

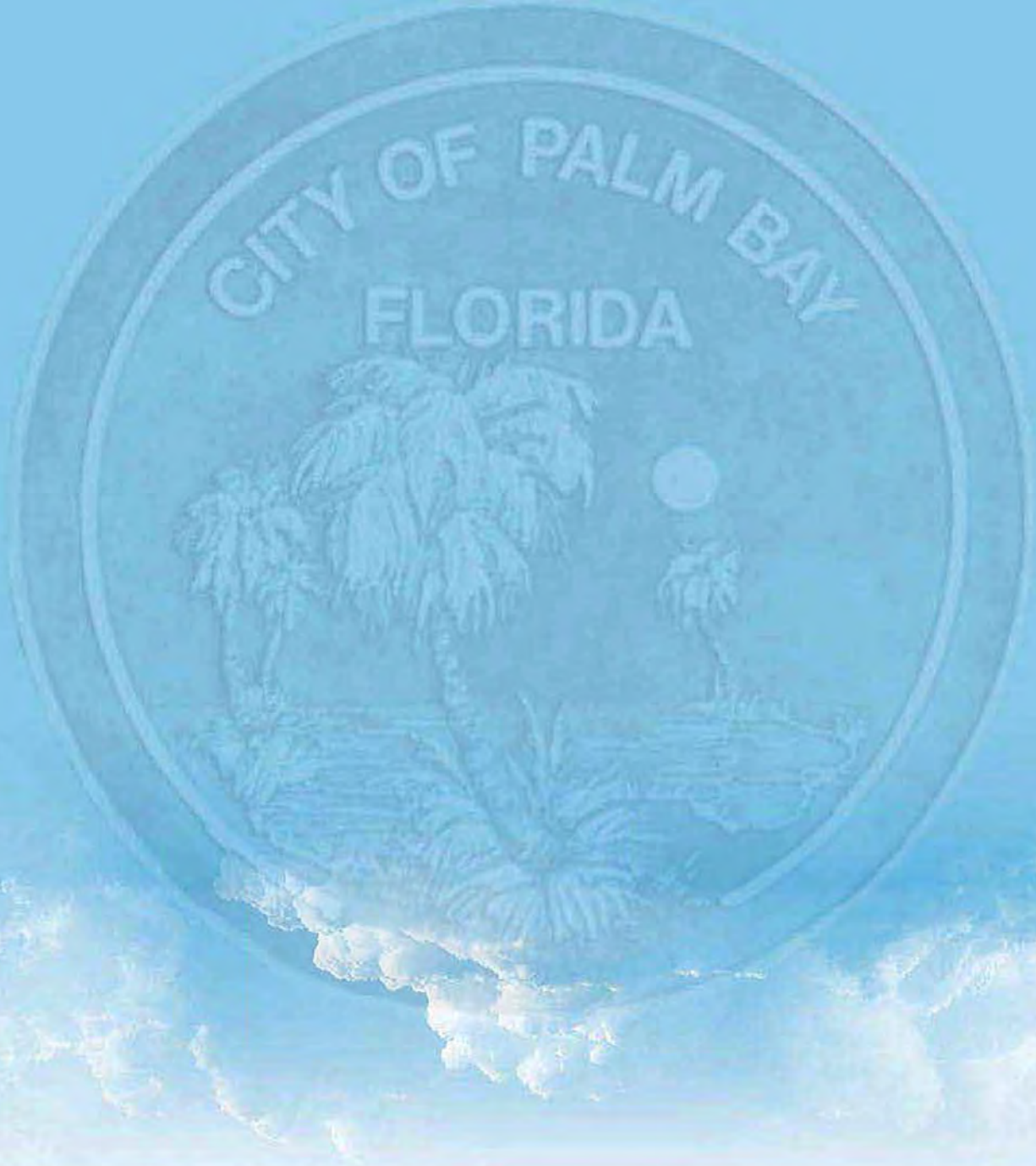


ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022

CITY OF PALM BAY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2022



PREPARED BY: DEPARTMENT OF FINANCE



Down to Earth And Up To Great Things



Table of Contents

Introduction Section

Letter of Transmittal	i
Certificate of Achievement for Excellence in Financial Reporting	xi
Organization Chart	xii
Principal Officials	xiii

Financial Section

Independent Auditors' Report	1
Management's Discussion and Analysis	5

Basic Financial Statements

Government-Wide Financial Statements:

Statement of Net Position	23
Statement of Activities	25

Fund Financial Statements

Governmental Funds:

Balance Sheet	26
Reconciliation of Balance Sheet Governmental Funds to the Statement of Net Position	28
Statement of Revenues, Expenditures and Changes in Fund Balance	29
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	31

Proprietary Funds:

Statement of Net Position	32
Statement of Revenues, Expenses and Changes in Fund Net Position	35
Statement of Cash Flows	36

Fiduciary Funds:

Statement of Fiduciary Net Position – Pension Trust Fund	38
Statement of Changes in Fiduciary Net Position – Pension Trust Fund	39

<i>Notes to Financial Statements</i>	41
---	----

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances-

Budget and Actual – General Fund	103
Budget and Actual – Bayfront Community Redevelopment Agency	106
Budget and Actual – ARPA Fund	107
Budget and Actual – Impact Fee Trust Fund	108
Schedule of Changes in Net Pension Liability & Related Ratios – City of Palm Bay Retirement System	109
Schedule of Proportionate Share of Net Pension Liability – FRS Retirement System	112
Schedule of Proportionate Share of Net Pension Liability – Health Insurance Subsidy	113
Schedule of Contributions – City of Palm Bay Retirement System	114
Schedule of Contributions – Florida Retirement System	117
Schedule of Contributions – Health Insurance Subsidy	118
Schedule of Investment Return – PB Police, Fire and General Retirement System	119
Schedule of Changes in Total OPEB Liability and Related Ratios	120
Notes to Required Supplementary Information	121

Table of Contents (Continued)

Financial Section (continued)

Other Supplementary Information

Budget Comparison Schedule – Debt Service Fund	125
Budget Comparison Schedule – GO Road Program Fund.....	126

Nonmajor Governmental Funds

Combining Balance Sheet – Nonmajor Governmental Funds.....	132
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	134

Budgetary comparison schedules:

Law Enforcement Trust Fund.....	138
Palm Bay Municipal Foundation Fund	139
Code Enforcement Fund.....	140
SHIP Program Fund.....	141
Community Development Block Grant Fund.....	142
HOME Grant Fund	143
Neighborhood Stabilization Program Fund	144
Coronavirus Relief Fund	145
CDBG -CV Coronavirus Fund	146
Miscellaneous Donations Fund	147
Environmental Fee Fund.....	148
Community Investment Fund	149
I-95 Interchange Fund.....	150
Road Maintenance CIP Fund.....	151
Connector Road I-95 CIP Fund.....	152

Nonmajor Enterprise Funds:

Combining Statement of Net Position	153
Combining Statement of Revenues, Expenses and Changes in Net Position	154
Combining Statement of Cash Flows.....	155

Internal Service Funds:

Combining Statement of Net Position	161
Combining Statement of Revenues, Expenses and Changes in Net Position	162
Combining Statement of Cash Flows.....	163

Fiduciary Funds:

Combining Statement of Fiduciary Net Position.....	166
Combining Statement of Changes in Fiduciary Net Position.....	167

Statistical Section

Government-Wide Information:

Schedule 1 – Net Position by Component – Last Ten Fiscal Years.....	171
Schedule 2 – Change in Net Position – Last Ten Fiscal Years.....	172

Fund information:

Schedule 3 – Fund Balances of Governmental Funds – Last Ten Fiscal Years	174
Schedule 4 – Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	175
Schedule 5 – Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	176
Schedule 6 – Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years.....	177
Schedule 7 – Principal Property Taxpayers	178

Table of Contents (Continued)

Statistical Section (continued)

Schedule 8 – Property Tax Valuations, Levies and Collections	179
Schedule 9 – Ratios of Outstanding Debt by Type.....	180
Schedule 10 – Computation of Direct and Overlapping Bonded Debt – General Obligation Bonds	181
Schedule 11 – Pledged Revenue Coverage – Last Ten Fiscal Years.....	182
Schedule 12 – Demographic and Economic Statistics – Last Ten Fiscal Years	183
Schedule 13 – Principal Employers in the City of Palm Bay	184
Schedule 14 – Full-Time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years	185
Schedule 15 – Capital Asset Statistics – Last Ten Fiscal Years	186
Schedule 16 – Operating Indicators by Function/Program – Last Ten Fiscal Years	187
Schedule 17 – Impact Fee Collections and Balances – Last Ten Fiscal Years	188
Schedule 18 – Utility Debt Service Applicable to Transportation Projects – Last Ten Fiscal Years.....	189
Schedule 19 – Historical Public Service Tax Receipts by Category – Last Ten Fiscal Years	190
Schedule 20 – Certified Gallons of Taxable Fuel Sold in Brevard County, Florida and Local Option Gas Tax Revenue – Last Ten Years.....	191
Schedule 21 – Distribution of Brevard County, Florida Local Option Gas Tax Revenues.....	192
Schedule 22 – Utilities Debt Service Coverage – Last Ten Fiscal Years	193
Schedule 23 – Utility Rate Comparison with Neighboring Utilities	194
Schedule 24 – Ten Largest Customers of the Water and Wastewater System	195

Compliance Section

Schedule of Expenditures of Federal Awards and State Financial Assistance	197
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.....	199

Reports

Independent Auditors' Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	203
Independent Auditors' Report on Compliance for each Major Federal Program and State Project and Report on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by Uniform Guidance And Chapter 10.550, Rules of the Auditor General	205
Schedule of Findings and Questioned Costs	208
Independent Auditors' Management Letter	213
Independent Accountants' Report	216



June 19, 2023

The Honorable Mayor, Deputy Mayor,
Members of the City Council,
Citizens of the City of Palm Bay
Palm Bay, Florida

We are pleased to submit the Annual Comprehensive Financial Report of the City of Palm Bay, Florida, for the fiscal year ended September 30, 2022. The purpose of this report is to provide City Council, citizens, financial institutions, and others with detailed information concerning the financial condition and performance of the City of Palm Bay. This report is submitted pursuant to Florida Statutes Section 218.39, Chapter 10.550 of the Rules of the Auditor General of the State of Florida, and Section 4.05 of the City Charter.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe that the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

As required by Florida Statutes and the City Charter, an audit of the City's Annual Comprehensive Financial Report was performed by Anthony Brunson P.A., a firm of licensed, independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Palm Bay for the fiscal year ended September 30, 2022, are free of material misstatement. The audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant



estimates made by management, and evaluating the overall financial statement presentation.

The independent auditor concluded, based on the audit, that the City's financial statements for the fiscal year ended September 30, 2022, are fairly stated in conformity with GAAP. This is the most favorable conclusion and is commonly known as an unmodified or "clean" opinion. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Palm Bay was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. The reports are included in the Compliance Section of this report.

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

PROFILE OF THE CITY OF PALM BAY

The City of Palm Bay was incorporated in 1960 with a population of 2,808. Palm Bay is now the largest city in Brevard County, the 2nd largest in Central Florida and the 16th largest in Florida, with more than 123,000 residents in 88 square miles. The City is located centrally on Florida's east coast, midway between Jacksonville and Miami. Port Canaveral and Kennedy Space Center, the nation's premiere spaceport, are all nearby.

The City operates under the Council-Manager form of government. The governing body of the City is the City Council, which formulates policies for the administration of the City. The City Council is composed of a Mayor and four Council Members elected at-large for four-year terms. City Council appoints the City Manager, who serves as the City's Chief Executive Officer and is responsible for the day-to-day administration of the City and the implementation of the policies established by City Council.

The City provides a full range of government services as directed by its charter including police and fire protection, street construction and maintenance, planning and development services, parks and recreation, water and sewer services, and other traditional support services. Although legally separate, because of its relationship to the City, the Bayfront Community Redevelopment Agency (BCRA) is reported as though it is



part of the City (blended presentation). Additional information on this legally separate entity can be found in the notes to the financial statements.

