reasonable assurance about whether the City of Marianna complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Marianna complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City of Marianna, Florida's compliance with specified requirements.

In our opinion, the City of Marianna, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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

Grimsley & Associates

Marianna, Florida
May 31, 2023

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OWEN W. GRIMSLEY, C.P.A.

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

Honorable Mayor and Members
of the City Council
Marianna, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Marianna, Florida (the "City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Marianna's basic financial statements and have issued our report thereon dated May 31, 2023.

Internal Control Over Financial Reporting

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

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

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

Honorable Mayor and Members
of the City Council
Marianna, Florida

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Grimsley & Associates

Marianna, Florida
May 31, 2023

Grimsley & Associates, P.A.
Certified Public Accountants

GRIMSLEY & ASSOCIATES

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OWEN W. GRIMSLEY, C.P.A.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND EACH MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550 RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Honorable Mayor and Members
of the City Council
Marianna, Florida

Report on Compliance for Each Major Federal Program and Major State Project

We have audited the City of Marianna, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and Department of Financial Services' State Project Compliance Supplement that could have a direct and material effect on each of the City's major federal programs and major state projects for the year ended September 30, 2022. 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 federal and state statutes, regulations, and the terms and conditions of its federal awards and state assistance applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and major state projects 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 Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550 Rules of the Auditor General. Those standards, the Uniform Guidance and Chapter 10.550 Rules of the Auditor General 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 or state project 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.

Honorable Mayor and Members
of the City Council
Marianna, Florida

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

Opinion on Each Major Federal Program and Major State Project

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 and major state projects for the year ended September 30, 2022.

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 and state project 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 and major state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550 Rules of the Auditor General, 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 or state project 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 or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Honorable Mayor and Members
of the City Council
Marianna, Florida

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

Marianna, Florida
May 31, 2023

Grimsley & Associates

Grimsley & Associates, P.A.
Certified Public Accountants

City of Marianna

Schedule of Expenditures of Federal Awards and State Financial Assistance

For year ended September 30, 2022

Federal Agency				
Pass through Entity	CFDA/ CFSA	Contract / Grant	Expenditures	Payments to Subrecipients
Name of Cluster	No.	No.		
Federal Program				
U.S. Department of Health and Human Services				
Provider Relief fund and American Rescue Plan Rural Distribution	93.498	N/A	455,806	-
Total U.S. Department of Energy			455,806	-
U.S. Department of Homeland Security, Federal Emergency Management Agency				
Pass through the Florida Division of Emergency Management				
Public Assistance (Presidentially Declared Disasters) - Hurricane Michael	97.036	ZO845/FEMA-4399-DR-FL	127,624	-
Public Assistance (Presidentially Declared Disasters) - Hurricane Sally	97.036	Z2587/FEMA-4564-DR-FL	6,250	-
Total Public Assistance (Presidentially Declared Disasters)			133,874	-
Total U.S. Department of Homeland Security, Federal Emergency Management Agency			133,874	-
U.S. Department of Transportation				
Federal Aviation Administration				
Airport Improvement Program - Rehabilitate Airport Access Road	20.106	3-12-0045-022-2022	32,000	-
Airport Improvement Program (AIP) - CARES Act Airport Program	20.106	COVID-19 3-12-0045-021-2021	13,000	-
Total U.S. Department of Transportation, Federal Aviation Administration			45,000	-
Total U.S. Department of Transportation			45,000	-
U.S. Department of Justice				
Pass through the State of Florida Department of Law Enforcement				
Coronavirus Emergency Supplemental Funding (CESF)	16.034	COVID-19 2020-VD-BX-0174	40,215	-
Total Coronavirus Emergency Supplemental Funds (CESF)			40,215	-
Bulletproof Vest Partnership Program	16.607	2021-BUBX-21024970	940	-
Pass through the State of Florida Department of Law Enforcement				
Edward Byrne Memorial Justice Assistance Grant Program - Narcotics Analyzer	16.738	2021-JAGD-JACK-1-Y6-080	25,231	-
Edward Byrne Memorial Justice Assistance Grant Program - Guardian Shoulder Light	16.738	2022-JAGD-JACK-1-4B-016	1,867	-
Total Edward Byrne Memorial Justice Assistance Grant Program			27,098	-
Total U.S. Department of Justice			68,253	-
U.S. Department of the Treasury				
Pass through the State of Florida Executive Office of the Governor				
American Rescue Plan Act	21.027	COVID-19 Y5203	320,780	-
Total U.S. Department of the Treasury			320,780	-
Total Federal Awards			1,023,713	-

See Independent Auditors' Report and Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

City of Marianna
 Schedule of Expenditures of Federal Awards and State Financial
 Assistance (Continued)