The City of Palm Bay is required to adopt an annual budget in accordance with the City Charter and Florida statutes. The annual budget serves as the foundation for the City's financial planning and control. The City Manager is charged with preparing a proposed budget for submission to City Council. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget by September 30, the close of the City's fiscal year. The appropriated budget is adopted by fund and departments.

ECONOMIC CONDITION AND OUTLOOK

The City of Palm Bay experienced strong growth in new single-family infill, subdivisions, multi-family development, and commercial redevelopment in 2022. This growth pattern is a result in part of the citywide G.O. Roads bond paving program and is anticipated to continue for the length of the road paving program. The City's increased efforts to foster a more open-for-business environment will result in new development and redevelopment of key commercial corridors.

Home values in Palm Bay continue to rise year-over-year. Single-family homes' taxable values steadily increased as reported by the Brevard County Property Appraiser's assessed values. In 2022, Palm Bay average single-family home values increased by 25 percent due to the demand for homes in Palm Bay.

The City of Palm Bay's taxable assessed value for tax year 2022 increased by 6% from 2021. New construction, which represents improvement to real property that were not on the tax roll in the prior year, added \$208,130,764 to the tax roll. This is the eighth year in a row that the assessed valuations have shown steady growth.

Over the past fiscal year, the City of Palm Bay's commercial growth has been strong. New commercial development projects planned and underway point to favorable prospects for continued growth in the City's tax base.

As of March 2023, the city has completed paving 342 miles or 43% of the 791 miles of roadway as part of the Road Bond Paving. Construction of Phase 2 Country Club 1-10 (20.9 miles) and Phase 3 Units 13, 14, Madden and Osmosis (33.13 miles) are awaiting contract issuance to begin projects.

A 2016 voter-approved city charter amendment limits City Council's ability to increase millage rates. The City Council is restricted from setting millage rates at a level that would result in total ad valorem revenue growth exceeding the prior year ad valorem revenue by more than three percent, unless approved by a supermajority vote when an emergency or critical need exists. In November 2022, citizens re-affirmed the three percent cap. Even with this change, rate increases within the statutory limit remain in the city's



independent legal control. For the FY 22 budget, Council did impose the three percent cap, while lowering the millage rate from 7.8378 to 7.5995, the lowest rate since FY 11.

LONG-TERM FINANCIAL PLANNING

Financial planning stimulates discussion about the long-term impact of decisions made today and how the City can position itself strategically to deliver a stable level of essential services to our residents over time. In fiscal year 2022, the City had a ten-year financial sustainability analysis done for the General Fund and Utility Fund. The financial forecast models populated data from every facet of the organization to create an informed, interactive, financial forecast model to bring awareness to decision makers when making long-term financial plans and striving to maintain structural balance in the budget.

FINANCIAL POLICIES

The City continues to exceed its policy to maintain the unrestricted fund balance for the General Fund equivalent to a minimum of a 2-month annual expense of the subsequent fiscal year's budgeted expenditures less capital outlay and transfers out as originally adopted by ordinance in September. Additionally, the City Council approved a stabilization fund of 4% for emergency use. The minimum required unrestricted fund balance at the end of FY 2022 was \$15,202,186. The actual Fund Balance was \$36,968,708, of which \$32,900,669 was Unassigned.

The City's investment policy strives to protect capital first and foremost, while providing for daily cash needs and then investment earnings. The City's portfolio on September 30, 2022, was \$298,751,066 million, excluding investments of the fiduciary funds.

FY 2022 MAJOR INITIATIVES

The City placed focus on several key projects.

Sale of 11 City-owned surplus real estate resulting in \$355,522 to the Road Maintenance fund.

Sale of Bayfront CRA parcel in the amount of \$177,606.

Department Initiatives

The Information Technology Department was approved to purchase the Intuitive Municipal Solutions (iMS) software application to upgrade the City's Building and Public Works Permit, Business Tax Receipts, Code Compliance, and Land Development applications. These modules provide a convenient portal for submitting online permits and zoning applications to serve residential and commercial customers better. Phase 1



of the project was completed in March 2022, with online submission of the Building and Public Works residential permit applications.

Procurement continued to focus on improving access and education for small, local, and disadvantaged companies interested in doing business with the City. In addition, Procurement continued to utilize virtual meeting options to increase vendor awareness by participating in the Central Florida Chapter of NIGP's (Institute for Public Procurement) virtual reverse trade show and by offering a second webinar on Doing Business with the City, which had nearly 350 vendor participants. Procurement also prepared for an inaugural on-site vendor outreach event that is scheduled in early 2023. At this event Procurement will offer two sessions of live training on Doing Business with the City as well as the opportunity to meet with various departments from around the City to form business relationships. Lastly, Procurement started the implementation of accepting electronic submissions for select solicitation methods (Request for Quotes).

Growth Management continued to work on the Vision Palm Bay Plan and a total rewrite of the City's Comprehensive Plan which will be the guiding document for future growth of the city through the year 2045. The new comprehensive plan will be updated every 5 years to remain current. In addition, Code Compliance became proactive versus reactive in their approach.

Parks and Facilities has aided various departments in project management and construction. Projects included the installation of AEDs at all facilities, work on the Police evidence room expansion; and entered design phase on seven different projects to include Building E, Senior Center HVAC replacement, Access Control, among others. In current park facilities, renovation/updates were made to enhance the sport experiences at 6 locations, including Fred Lee, Fred Poppe Regional, Liberty and Nungesser Parks, as well as the replacement of 9 playgrounds.

The Recreation Department returned to in person events, classes, and camps following 2 years of Covid restricted activities. The Holiday Light Parade returned to Malabar Road with large crowds watching the 3-mile parade. The department held 2 golf tournaments, 8 movies in the park, and Breakfasts with Santa and the Bunny. Live Boxing returned to the Tony Rosa Community Center. Spring, Summer, and Winter Day Camps for kids returned as well. The Palm Bay Aquatic Center brought back their Underwater Egg Hunt and Swim Lessons. Recreation also hosted the city's Independence Day event which returned to the Eastern Florida State College campus in 2022 with live music, food trucks, vendors, kid's activities, and fireworks. They also hosted the first annual Palm Bay Multicultural Festival in 2022.



The Fire Department purchased four new apparatus. Engines 2, 3, and 6 were purchased to replace the much older apparatus at those stations. The fourth apparatus was a Quint which will be called Ladder 7. This one was purchased utilizing CDBG funds. Two brush trucks were renovated and are in service. The Department put a Special Operations Team in service for rope rescue, confined space rescue and trench rescue. The site of old Station 1 and Palm Bay Police Headquarters was demolished. This property will serve as the site of the new Station 7.

The Police Department completed Phase 1 of its Wellness Program through the revitalization of the Chaplain Program and advanced training for the CISM and Peer Support teams. The Investigations Division successfully acquired new investigative technology include the FUSUSOne software program and the FLOCK Safety Cameras. These advanced investigative tools will be utilized within the Real Time Crime Center which is slated for completion in FY23.

Public Works completed numerous stormwater pipe replacement projects occurring in advance of the road program work. The GO Bond project has completed 342 miles of roadways within the city. A FIND grant was received, and the Public Works Department was able to enter into a contract to remove and replace the Turkey Creek Navigational Markers.

Public Works met the requirements for the NPDES Permit including the maintenance of our MS4 Systems, production and disbursement of informational materials, and Public Outreach through community involvement. Additionally, staff updated the Stormwater Program Education and Outreach web page, organized a Turkey Creek Sanctuary and Castaway Point Park cleanup with 50 volunteers collecting over 900 pounds of trash in 4 hours. Staff also drafted a new stormwater management program permit application and Notice of Intent for the five-year cycle from Nov-23-Dec-28 and developed the new Low Impact Development Manual to support the city's new LID Ordinance.

The Utilities Department continues to manage multiple, significant projects to meet the water and sewer demands of both the existing and future customers connected to the system. The major projects include the construction of the new South Regional Water Reclamation Facility (SRWRF) and the expansion of the South Regional Water Treatment Plant (SRWTP), both of which have been under construction and experiencing pandemic-related delays. The North Regional Water Reclamation Facility Nutrient Removal construction project, which was intended to remove nitrogen from the City's reclaimed water and is funded by the Save Our Indian River Lagoon Program, was completed in January 2022 and has resulted in a reduction of Nitrogen below the programs goals of 9 parts per million (ppm).



FUTURE PROJECTS

The City continues to move forward with the design and construction of building E, on the City Hall Complex grounds. The building will be 3 stories and approximately 20,000 – 33,000 sq ft. The additional space will be used for future expansion for the Building Department, Utilities Department, and other City Departments.

The Finance Department continues to finalize conversion and publication of the FY 2022 Annual Financial Report utilizing onboarded technology acquired in FY 2020. Working with the City's Financial Advisors, staff is also preparing for the third and final draw of the General Obligation bonds for paving projects within the city.

Procurement will continue focus on vendor outreach and engagement. Procurement is working on speaking engagements with the Florida Association of Veteran-Owned Businesses and the Greater Palm Bay Chamber of Commerce, as well as planning to host an inaugural on-site vendor outreach event.

The Information Technology Department went live with Phase 2 of the iMS project, which includes Public Works Commercial Permits, Business Tax Receipts (BTR) applications and renewals, Code Compliance, and Land Development applications. The seamless centralized platform will streamline interdepartmental collaboration and enhance review capabilities while increasing workflow efficiencies. The IT department is also in the process of developing a scope of work for a new City-wide financial system.

The Growth Management Department will continue the process of adopting the revised Comprehensive Plan and begin work on land development code changes that will follow the plan update.

Parks and Facilities will support construction projects for multiple projects mentioned in department updates below, including the Police Wellness Program and Real Time Crime Center, and the new Fire Station #7. Additional project support will include PD replacement roof and water chiller replacement; completion of the marquee signage at City Hall, fuel canopy installation at Public Works; and continued maintenance and repairs to support to all city structures and properties.

Recreation is transitioning the Tony Rosa Community Center weight room from free weights to machine weights. This will free up space and the room can be converted into a multi-purpose room for classes, rentals, or day camps.

Fire is preparing for staffing and operating needs for the to-be-constructed Fire Station #7. The Department will also develop and put into effect an apparatus/equipment replacement plan and increase the Special Operations Team certification with structural collapse.



The Police Department will enter Phase 2 of its Wellness Program and Real Time Crime Center projects with construction expansions in FY23. The Wellness Program expansion will include the build out of an onsite Wellness Suite at the Police Department Headquarters and will include areas dedicated to physical fitness as well as mental health with a quiet space. The Investigations Division will oversee the completion of a Real Time Crime Center, a central hub for all the department's investigative technology and tools which will be staffed by the Intel Unit who will provide current information for in-progress incidents. The Police Department will also undergo a re-organization to establish the Community Services Division, a new branch of the Police Department focused on enhancing the City's community engagement with citizens through Youth Services, Community Resources, and Traffic Units.

Building has been approved by DBPR to offer a Construction Internship Program. To date, the Building Department Internship program has been used to obtain an additional license for two individuals. We also have 3 individuals currently enrolled in the internship for additional licensure. Due to power grid deficiencies, the Building Departments plan to replace current vehicle fleet with electric vehicles has been modified to one Electric F-150 pickup truck and 1 single vehicle charger. With eliminating the purchase of the 14 Electric vehicles the department was able to purchase 3 Hybrid F150 pick-up trucks and 15 Hybrid Maverick pickup trucks. As soon as the power grid infrastructure is upgraded, the department will re-visit the conversion to all electric vehicles. The program provides a participant with a professional work experience in a governmental organizational environment to learn how to apply the Florida Building Code to Buildings under construction. The internship program is an alternate method for licensure as a construction inspector in the State of Florida by gaining knowledge, skills, and experience under direct supervision of the Building Department. Upon completion of the Internship program the participant will be a highly skilled licensed Building Construction Inspector in the State of Florida. The department will also be working to replace all 15 inspector vehicles with Electric F-150 trucks and install 5 dual vehicle electric charging stations.

Public Works has completed all of Phase 1, 80% of Phase 2, and is under contract for 20% of Phase 3 road projects. The remaining Phase 3 projects are scheduled to go out to bid in FY 23. In addition, the Stormwater Utility Program will continue to install stormwater pipes in advance of the Phase 3 Road Paving Units. Public Works will be entering into a contract to line various failing pipes throughout the City extending the life of these pipes. The City anticipates using the previously mentioned CDBG funding along with Stormwater Utility funds to improve the Driskell Heights drainage. Staff will be improving the Babcock Street at St. Johns Heritage Parkway intersection to include turn lanes and mast arm traffic signals. The Stormwater Utility will fund the culvert replacement at Walden @ C-42, Rockabye, and C-41-R and Weldon @ C-42-R, as well as the spin casting repair of the drainage structures under Malabar Road.

Public Works anticipates using stormwater utility funds and grant funding to embark on water quality and navigability enhancement in Turkey Creek in 2023. The Department



will be utilizing the results of a restoration feasibility study to prioritize projects and maintenance activities over the next five years.

Utilities will continue to focus on significant construction activities throughout FY 23. The South Regional Water Reclamation Facility (SRWRF) design was completed in FY20, and the construction effort commenced in February 2021. The construction work has been plagued by pandemic-related delays and is estimated to be completed by late 2024. The South Regional Water Treatment Plant (SRWTP) 4.0 MGD to 6.0 MGD expansion design was also completed and placed for bid in FY20. The construction work started in December 2020 and is estimated to be completed by June 2023.

ACCREDITATION AND CERTIFICATIONS

The Building Department is the first Building Department in the nation to be awarded with the International Building Recognition Certification by the International Accreditation Services in January 2021. The Building Department is in the process of transitioning from Recognition to Accreditation. The first on-site visit from the International Accreditation Service will be April 2023.

The Police Department achieved Excelsior Accreditation status, recognition for 15 years of providing the highest standards of professionalism in law enforcement, with the Commission for Florida Law Enforcement Accreditation in August 2022. The Police Department first became accredited with CFA in October in 2007, and achieved reaccreditation in October 2010, August 2013, October 2016, and August 2019.

The City continues to hold a Community Rating System (CRS) Class 7 rating. The CRS is a voluntary program for National Flood Insurance Program (NFIP)-participating communities. All CRS communities must maintain completed FEMA elevation and flood proofing certificates for all new and substantially improved construction in the Special Flood Hazard Area after the date of application for CRS classification.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Palm Bay for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2021. This was the 36th consecutive year that the City has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. Staff is confident that our current comprehensive annual financial report continues to conform to the Certificate of



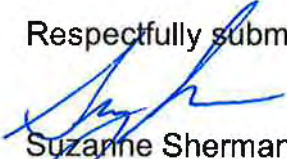
Achievement program requirements, and will be submitting it to the GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association of the United States and Canada presented an award for Distinguished Budget Presentation to the City of Palm Bay for its annual budget for the fiscal year beginning October 1, 2021, for the 32nd year. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

ACKNOWLEDGEMENTS

The preparation of this report has been accomplished with the efficient and dedicated service of the City's Finance and Accounting staff. I would like to express my appreciation to all members of the Finance Department staff, as well as other staff members who contributed to its preparation. I would also like to thank the Mayor and City Council for their continued support of City staff as we work to build a strong foundation to meet the needs of our growing City, both now and in the future.

Respectfully submitted,



Suzanne Sherman
City Manager



Larry Wojciechowski
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Palm Bay
Florida**

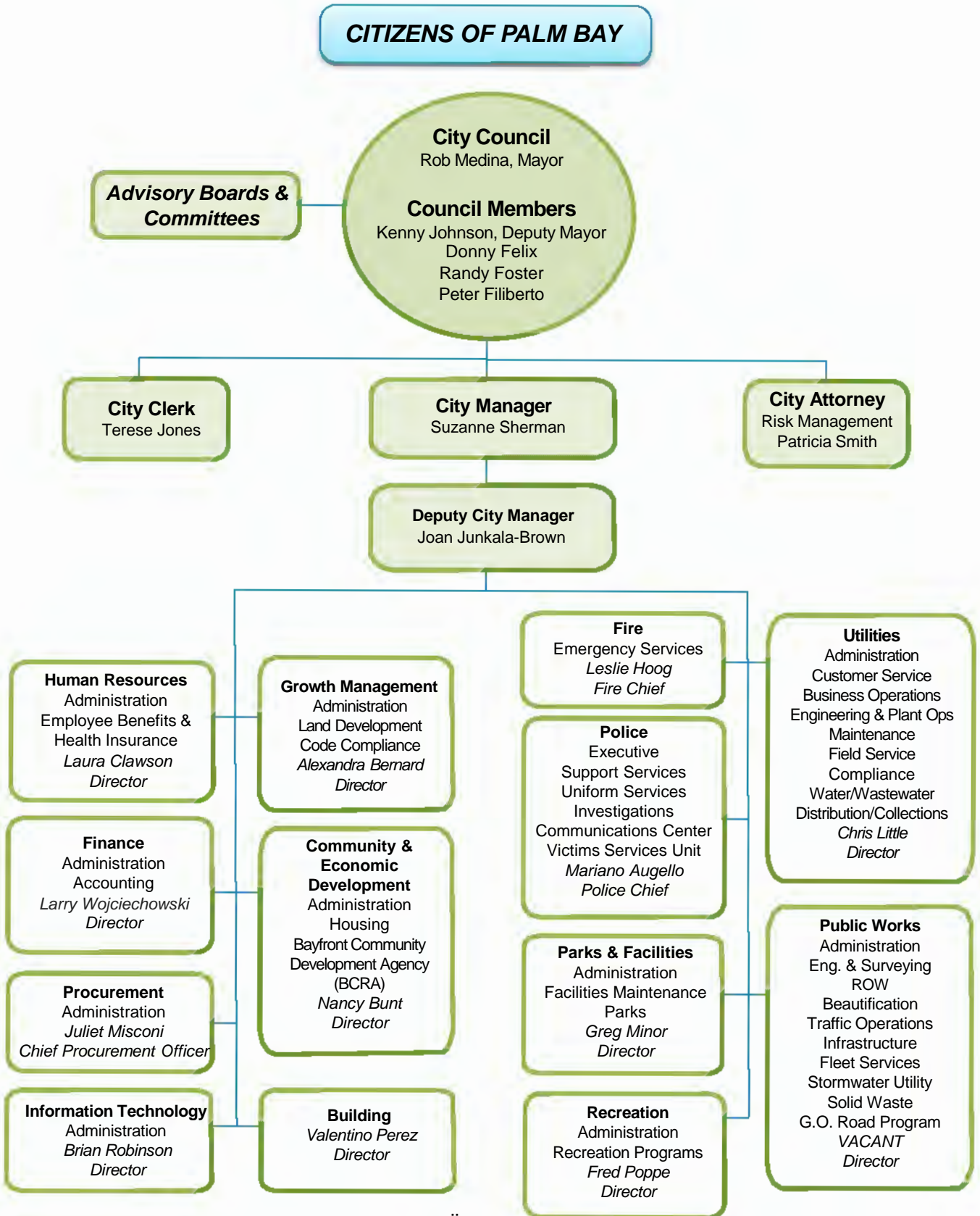
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

FY 2022 CITY OF PALM BAY ORGANIZATIONAL STRUCTURE



CITY OF PALM BAY, FLORIDA
LIST OF PRINCIPAL OFFICIALS

As of date of transmittal

MAYOR	ROB MEDINA
DEPUTY MAYOR	KENNY JOHNSON
COUNCIL MEMBER	DONNY FELIX
COUNCIL MEMBER	RANDY FOSTER
COUNCIL MEMBER	VACANT
CITY MANAGER	SUZANNE SHERMAN
DEPUTY CITY MANAGER	JOAN JUNKALA-BROWN
CITY ATTORNEY	PATRICIA SMITH
CITY CLERK	TERESE JONES
CHIEF PROCUREMENT OFFICER	GEORGE BARBER
INFORMATION TECHNOLOGY DIRECTOR	BRIAN ROBINSON
COMMUNITY & ECONMIC DEVELOPMENT DIRECTOR	NANCY BUNT
FINANCE DIRECTOR	LARRY WOJCIECHOWSKI
FIRE CHIEF - ACTING	RICHARD STOVER
HUMAN RESOURCES DIRECTOR	LAURA CLAWSON FRED
RECREATION DIRECTOR	POPPE
PARKS & FACILITIES DIRECTOR	GREG MINOR MARIANO
POLICE CHIEF	AUGELLO VALENTINO
PUBLIC WORKS DIRECTOR - ACTING	PEREZ CHRISTOPHER
UTILITIES DIRECTOR	LITTLE



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Palm Bay, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Palm Bay, 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City of Palm Bay Police and Firefighter's Retirement System, which represent 100 percent of the assets, liabilities, net position, additions and deductions of the pension trust fiduciary fund as of September 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Palm Bay Police and Firefighter's Retirement System, is based solely on the report of the other auditors.

Basis for Opinions

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



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cit's internal control over financial reporting and compliance.



Miramar, Florida
June 19, 2023

The City of Palm Bay, Florida's (the "City") Management's Discussion and Analysis (the "MD&A") presents this overview and analysis of the City's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the letter of transmittal in the introductory section, and the City's financial statements following the MD&A.

Financial Highlights

On September 30, 2022, assets, and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2022 by \$348,736,774 million (net position).

- Governmental funds reported combined ending fund balances of \$156.1 million, as compared to \$139.6 million as of September 30, 2021.
- General Fund reported an *unassigned* balance of \$32.9 million or 42.9% of the total 2022 General Fund expenditures and transfers out.
- Outstanding long-term debt increased by \$62.1 million during fiscal year 2022. This was primarily due to an increase in the City's net pension liability resulting from a net depreciation in fair values of investments based on actuarial assumption as compared to actual performance.
- The City's business-type activities reported total net position of \$35,387,449 million, which is an increase of million or in comparison to the prior year. Approximately \$16.6 of the total, or \$226.6 million, is *unrestricted*.

Overview of the Financial Statements

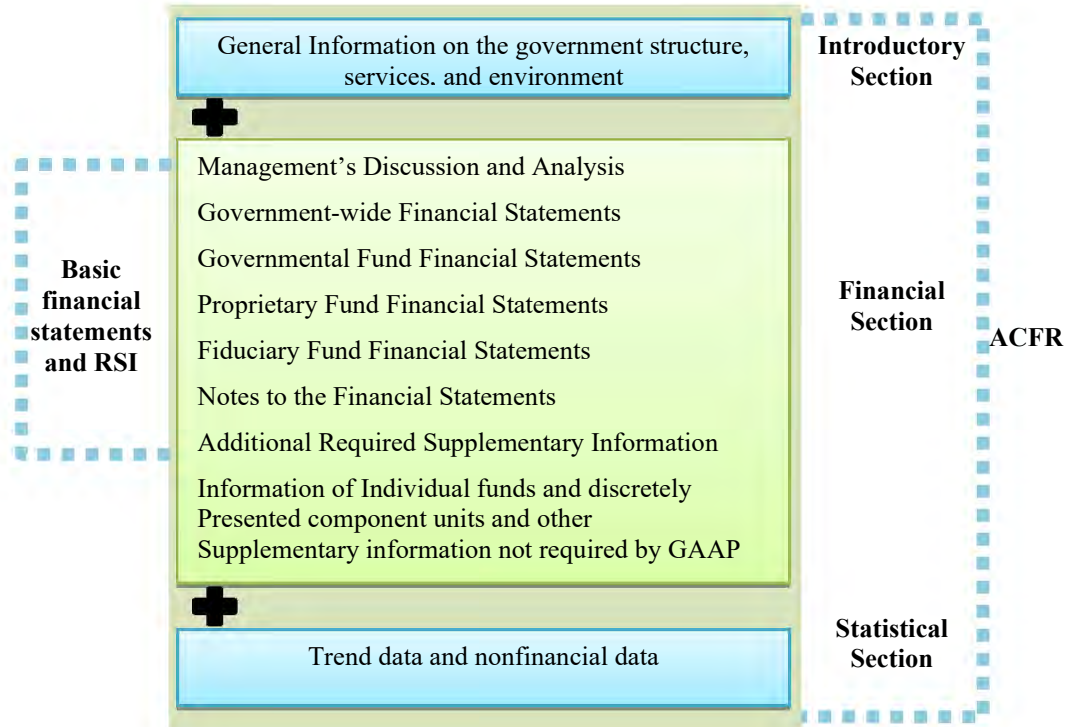
This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components:

- 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.