For the year ended September 30, 2022

State Agency State Project	CFDA/ CFSA No.	Contract / Grant No.	Expenditures	Payments to Subrecipients
Florida Department of Transportation				
Aviation Grant Program- Apron Rehabilitation	55.004	G1181/425628-2-94-01	75,520	-
Total Aviation Grant Program			75,520	-
Small County Outreach Program (SCOP) - Old Cottondale Road	55.009	G1B87/44094-0-54-01	447,620	-
Small County Outreach Program (SCOP) - 4th Street	55.009	G2303/448037-1-54-01	58,400	-
Total Small County Outreach Program (SCOP)			506,020	-
Total Florida Department of Transportation			581,540	-
Florida Department of Economic Opportunity				
Regional Rural Development and Infrastructure - Blue Sky	40.042	D0131	2,085,838	-
Regional Rural Development and Infrastructure - Recertify Airport/Distribution Park	40.042	D0184	56,216	-
Regional Community Development and Infrastructure - Tri-State Water Line Ext.	40.042	D0186	62,041	-
Regional Rural Development and Infrastructure - Connectivity	40.042	D0159	189,000	-
Total Regional Rural Development and Infrastructure			2,393,095	-
Total Florida Department of Economic Opportunity			2,393,095	-
Florida Department of Environmental Protection				
Wastewater Treatment Upgrade Project Construction - Loan	37.077	WW-320252	962,871	-
Total Wastewater Treatment Facility Construction Program			962,871	-
Small Community Wastewater Facility Grant - SRF - Upgrade Project Construction	37.075	SG-320253	3,851,486	-
Total Small Community Wastewater Facility Grant Program			3,851,486	-
Total Florida Department of Environmental Protection			4,814,357	-
Total State Financial Assistance			7,788,992	-
Total Federal Awards and State Financial Assistance			\$ 8,812,705	\$ -

See Independent Auditors' Report and Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

City of Marianna, Florida
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the year ended September 30, 2022

NOTE 1: BASIS OF PRESENTATION

The supplementary Schedule of Expenditures of Federal Awards and State Financial Assistance include the grant activities of the City of Marianna, Florida (the City). Federal and state expenditures are presented on the accrual basis of accounting. The information in these schedules is presented in accordance with the requirement of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2: PASS-THROUGH AWARDS

The City receives certain federal awards from pass-through awards of the State. The total amount of such pass-through awards is included on the supplementary schedule of expenditures of federal award programs.

NOTE 3: LOAN PROGRAMS

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance does not include certain loan programs under which no expenditures were made during the year ended September 30, 2021, in accordance with the Uniform Guidance. Certain information related to these programs is disclosed here for transparency purposes. Additional information related to this debt is reported in the Notes to the Financial Statements.

The City of Marianna was awarded a loan of \$4,043,124 as amended in February 2010, by the Environmental Protection Agency. This award is identified under CFDA 66.458, ARRA - Drinking Water State Revolving Fund, which includes Principal forgiveness of \$2,550,000 with the City obligated to repay \$1,493,124 in principal and \$14,200 in capitalized interest. The principal and capitalized interest payable by the City at September 30, 2022 is \$877,967.

The City of Marianna was also awarded a loan of \$18,395,733 as amended in April 2010, by the Environmental Protection Agency. This award is identified under CFDA 66.458, Drinking Water State Revolving Fund. The City received a grant award from the Florida Department of Environmental Protection under CSFA 37.039 – Disadvantaged Small Community Grant (DSCG) Projects to assist in the repayment of this loan balance. The Florida Department of Environmental Protection remits \$375,000 on the City's behalf and the City remits the balance due on each semi-annual payment. The DSCG made additional principal payments of \$5,000,000 and \$5,503,625 during the years ending September 30, 2014 and 2015, respectively. This completed their obligation under the loan guarantee grant as of September 30, 2015. The principal and capitalized interest payable by the City at September 30, 2022 is \$1,080,039.

City of Marianna, Florida
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the year ended September 30, 2022

NOTE 3: LOAN PROGRAMS (continued)

The City was awarded a loan of \$1,256,196 identified by CSFA 37.077, Waste Water State Revolving Fund, as well as, \$3,119,270 identified by CSFA 37.075 Federal Grants Trust Fund under the same agreement, by the State of Florida Department of Environmental Protection Agency in August 2011 for a total award of \$4,375,466. The City received a final proceed on this loan in the amount of \$627,639 during the fiscal year ended September 30, 2016 for expenditures made during the fiscal year ended September 30, 2015. Semi-annual payments of \$140,406 payable by Florida Department of Environmental Protection Agency grant of \$100,095 and City share of \$40,311, beginning December 15, 2015 as amended. A grant principal payment of \$3,268,751 was made on December 15, 2015 through a Small Community Wastewater Facility Grant awarded by the Department of Environmental Protection Agency, which fulfilled their obligation of payment of grant award. The principal and capitalized interest due by the City as of September 30, 2022 is \$1,037,158 payable in semi-annual payments of \$40,489.