The financial statement focus is on both the City as a whole (government-wide) and on the major individual funds. The following chart shows the relationship between the ACFR and the basic financial statements and Required Supplementary Information ("RSI").

**Relationship between Annual Comprehensive
Financial Report (ACFR)
And
Basic Financial Statement and Required
Supplementary Information (RSI)**



Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City’s finances, in a manner similar to a private-sector business. As described below, these statements do not include the City’s fiduciary funds because resources of these funds cannot be used to finance the City’s activities. However, the financial statements of fiduciary funds are included in the City’s fund financial statements, because the City is financially accountable for those resources, even though they belong to other parties. The government-wide financial statements consist of the following two statements:

The *statement of net position* presents information on all of the City’s assets and deferred outflow of resources compared to liabilities and deferred inflows resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Although the purpose of the City is not to accumulate net position, in general, as this amount increases it indicates that the financial position of the City is improving over time.

The *statement of activities* presents the revenue and expenses of the City. The items presented on the statement of activities are measured in a manner similar to the approach used in the private-sector in that revenues are recognized when earned and expenses are reported when incurred, regardless of the timing of related cash flows. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

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

The governmental activities of the City include general government, public safety, physical environment, transportation, economic environment, and culture/recreation. The business-type activities of the City include water, sewer, stormwater utilities; solid waste and building inspections. The government-wide financial statements can be found immediately following the MD&A.

Fund financial statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

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

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activity's columns of the government-wide financial statements. However, because a different accounting basis is used to prepare the fund financial statements and the government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the balance sheet that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis after the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column of the statement of activities.

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Bayfront Community Redevelopment Agency, ARPA, Impact Fee Fund, Debt Service and GO Road Program Fund, which are major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the other supplemental information section of this report. The City adopts an annual appropriated budget for its general fund, in addition to all special revenue, capital project, debt service funds. Budgetary comparison schedules have been provided for these funds to demonstrate budgetary compliance.

The basic governmental fund financial statements may be found immediately following the government-wide financial statements of this report.

Proprietary funds

The City maintains two different types of proprietary funds. The City uses Enterprise Funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the fiscal activities relating to water, sewer, stormwater utilities, solid waste, and building. The *internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses the internal service funds to account for its risk management, employee benefit programs and fleet services activities. Because these activities predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utilities Fund, Stormwater Fund and Solid Waste Fund which are majors funds of the City. Building Inspection and the aggregate of Internal Service Funds are nonmajor funds.

The City's proprietary fund financial statements are presented on pages 32-37.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is like proprietary funds. The City only has one fiduciary fund, the Pension Trust Fund.

The City's fiduciary fund financial statements are presented on pages 38-39.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-101 of this report.

Other information

In addition to the basic financial statements and accompanying notes, *required supplementary information* is included which presents budgetary comparison schedules for the City's General Fund and the major special revenue fund. The City adopts an annual appropriated budget for its governmental funds. This section includes a comparison between the City's adopted and final budget and actual financial results to demonstrate compliance with the budget. In addition, information concerning the City's progress in funding its obligation to provide pension benefits to its employees as well as other post-employment benefits is presented. Required supplementary information can be found following the notes to the financial statements.

The combining statements referred to earlier regarding non-major governmental funds are presented in the other supplemental information section of this report. Combining and individual fund schedules can be found after the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$348.7 million at the close of the fiscal year ended September 30, 2022. At the end of the fiscal year, the City is able to report positive balances in two categories of net position, both in business-type activities and government as a whole.

As shown in the table below, the largest portion of the City's net position \$238.0 million or (68%) reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets, except for some properties held for resale, are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City has *restricted net position* of \$153.0 million for capital improvement projects and special revenues. These resources are subject to external restrictions on how the funds may be used. Unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The City had (\$58.0) million of unrestricted net position as of September 30, 2022.

There was a net increase of \$58.8 million in net position regarding the City's governmental activities.

There was a net increase of \$34.8 million in net position reported regarding the City's business-type activities, which include the Utilities Fund, Solid Waste Fund, Stormwater Utility Fund, and the Building Inspections Fund. A detailed explanation is provided on page 12 of this report.

Net Position

	Governmental Activities		Business-type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	218,056,978	187,869,404	107,741,463	92,627,431	325,798,441	280,496,835
Capital Assets (Net)	164,112,887	160,802,681	174,067,796	154,362,496	338,180,683	315,165,177
Total Assets	382,169,865	348,672,085	281,809,259	246,989,927	663,979,124	595,662,012
Deferred Outflow of Resources						
Unamortized loss on refunding	15,080,089	15,974,491	149,514	547,711	15,229,603	16,522,202
Deferred Outflows for Pensions	46,455,218	8,130,461	-	-	46,455,218	8,130,461
Deferred Outflows for OPEB	1,547,179	1,986,780	488,582	627,403	2,035,761	2,614,183
Total Deferred Outflows of Resources	63,082,486	26,091,732	638,096	1,175,114	63,720,582	27,266,846
Current and Other Liabilities	28,759,813	23,627,499	13,312,106	15,029,667	42,071,919	38,657,166
Long-Term Liabilities	287,222,165	226,685,860	42,232,568	41,589,983	329,454,733	268,275,843
Total Liabilities	315,981,977	250,313,359	55,544,674	56,619,650	371,526,652	306,933,009
Deferred Inflow of Resources						
Deferred Inflows from Refunding	165,134	176,930	-	-	165,134	176,930
Deferred Inflows Related to Pensions	493,114	25,152,227	-	-	493,114	25,152,227
Deferred Inflows Related to OPEB	868,098	963,603	274,134	304,294	1,142,232	1,267,897
Deferred Inflows Related to Leases	5,635,799	-	-	-	5,635,799	-
Total Deferred Outflows of Resources	7,162,145	26,292,760	274,134	304,294	7,436,279	26,597,054
Net Position:						
Net Investment in Capital Assets	85,387,851	83,057,349	152,554,595	122,653,307	237,942,446	205,710,656
Restricted	110,318,147	78,615,720	57,507,936	46,995,758	167,826,083	125,611,478
Unrestricted (Deficit)	(73,597,770)	(63,515,371)	16,566,015	21,592,032	(57,031,755)	(41,923,339)
Total Net Position	122,108,228	98,157,698	226,628,546	191,241,097	348,736,774	289,398,795

There was an overall increase in the City's net position of \$59.3 million which primarily resulted from (a) Completion of various GO Bond road improvement projects. (b) Additions to construction in progress for utilities water plant expansion. (c) Various infrastructure projects (d) ARPA grant funds. A comparative analysis

of government-wide changes in net position is as follows:

	Governmental Activities		Business-type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues						
Charges for Services	\$ 26,029,704	\$ 26,913,641	\$ 65,262,953	\$ 59,109,616	\$ 91,292,657	\$ 86,023,257
Operating Grants and Contributions	2,493,759	2,463,249	341,092	2,931,607	2,834,851	5,394,856
Capital Grants and Contributions	123,779	2,181,200	18,805,325	13,273,957	18,929,104	15,455,157
General Revenues						
Property Taxes	47,027,598	40,709,084	-	-	47,027,598	40,709,084
Other Taxes	24,483,813	22,377,174	-	-	24,483,813	22,377,174
Other	17,374,434	14,799,314	(92,898)	316,572	17,281,536	15,115,886
Total Revenues	117,533,087	109,443,662	84,316,472	75,631,752	201,849,559	185,075,414
Expenses:						
General Government	22,356,726	17,519,522	-	-	22,356,726	17,519,522
Public Safety	47,613,049	31,171,376	-	-	47,613,049	31,171,376
Physical Environment	657,311	517,059	-	-	657,311	517,059
Transportation	11,731,563	10,429,829	-	-	11,731,563	10,429,829
Economic Environment	3,152,205	1,662,294	-	-	3,152,205	1,662,294
Culture/Recreation	2,480,305	5,428,966	-	-	2,480,305	5,428,966
Interest on Long-Term Debt	6,919,093	5,895,736	-	-	6,919,093	5,895,736
Water and Wastewater	-	-	25,086,246	24,839,990	25,086,246	24,839,990
Building Inspections	-	-	4,290,827	4,380,403	4,290,827	4,380,403
Stormwater	-	-	5,216,563	4,572,429	5,216,563	4,572,429
Solid Waste	-	-	13,007,692	12,141,781	13,007,692	12,141,781
Total expenses	94,910,252	72,624,782	47,601,328	45,934,603	142,511,580	118,559,385
Change in Net Positon before transfers	22,622,835	36,818,880	36,715,144	29,697,149	59,337,979	36,692,164
Transfers	1,327,695	1,387,608	(1,327,695)	(1,387,608)	-	-
Change in Net Position	23,950,530	38,206,488	35,387,449	28,309,541	59,337,979	36,692,164
Net Position, beginning of year	98,157,698	59,951,210	191,241,097	162,931,555	289,398,795	186,190,601
Net Position, end of year	\$ 122,108,228	\$ 98,157,698	\$ 226,628,547	\$ 191,241,096	\$ 348,736,774	\$ 222,882,765

Governmental Activities

Governmental activities increased the City’s net position by \$24.0 million, and revenues from governmental activities increased by \$8.1 million or 7.4%. The main reasons were (a) Increase in charges for services. In particular impact fees from construction and development. (b) Property tax collection. (c) The City generated additional resources from the sale of surplus properties totaling \$1.67 million.

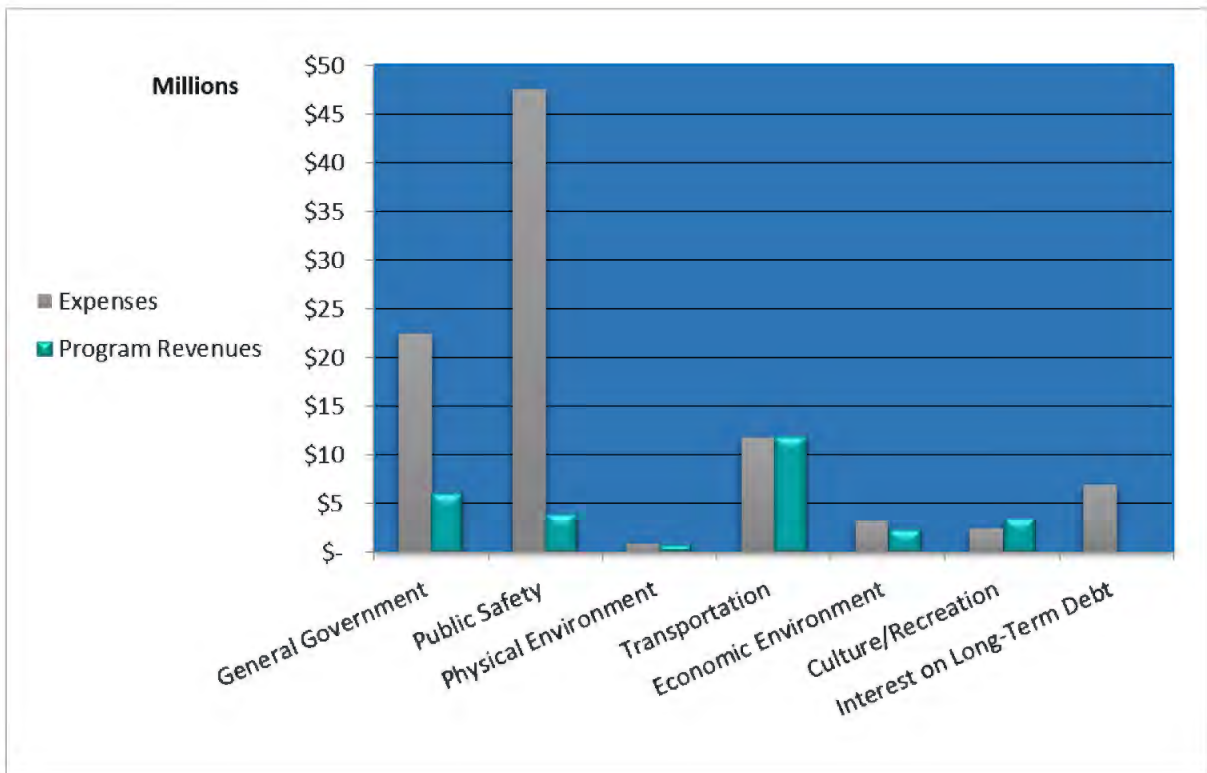
The following tables show the components of program and general revenues as a percentage of total governmental activities by function. Public safety which includes police and fire had the largest allocation at 50.2%, followed by general government at 23.6% which includes administrative activities. Allocations to transportation activities which is predominately public works related transactions accounted for 12.4% of the allocation.

Expenses and Program Revenues – Governmental Activities

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
General Government	\$ 22,356,726	23.6%	\$ 6,092,123	21.4%	\$ (16,264,603)
Public Safety	47,613,049	50.2%	3,968,758	13.9%	(43,644,291)
Physical Environment	657,311	0.7%	771,397	2.7%	114,086
Transportation	11,731,563	12.4%	11,905,199	41.6%	173,636
Economic Environment	3,152,205	3.3%	2,353,445	8.1%	(798,760)
Culture/Recreation	2,480,305	2.6%	3,556,320	12.4%	1,076,015
Interest on Long-Term Debt	6,919,093	7.3%	-	0.0%	(6,919,093)
	\$ 94,910,252	100%	\$ 28,647,242	100%	\$ (66,263,010)

The following chart compares expenses and program revenues for the governmental activities:

Expenses and Program Revenue – Governmental Activities



The following table and chart show revenues by source of governmental activities by percent of total revenues. Property taxes accounted for 39.57% of the revenues used to fund governmental functions. Combined revenue from other forms of taxes totaled 20.59%, while state revenue sharing sources provided 13.10% of the total revenue source.

Revenue by Source – Governmental Activities

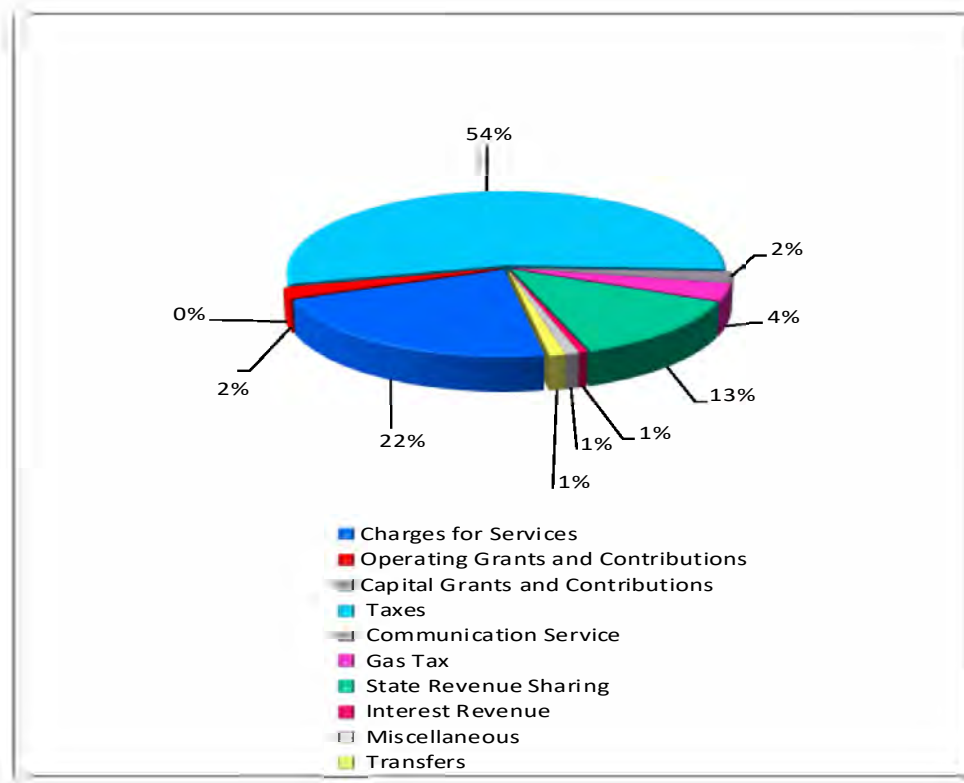
Program Revenues

Charges for Services	\$ 26,029,704	21.90%
Operating Grants and Contributions	2,493,759	2.10%
Capital Grants and Contributions	123,779	0.10%

General Revenues

Property Tax	47,027,598	39.57%
Franchise Fees	7,203,233	6.06%
Utility Service Tax	10,429,242	8.77%
Communication Service Tax	2,686,205	2.26%
Gas Tax	4,165,133	3.50%
State Revenue Sharing	15,569,918	13.10%
Interest Earnings	681,557	0.57%
Miscellaneous	1,122,959	0.94%
Transfers	1,327,695	1.13%
	\$ 118,860,782	100.00%

Revenue by Source – Governmental Activities



Business-type activities

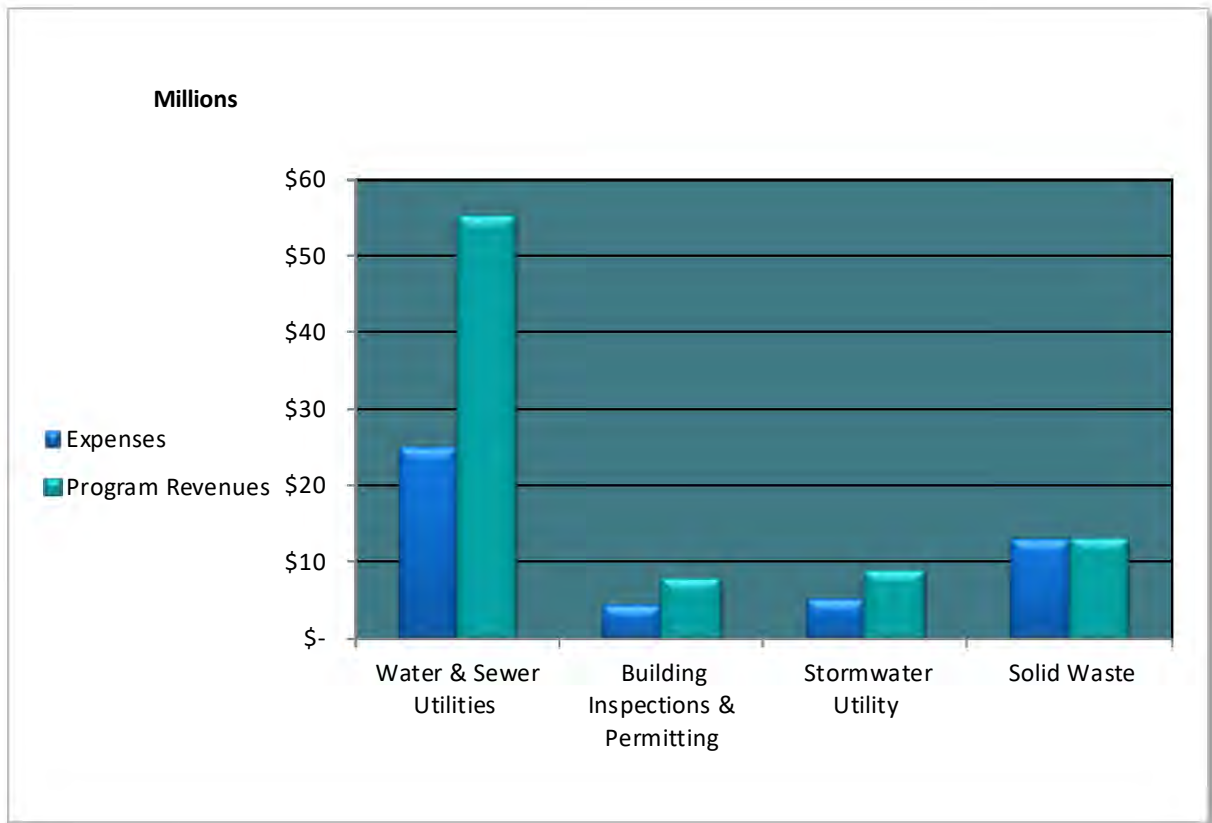
As previously mentioned, business-type activities increased the City’s total net position by \$35.4 million. This change resulted in large part from increased water and sewer mainline contribution, solid waste collections and building permit fees arising from construction.

The following tables show the components of program and general revenues as a percentage of total for business-type activities:

Expenses and Program Revenues – Business-type Activities

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
Water & Sewer Utilities	\$ 25,086,246	52.7%	\$ 54,889,811	65.0%	\$ 29,803,565
Building Inspections & Permitting	4,290,827	9.0%	7,760,878	9.2%	3,470,051
Stormwater Utility	5,216,563	11.0%	8,895,384	10.5%	3,678,821
Solid Waste	13,007,692	27.3%	12,863,297	15.2%	(144,395)
	\$ 47,601,328	100%	\$ 84,409,370	100%	\$ 36,808,042

Expenses and Program Revenues – Business-type Activities



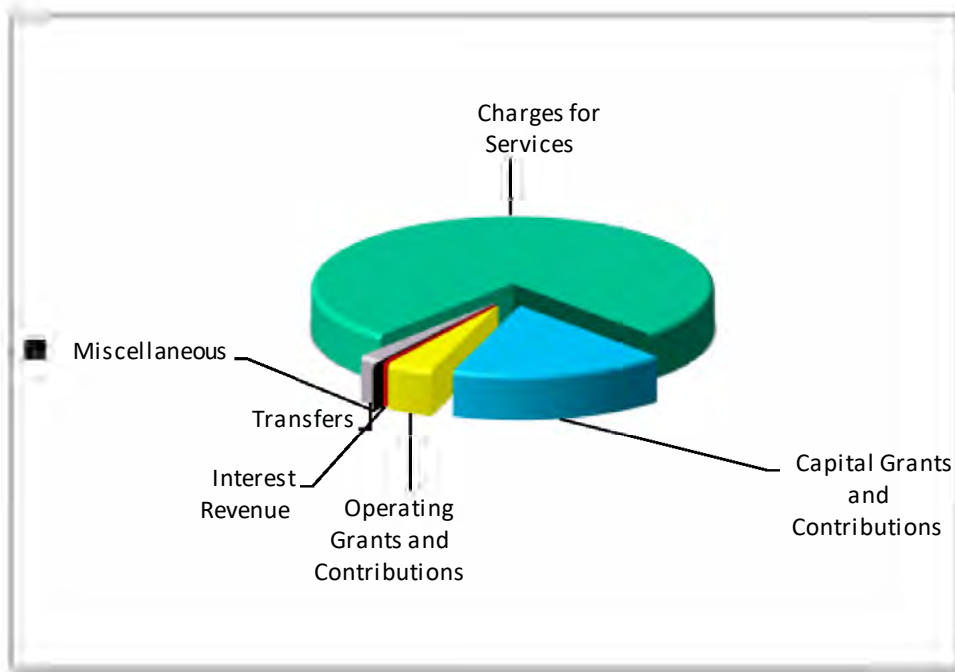
As shown in the table and chart below, the primary revenue source for business-type activities was charges for service. This category is comprised of water and sewer, stormwater, solid waste and building inspection fees. Charges for services accounted for 78.64 % of the total business-type activity revenue stream. Capital grants and contributions accounted for 22.66% of the revenue pool.