The City received a loan and grant from the Environmental Protection Agency identified by CFDA 66.468, Drinking Water State Revolving Loan Fund which consists of a grant of \$190,472 for preconstruction which was expended as of September 30, 2015. An additional \$461,688 in loan proceeds and \$2,475,816 in grant funds was awarded under this agreement. The City expended and received proceeds for a total of \$2,666,288 in grant funds and an additional \$461,688 in costs attributable to the loan as of September 30, 2018. The principal and capitalized interest due at September 30, 2022 is \$422,117.

The City was awarded a loan in the amount of \$376,693 that includes principal forgiveness of \$301,354 and loan payable of \$75,339, plus capitalized interest and fees of \$7,544. The award is identified under CSFA 37.077, Wastewater Treatment Facility Construction. The City expended and received proceeds for a total of \$376,680 through September 30, 2018. The principal and capitalized interest due at September 30, 2022 is \$70,431.

The City was awarded a loan in 2017 of \$30,000 that includes principal forgiveness of \$15,000 and loan payable of \$15,000. The award is identified under CFDA 66.458. The City expended and received proceeds for the entire loan amount through September 30, 2018. The principal and capitalized interest due at September 30, 2022 is \$13,364.

The City was awarded a loan in 2018, as amended in April 2020, in the amount of \$4,594,268, including principal forgiveness of \$3,675,409. The award is identified under CSFA 37.077, Wastewater Treatment Facility Construction. The City has expended and received proceeds for a total of \$4,594,268. The principal and capitalized interest due at September 30, 2022 is \$889,181.

City of Marianna, Florida
Notes to Schedule of Expenditures of Federal Awards
and State Financial Assistance
For the year ended September 30, 2022

NOTE 3: LOAN PROGRAMS (continued)

The City was awarded a loan of \$6,531,545, including principal forgiveness of \$5,225,236. The award is identified under CSFA 37.077 and 37.075, Small Community Wastewater Facility Construction Program. The City has expended a total of \$5,345,582 in grant funds and an additional \$1,029,123 in cost attributable to the loan as of September 30, 2022. The principal due at September 30, 2022 is \$1,029,123.

The City was awarded a loan of \$375,455, including principal forgiveness of \$300,364. The award is identified under CSFA 37.077 and 37.075, Small Community Wastewater Facility Construction Program. The City has expended a total of \$300,364 in grant funds and an additional \$82,600 in cost attributable to the loan as of September 30, 2022. The principal and capitalized interest due at September 30, 2022 is \$78,470.

NOTE 4: INDIRECT COST

The City has not elected to use the 10% de Minimis indirect cost rate.

NOTE 5: OTHER TYPES OF FINANCIAL ASSISTANCE

There were no other types of financial assistance to include endowments, insurance in effect, non-cash assistance, donated property or free rent received or included in the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 6: SUBRECIPIENTS

During the year ended September 30, 2022, the City had no subrecipients.

NOTE 7: CONTINGENCIES

Grant monies received and disbursed by the City are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the City does not believe that such disallowances, if any, would have a material effect on the financial position of the City.

NOTE 8: PROVIDER RELIEF FUNDS

Included in the Schedule of Expenditures of Federal Awards and State Financial Assistance are Provider Relief Funds received by Marianna Health and Rehabilitation Center. These funds are Period 2 and Period 3 funds received between July 1, 2020 and June 30, 2022 reported during the January 1, 2022 through September 30, 2022 reporting time period. The amount included on the schedule are funds related to loss of revenue due to the Coronavirus Pandemic.

City of Marianna, Florida
 Schedule of Findings and Questioned Costs
 Year ended September 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|--|------------|
| 1. Type of auditor's report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | None noted |
| 4. Identification of major programs | |

CFDA Number	Federal Program
21.027	American Relief Plan Act
93.498	Provider Relief Fund and American Rescue Plan Rural Distribution

- | | |
|--|------------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$ 750,000 |
| 6. Auditee qualified as low-risk under 2CFR 200.520 | Yes |

State Projects

- | | |
|--|------------|
| 1. Type of auditor's report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | None noted |
| 4. Identification of major programs | |

CSFA Number	State Project
37.075	Small Community Wastewater Facility Grant

- | | |
|--|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs | \$750,000 |
|--|-----------|

City of Marianna, Florida
Schedule of Findings and Questioned Costs
Year ended September 30, 2022

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

Section IV – State Project Findings and Questioned Costs

None noted.

Section V – Summary of Prior Year Audit

None noted.