Revenues by Source – Business-type Activities

Business-Type

Charges for Services	\$ 65,262,953	78.64%
Capital Grants and Contributions	18,805,325	22.66%
Operating Grants and Contributions	341,092	0.41%
Interest Revenue	(142,740)	-0.17%
Miscellaneous	49,842	0.06%
Transfers	(1,327,695)	-1.60%
	<u>\$ 82,988,777</u>	<u>100.00%</u>

Revenues by Source – Business-type Activities



Financial Analysis of the City's Funds

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

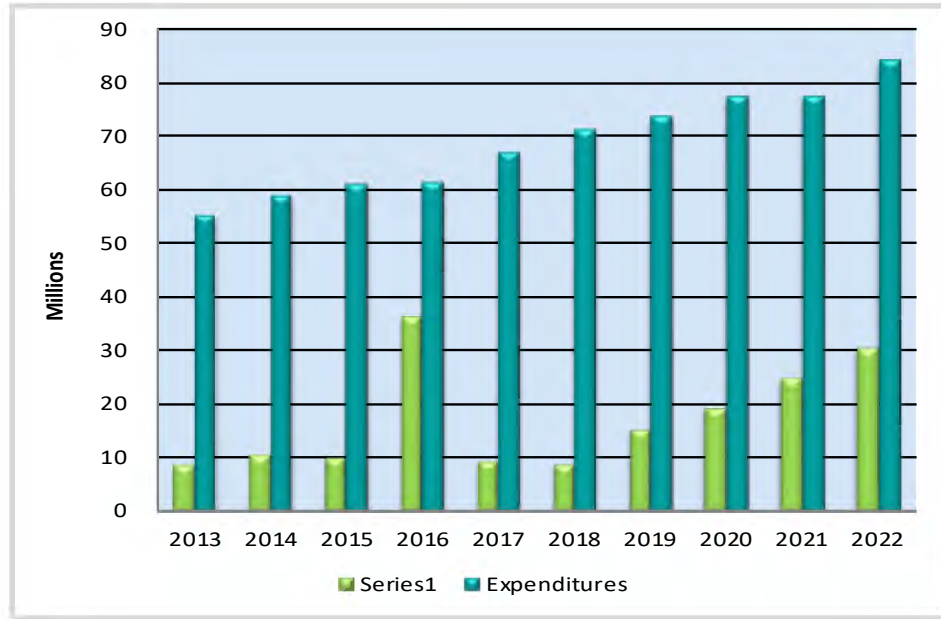
Governmental funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing the City's financing requirements. Unrestricted *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 fiscal year 2022, the City's governmental funds reported combined ending fund balances of \$156.1 million, an increase of \$16.4 million in comparison with the prior year. This increase is principally due to impact fee revenues from construction growth and expansion. Additionally, the city experienced increases in most tax categories above projections. *Non-Spendable* fund balance is \$124,145 and is comprised of prepaid items and inventory. *Restricted* fund balance is \$110.8 million and represents 71.0% of the total fund balance. *Committed* fund balance was \$8.9 million. *Assigned* fund balance is \$3.5 million. *Unassigned* fund balance, which is the residual, had a balance of approximately \$32.7 million.

The General Fund is the chief operating fund of the City. At the end of fiscal year 2022, *unassigned* fund balance of the General Fund was \$32.9 million, while total fund balance reached \$36.9 million. As a measure of the General Fund's liquidity, it may be useful to compare both *unrestricted* fund balance and total fund balance to total fund expenditures and transfers out. The City's General Fund, fund balance increase is primarily a result of ad valorem revenues which are based on Brevard County assessed property valuations. The City's ad valorem rate is restricted to an increase of not more than three percent (3.00%) over the budgeted revenue for the previous fiscal year. FY22 revenues from ad valorem taxes was approximately 15% over FY21. A secondary reason for the increase in fund balance is due to state revenue sharing such as half-cent sales tax, sales and uses taxes. In January 2021, the City amended its Fund Balance Policy in accordance with Resolution 2021-03 which supersedes Resolution 2011-34. The Policy established stabilization funds allowing the City to set aside committed funds for unexpected revenue shortfall or budget deficits. The City will maintain a permanent Emergency Contingency Fund with an annual assignment of balance of 4% on unrestricted fund balance. The General Fund committed fund balance of \$2.3 million, includes \$1.3 million in accordance with Resolution 2021-03. Further details and General Fund budgetary highlights can be found pages 15 - 16 of this report.

General Fund Balance and Expenditures



The Bayfront Community Redevelopment Agency Fund (BCRA) is used to account for ad valorem tax increment revenues accumulated for the community development areas where taxes were assessed. BCRA fund balance decreased by \$498,786 in fiscal year 2022 to \$1.47 million due to debt service payment return of unspent fund balance to Brevard County As stipulated in an October 2019 interlocal agreement with the City and the CRA.

The Debt Service Fund is used to accumulate resources for the payment of principal and interest of City bonds, notes, and capital lease obligations. At the end of fiscal year 2022, Debt Service Fund had a restricted net position of \$5.8 million.

GO Road Program Fund is used to account for proceeds from the City’s General Obligation Bonds, Series 2019 & Series 2021. These funds have been designated to overhaul and revitalize the City’s roadways. At the end of fiscal year 2022, the overall restricted net position of the GO Road Program Fund was \$55.9 million.

The Impact Fee Fund accounts for revenues generated from new development and used for the acquisition and or improvement of police, fire, and recreation facilities in addition to expansion of the City’s major road network system. At the end of fiscal year 2022, the Impact Fee Fund had a restricted net position of \$45.1 million.

The ARPA (American Rescue Plan Act) accounts for a federal issued to offset revenue loss due to COVID-19, pay premium for essential workers and invest in broadband infrastructure. The City was awarded a second tranche of \$9.0 million for varied purposes in FY21. Over the past two years, only \$1.3 million has been expended. The remaining grants funds of approximately \$16.7 million are designated as unearned revenue. The ARPA fund recognized revenue equal to its expenditures, therefore in FY22 a zero-fund balance was realized.

Enterprise funds

The City’s enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. The City has four enterprise funds, of which Utilities, Stormwater Utility and Solid Waste are major funds. Building Inspections is a non-major funds. *Unrestricted* net position of the enterprise funds at the end of the year were \$21.6 million. The total net position of the Utilities Fund, increased by \$27.6 million in fiscal year 2022. Stormwater’s net position of \$25.2 million is a \$3.9 million increase over fiscal year 2021. Reductions in operating expenses was instrumental in attaining the stated increase. Solid Waste’s net position is \$503,650, which is a decrease of \$254,486 from fiscal year 2021. The City increase its user fee in FY22 which generated additional revenue; however, it was offset by an increase in third-party administrative costs. There continues to be significant activities in residential and commercial construction.

Due to the volume of permits and other building service, the Building Inspection Fund experienced an increase in net position of \$3.6 million over fiscal year 2021 and ended the fiscal year with a restricted net position of \$13.7 million.

General Fund Budgetary Highlights

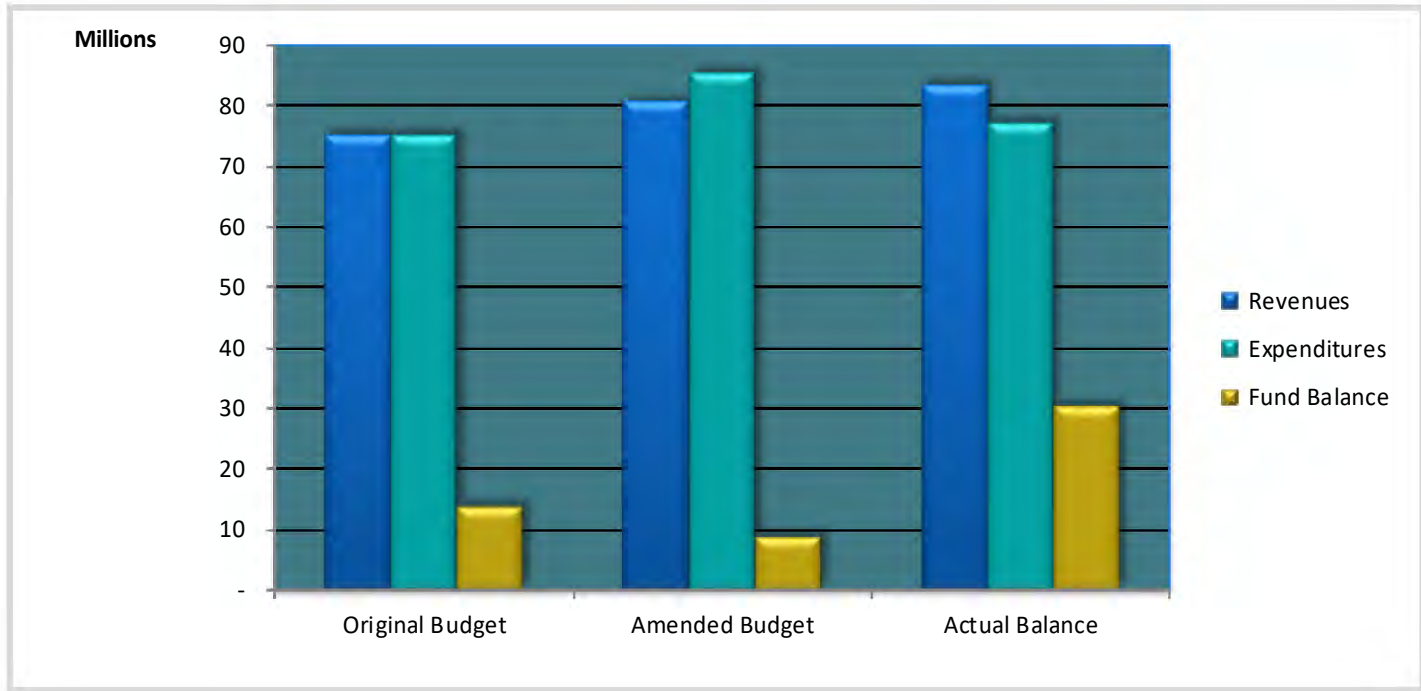
General Fund original budgeted revenue of \$83,236,049 is \$7.9 million more than the prior year. The total final budgeted revenues were less than actual revenues by \$6.4 million. Several revenue streams such as local option gas tax, franchise fees and state revenue sharing recognized larger receipt than originally projected.

General Fund original budgeted expenditures total \$83,296,049, representing decrease of \$7.9 million from FY 2021. Actual expenditures were \$11.9 million less than final budget.

The budget is based upon an estimated unreserved fund balance as of September 30, 2021, of \$22,620,120. The minimum fund balance for FY22, as established by administrative code, is \$12,589,425 and adheres to the stipulations of Resolution 2021-03 requiring a minimum fund balance of two months of regular budgetary General Fund operating expenditures (excluding capital and transfers).

The City generated positive/(negative) variances in the General Fund. There was a cumulative positive variance of approximately \$17.4 million between the final adopted budget and actual results of operations.

2022 General Fund Budgetary Comparison



The FY 22 adopted millage rate was 7.5995 mills and remains the same for FY23.

Capital Asset and Debt Administration

Capital Assets

The City’s total investment in capital assets for its governmental and business-type activities as of September 30, 2022 is \$337.6 million (net of accumulated depreciation). Investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure, and construction in progress.

A summary of government-wide capital assets is presented below:

	Governmental Activities		Business-type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
Land	\$ 16,119,887	\$ 16,112,558	\$ 5,138,205	\$ 5,138,205	\$ 21,258,092	\$ 21,250,763
Construction in Progress	22,770,203	26,377,154	42,218,393	26,401,715	64,988,596	52,778,869
Buildings and Improvements	36,833,151	36,833,142	2,886,341	2,886,341	39,719,492	39,719,483
Water and Sewer System	-	-	196,455,365	189,031,729	196,455,365	189,031,729
Machinery and Equipment	31,833,414	29,366,016	11,620,989	11,335,695	43,454,403	40,701,711
Infrastructure	175,606,093	162,008,090	11,494,808	11,130,440	187,100,901	173,138,530
Right of Use Asset - Building	-	-	561,503	-	561,503	-
	283,162,748	270,696,960	270,375,604	245,924,125	553,538,352	516,621,085
Less: Accumulated Depreciation	(119,049,861)	(109,894,279)	(96,901,132)	(91,561,630)	(215,950,993)	(201,455,909)
Capital Assets, net	\$ 164,112,887	\$ 160,802,681	\$ 173,474,472	\$ 154,362,495	\$ 337,587,359	\$ 315,165,176

Major capital asset projects and activities during the current fiscal year include the following:

- Completed transportation projects related to road maintenance, rejuvenation and reconstruction totaled \$13.6 million.
- Road construction projects still in progress at the end of the year totaled \$22.8 million.
- Water and sewer improvement projects in progress during the year totaled \$16.4 million.
- Developers Capital contribution of \$3.4 million.
- Right -to-use asset increased by \$561,503 as a result of the implementation of GASB 87.

Additional information on the City’s capital assets can be found in Note 7 of this report.

Long-term debt

At the end of fiscal year 2022, the City had total long-term liabilities of \$297.4 million. Of this amount \$97.9 million is secured solely by specified revenue sources (i.e., revenue bonds, revenue notes).

Outstanding Long-Term Debt and Claims Payable

	Governmental Activities		Business-type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds	\$ 103,443,852	\$ 106,887,793	\$ -	\$ -	\$ 103,443,852	\$ 106,887,793
Revenue Bonds	67,431,134	69,982,112	4,007,963	4,597,582	71,439,097	74,579,694
Notes Payable	16,464,000	18,282,000	16,073,000	22,007,000	32,537,000	40,289,000
State Revolving Fund Loan	-	-	8,275,334	1,346,123	8,275,334	1,346,123
Capital Leases	5,133,570	5,531,621	-	-	5,133,570	5,531,621
Lease Liability	-	-	500,678	-	500,678	-
Net Pension Liability	52,960,567	7,761,926	-	-	52,960,567	7,761,926
OPEB Liability	9,870,404	9,360,132	3,116,970	2,955,832	12,987,374	12,315,964
Compensated Absences	5,417,667	5,132,858	1,049,054	966,661	6,466,721	6,099,519
Claims Payable	3,670,418	3,747,418	-	-	3,670,418	3,747,418
	\$ 264,391,612	\$ 226,685,860	\$ 33,022,999	\$ 31,873,198	\$ 297,414,611	\$ 258,559,058

Outstanding Long-Term Debt Activities:

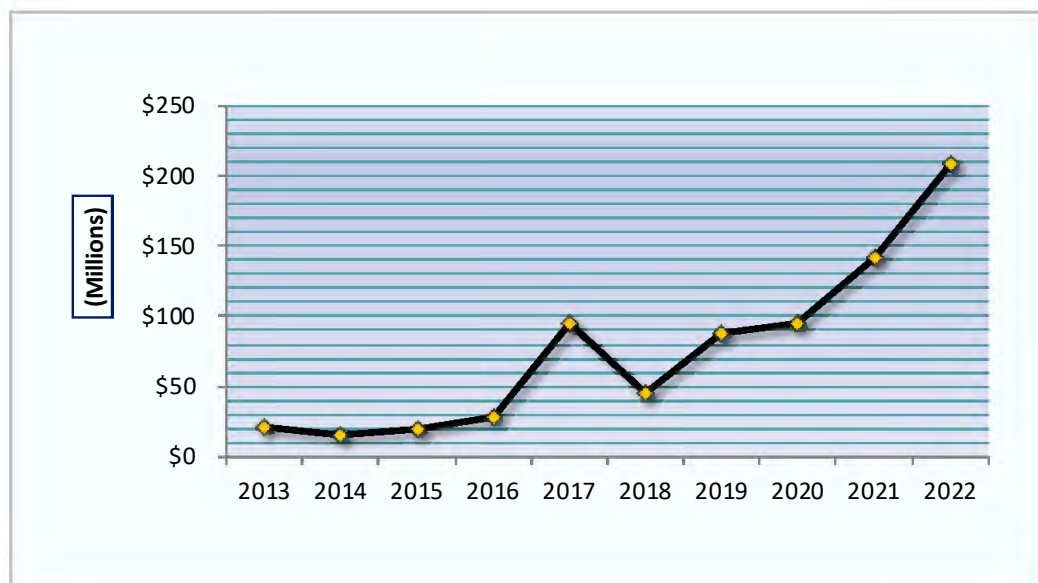
- Net pension liability increased due to depreciation in investment income based on actuarial projections.
- FY22 drawdown on the State Revolving Loan agreement was \$6.9 million.
- During the current year, the City implemented the provisions of GASB 87. This established a lease liability which increased long-term debt by \$500, 678.

Additional information on the City’s debt can be found in Note 8 of this report.

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate for the City at September 30, 2022, was 2.80%. The State of Florida’s unemployment rate was 2.5% while national average unemployment rate was 3.5%
- Population increased approximately 3.2% from the prior year.
- The taxable value of real property for the City increased by 69.0% in the 2021 fiscal year.
- Building activity resulted in \$208.1 million of new construction during the year, which is an increase of \$65.8 million, from the previous year. A graphical presentation of the change in taxable value from new construction for the past ten years is presented below:
- In June 2022, the City received a second tranche of ARPA funding in the amount of \$9,004,933 million from the U.S. Department of the Treasury, (Coronavirus State and Local Fiscal Recovery Funds). These funds may be used to support public health expenditures, replace lost public sector revenue, invest in water, sewer, and broadband infrastructure, address the negative economic impact caused by the public health emergency and provide premium pay for essential workers.

Taxable Value from New Construction



During the current fiscal year, *unassigned* fund balance in the General Fund increased to \$32.9 million.

The ad valorem tax rate for the General Fund in fiscal year 2022 was 7.5995 mills.

Requests for Information

This financial report is designed to present users with a general overview of the City’s finances and to demonstrate the City’s accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the City’s Finance Department, 120 Malabar Road, S.E., Palm Bay, Florida 32907-3009. The Annual Comprehensive Financial Report for fiscal year 2020/2021 can also be found on the City’s website at www.palmbayflorida.org.



THIS PAGE INTENTIONALLY LEFT BLANK.

STATEMENT OF NET POSITION
September 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 23,352,085	\$ 8,399,050	\$ 31,751,135
Investments	48,796,508	39,833,613	88,630,121
Restricted Assets:			
Cash and Cash Equivalents	26,467,259	16,968,752	43,436,011
Investments	105,512,367	30,579,678	136,092,045
Accounts Receivable (Net)	3,724,256	10,755,070	14,479,326
Lease Receivable	5,786,740	-	5,786,740
Internal Balances	(342,240)	342,240	-
Due from Other Governments	3,816,926	12,316	3,829,242
Inventories	348,961	805,795	1,154,756
Prepaid Items	400,110	44,949	445,059
Accounts Receivable, Long-term (Net)	-	-	-
Capital Assets Not Being Depreciated:			
Land	16,119,887	5,138,205	21,258,092
Construction in Progress	22,770,203	42,811,717	65,581,920
Capital Assets, Net of Accumulated Depreciation:			
Building and Improvements	15,545,100	1,220,896	16,765,996
Right to Use Asset - Building	-	481,288	481,288
Water and Sewer Systems	-	110,290,842	110,290,842
Machinery, Equipment and Vehicles	7,616,874	3,395,791	11,012,665
Infrastructure	102,060,823	10,729,057	112,789,880
Net Pension Asset	194,006	-	194,006
Total Assets	382,169,865	281,809,259	663,979,124
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss from Bond Refunding	15,080,089	149,514	15,229,603
Deferred Outflows Related to Pensions	46,455,218	-	46,455,218
Deferred Outflows Related to OPEB	1,547,179	488,582	2,035,761
Total Deferred Outflows of Resources	63,082,486	638,096	63,720,582

Continued on the next page

STATEMENT OF NET POSITION (CONTINUED)
September 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts Payable	5,519,775	6,201,946	11,721,721
Accrued Liabilities	1,016,210	250,114	1,266,324
Due to Other Governments	96,750	-	96,750
Unearned Revenues	19,864,172	3,781,930	23,646,102
Liabilities Payable from Restricted Assets:			
Accrued Interest Payable	2,262,906	-	2,262,906
Customer Deposits	-	3,078,116	3,078,116
Long-Term Liabilities:			
Due Within One Year:			
Bonds Payable	6,300,888	605,046	6,905,934
Notes Payable	1,520,000	5,185,000	6,705,000
Capital Leases Payable	414,594	-	414,594
Claims Payable	1,137,392	-	1,137,392
Compensated Absences	866,827	167,848	1,034,675
Due in More Than One Year:			
Bonds Payable	164,574,098	13,740,917	178,315,015
State Revolving Loan Payable	-	8,275,334	8,275,334
Notes Payable	14,944,000	550,000	15,494,000
Capital Leases Payable	4,718,976	-	4,718,976
Finance Lease Payable	-	500,678	500,678
Accreted Interest Payable	-	9,209,568	9,209,568
Claims Payable	2,624,160	-	2,624,160
Total OPEB Liability	9,870,405	3,116,970	12,987,375
Net Pension Liability	75,699,986	-	75,699,986
Compensated Absences	4,550,839	881,207	5,432,046
Total Liabilities	315,981,978	55,544,674	371,526,652
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows from Bond Refunding	165,134	-	165,134
Deferred Inflows Related to Pensions	493,114	-	493,114
Deferred Inflows Related to OPEB	868,098	274,134	1,142,232
Deferred Inflows Related to Leases	5,635,799	-	5,635,799
Total Deferred Inflows of Resources	7,162,145	274,134	7,436,279
NET POSITION			
Net Investment in Capital Assets	85,387,851	152,554,595	237,942,446
Restricted for:			
Transportation	102,187,773	-	102,187,773
Economic Development	2,534,684	-	2,534,684
Debt Service Reserve	3,507,910	1,920,000	5,427,910
Building Inspections	-	13,037,621	13,037,621
Water and Sewer Utilities System	-	42,550,315	42,550,315
Internal Service Fund Claim Reserves	1,800,000	-	1,800,000
Public Safety	287,780	-	287,780
Unrestricted (Deficit)	(73,597,770)	16,566,015	(57,031,755)
Total Net Position	\$ 122,108,228	\$ 226,628,546	\$ 348,736,774

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

STATEMENT OF ACTIVITIES
For Fiscal Year Ended September 30, 2022

Functions/Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital	Primary Government		Total
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
General Government	\$ 22,356,726	\$ 6,068,618	\$ 23,505	\$ -	\$ (16,264,603)	\$ -	\$ (16,264,603)
Public Safety	47,613,049	3,738,398	230,360	-	(43,644,291)	-	(43,644,291)
Physical Environment	657,311	771,397	-	-	114,086	-	114,086
Transportation	11,731,563	11,781,420	-	123,779	173,636	-	173,636
Economic Environment	3,152,205	113,551	2,239,894	-	(798,760)	-	(798,760)
Culture/Recreation	2,480,305	3,556,320	-	-	1,076,015	-	1,076,015
Interest on Long-Term Debt	6,919,093	-	-	-	(6,919,093)	-	(6,919,093)
Total Governmental Activities	94,910,252	26,029,704	2,493,759	123,779	(66,263,010)	-	(66,263,010)
Business-type Activities:							
Water and Sewer Utilities	25,086,246	35,757,409	339,393	18,793,009	-	29,803,565	29,803,565
Building Inspections & Permitting	4,290,827	7,759,179	1,699	-	-	3,470,051	3,470,051
Stormwater Utility	5,216,563	8,883,068	-	12,316	-	3,678,821	3,678,821
Solid Waste	13,007,692	12,863,297	-	-	-	(144,395)	(144,395)
Total Business-type Activities	47,601,328	65,262,953	341,092	18,805,325	-	36,808,042	36,808,042
Total	\$ 142,511,580	\$ 91,292,657	\$ 2,834,851	\$ 18,929,104	(66,263,010)	36,808,042	(29,454,968)
General Revenues:							
Taxes:							
Property Tax					47,027,598	-	47,027,598
Franchise Fees					7,203,233	-	7,203,233
Utility Service Tax					10,429,242	-	10,429,242
Communication Service Tax					2,686,205	-	2,686,205
Gas Tax					4,165,133	-	4,165,133
State Revenue Sharing (unrestricted)					15,569,918	-	15,569,918
Investment Earnings					681,557	(142,740)	538,817
Miscellaneous					1,122,959	49,842	1,172,801
Transfers					1,327,695	(1,327,695)	-
Total General Revenues/Transfers					90,213,540	(1,420,593)	88,792,947
Change in Net Position					23,950,530	35,387,449	59,337,979
Net Position - Beginning					98,157,698	191,241,097	289,398,795
Net Position - Ending					\$ 122,108,228	\$ 226,628,546	\$ 348,736,774

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

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2022

	General	ARPA Fund	Bayfront Community Redevelopment Agency Fund	Impact Fee Funds	Debt Service Fund	GO Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 9,884,462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,898,165	\$ 13,782,627
Investments	22,682,725	-	-	-	-	-	6,142,650	28,825,375
Restricted Cash and Equivalents	800,000	290,775	751,391	16,324,461	5,558,010	11	2,742,611	26,467,259
Restricted Investments	-	16,721,984	721,347	29,100,356	212,201	58,630,213	126,266	105,512,367
Accounts Receivable	3,554,425	54,862	-	9,120	605	-	-	3,619,012
Due from Other Governments	3,368,693	-	-	-	-	35,659	412,574	3,816,926
Due from Other Funds	208,743	-	-	-	-	-	184,243	392,986
Leases Receivable	5,786,740	-	-	-	-	-	-	5,786,740
Prepaid Items	120,900	-	-	-	-	-	-	120,900
Inventory	3,245	-	-	-	-	-	-	3,245
Total Assets	\$ 46,409,933	\$ 17,067,621	\$ 1,472,738	\$ 45,433,937	\$ 5,770,816	\$ 58,665,883	\$ 13,506,509	\$ 188,327,437
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 1,486,370	\$ 334,038	\$ 51	\$ 123,442	\$ -	\$ 2,813,976	\$ 328,445	\$ 5,086,322
Accrued Liabilities	855,041	-	-	-	-	-	-	855,041
Due to Other Funds	-	-	-	-	-	-	392,986	392,986
Unearned Revenue	1,464,015	16,733,583	-	-	-	-	1,666,574	19,864,172
Advances from Other Funds	-	-	-	-	-	-	342,240	342,240
Due to Other Governments	-	-	-	-	-	-	96,750	96,750
Total Liabilities	3,805,426	17,067,621	51	123,442	-	2,813,976	2,826,995	26,637,511
DEFERRED INFLOW OF RESOURCES								
Lease Related	5,635,799	-	-	-	-	-	-	5,635,799
Total Deferred Inflow of Resources	5,635,799	-	-	-	-	-	-	5,635,799
Fund Balances:								
Nonspendable	124,145	-	-	-	-	-	-	124,145
Restricted	800,000	-	1,472,687	45,310,495	5,770,816	55,851,907	1,548,178	110,754,083
Committed	2,341,618	-	-	-	-	-	6,645,254	8,986,872
Assigned	802,276	-	-	-	-	-	2,671,316	3,473,592
Unassigned (Deficit)	32,900,669	-	-	-	-	-	(185,234)	32,715,435
Total Fund Balances	36,968,708	-	1,472,687	45,310,495	5,770,816	55,851,907	10,679,514	156,054,127
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 46,409,933	\$ 17,067,621	\$ 1,472,738	\$ 45,433,937	\$ 5,770,816	\$ 58,665,883	\$ 13,506,509	\$ 188,327,437

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



THIS PAGE INTENTIONALLY LEFT BLANK.

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30,2022**

Total fund balances of governmental funds **\$ 156,054,127**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$269,656,275 and the accumulated depreciation is \$110,021,586. Internal service funds capital assets of \$13,506,473 and accumulated depreciation of \$9,028,275 are included in the internal service funds balances below. 159,634,689

Net pension assets are not financial resources and therefore are not reported in the funds. 194,006

Deferred outflows and inflows of resources for changes in Pension assumptions and projections in governmental activities are not financial resources and therefore are not reported in the governmental funds.
Deferred Outflows of Resources 46,455,218
Deferred Inflows of Resources (493,114)

Deferred outflows and inflows of resources for changes in OPEB assumptions and projections in governmental activities are not financial resources and therefore are not reported in the governmental funds.
Deferred Outflows of Resources 1,506,465
Deferred Inflows of Resources (845,254)

Deferred Inflows of resources for loss on bond refunding (165,134)

Unamortized refunding charges are reported as expenditures in the funds because current financial resources are used. They are amortized over the life of the debt in the government-wide statements. 15,080,089

The internal service fund is used by management to charge the costs of employee benefits and risk management services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 30,088,893

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the Statement of Net Position. The amount for internal service funds includes compensated absences of \$62,498 (\$10,000 current and \$52,498 long-term) and total OPEB liability of \$246,319

Long-term liabilities at year end consist of :

General Obligation Bonds Payable	\$	103,443,852	
Revenue Bonds Payable		67,431,134	
Notes Payable		16,464,000	
Accrued Interest Payable		2,262,906	
Capital Leases Payable		5,133,570	
Net Pension Liability		75,699,986	
Total OPEB Liability		9,610,657	
Compensated Absences		5,355,651	(285,401,757)

Total net position of governmental activities **\$ 122,108,228**

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For Fiscal Year Ended September 30, 2022

	General	ARPA Fund	Bayfront Community Redevelopment	Impact Fee Funds	Debt Service Fund	GO Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Taxes	\$ 56,151,501	\$ -	\$ 1,637,391	\$ -	\$ 7,044,483	\$ -	\$ -	\$ 64,833,375
Special Assessments Levied	-	-	-	-	-	-	-	-
Impact Fees	-	-	-	17,148,790	-	-	-	17,148,790
Licenses and Permits	7,727,302	-	-	-	-	-	-	7,727,302
Intergovernmental Revenues	15,989,559	1,276,282	-	-	-	-	1,087,391	18,353,232
Charges for Services	6,703,803	-	-	-	-	-	421,484	7,125,287
Fines and Forfeitures	571,847	-	-	-	-	-	255,994	827,841
Investment Income	(191,806)	3,194	14,057	228,495	47,547	334,102	65,098	500,687
Interest Income from Lease	99,420	-	-	-	-	-	-	99,420
Contributions	-	-	-	-	-	83,659	-	83,659
Lease Revenue	288,156	-	-	-	-	-	-	288,156
Miscellaneous Revenues	309,623	-	-	-	-	-	112,966	422,589
Total Revenues	87,649,405	1,279,476	1,651,448	17,377,285	7,092,030	417,761	1,942,933	117,410,338
EXPENDITURES								
Current:								
General Government	23,650,323	-	-	-	1,473	-	-	23,651,796
Public Safety	41,109,627	-	-	119,502	-	-	272,892	41,502,021
Physical Environment	-	-	-	-	-	-	86,578	86,578
Transportation	6,211,463	-	-	12,489	-	-	2,080	6,226,032
Economic Environment	-	1,282,148	638,662	-	-	-	1,113,858	3,034,668
Culture/Recreation	1,809,611	-	-	1,183	-	-	-	1,810,794
Debt Service:								
Principal Retirement	-	-	342,000	-	7,293,950	-	-	7,635,950
Interest and Fiscal Charges	-	-	7,167	-	7,024,663	-	-	7,031,830
Capital Outlay	-	-	-	1,345,961	-	7,089,832	1,243,128	9,678,921
Total Expenditures	72,781,024	1,282,148	987,829	1,479,135	14,320,086	7,089,832	2,718,536	100,658,590
Excess (Deficiency) of Revenues Over Expenditures	14,868,381	(2,672)	663,619	15,898,150	(7,228,056)	(6,672,071)	(775,603)	16,751,748
OTHER FINANCING SOURCES (USES)								
Transfers In	2,457,741	-	-	-	10,878,976	-	2,985,384	16,322,101
Transfers Out	(11,328,385)	-	(1,340,011)	(994,620)	(3,479,098)	(11,306)	(32,228)	(17,185,648)
Proceeds from Sale of Capital Assets	357,189	-	177,606	-	-	-	-	534,795
Total Other Financing Sources and (Uses)	(8,513,455)	-	(1,162,405)	(994,620)	7,399,878	(11,306)	2,953,156	(328,752)
Net Change in Fund Balances	6,354,926	(2,672)	(498,786)	14,903,530	171,822	(6,683,377)	2,177,553	16,422,996
Fund Balances - Beginning	30,613,782	2,672	1,971,473	30,406,965	5,598,994	62,535,284	8,501,961	139,631,131
Fund Balances - Ending	\$ 36,968,708	\$ -	\$ 1,472,687	\$ 45,310,495	\$ 5,770,816	\$ 55,851,907	\$ 10,679,514	\$ 156,054,127



THIS PAGE INTENTIONALLY LEFT BLANK.

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE 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. **\$ 16,422,996**

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases (\$11,060,310) exceeds depreciation expense (\$8,991,948) in the current period. 2,068,362

Governmental funds report only the proceeds from the sale of capital assets. However, in the Statement of Activities, the amount of the proceeds (if any) are shown net of the remaining book balance of the assets disposed. This is the amount of the gain or (loss) realized on the current year dispositions:
 Current Year Net Loss on Disposal (29,575)

Proceeds from the sale of capital assets increase financial resources, but in the statement of activities, only a gain or loss is reported. (534,795)

Pension contribution made subsequent to the measurement date is an expenditure in the governmental funds, but reported as a deferred outflow of resources in the government-wide financial statements. 7,200

Pension 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. (8,883,625)

The repayment of principal is an expenditure in the governmental funds, but reduces liabilities in the statement of net position. In addition, the issuance of bonds and similar long-term debt provides current financial resources to governmental funds and therefore contribute to an increase in fund balance. In the statement of net position, however, issuing debt increases and payment of debt decreases long-term liabilities and does not affect the statement of activities. The amounts of the items that make up these differences in the treatment of long-term debt and related items are:

Principal repayments:

Revenue Bonds	5,994,919
Capital Leases	398,051
Notes Payable	1,818,000
Amortized Refunding Charges	(894,402)
Amortized Refunding Gains	(11,796)
Accrued Interest Payable on Long-Term Debt	420,323

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.

Compensated Absences	(284,809)
Total OPEB Liability	(496,845)

The internal service fund is used by management to charge the costs of risk management services to other funds. The decrease in net position of the internal service fund is reported with governmental activities. 7,956,526

Change in net position of governmental activities. **\$ 23,950,530**

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

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2022**

	Business Type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Utilities Fund (Major Fund)	Stormwater (Major Fund)	Solid Waste (Major Fund)	Total Nonmajor Enterprise Funds		
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 1,509,328	\$ 2,698,988	\$ 351,379	\$ 3,839,355	\$ 8,399,050	\$ 9,569,458
Investments	21,069,190	8,026,387	1,346,151	9,391,885	39,833,613	19,971,133
Restricted Cash and Cash Equivalents	2,683,350	-	394,766	-	3,078,116	-
Accounts Receivable - (Net)	7,155,697	2,469,639	1,129,671	63	10,755,070	105,244
Due from Other Government	-	12,316	-	-	12,316	-
Advances to Other Funds	-	-	-	342,240	342,240	-
Inventory	805,795	-	-	-	805,795	345,716
Prepaid Items	16,614	2,100	-	26,235	44,949	279,210
Total Current Assets	33,239,974	13,209,430	3,221,967	13,599,778	63,271,149	30,270,761
Noncurrent Assets:						
Restricted Assets:						
Cash and Cash Equivalents	13,890,636	-	-	-	13,890,636	-
Investments	30,579,678	-	-	-	30,579,678	-
Total Restricted Assets	44,470,314	-	-	-	44,470,314	-
Capital Assets:						
Land	5,118,403	19,802	-	-	5,138,205	-
Construction in Progress	38,793,987	3,617,880	-	399,850	42,811,717	-
Building and Improvements	2,886,341	-	-	-	2,886,341	-
Right to use asset - building	-	-	-	561,503	561,503	-
Water and Sewer Systems Infrastructure	196,455,364	-	-	-	196,455,364	-
	-	11,494,808	-	-	11,494,808	-
Machinery, Equipment and Vehicles	4,928,236	3,611,951	2,560,000	520,802	11,620,989	13,506,473
Less: Accumulated Depreciation/Amortization	(91,294,058)	(2,755,709)	(2,560,000)	(291,365)	(96,901,132)	(9,028,275)
Total Capital Assets (Net)	156,888,273	15,988,732	-	1,190,790	174,067,795	4,478,198
Total Noncurrent Assets	201,358,587	15,988,732	-	1,190,790	218,538,109	4,478,198
Total Assets	234,598,561	29,198,162	3,221,967	14,790,568	281,809,258	34,748,959
DEFERRED OUTFLOWS OF RESOURCES						
Unamortized Loss from Bond Refunding	149,514	-	-	-	149,514	-
Deferred Outflows Related to OPEB	325,723	101,787	20,358	40,714	488,582	40,714
Total Deferred Outflows of Resources	475,237	101,787	20,358	40,714	638,096	40,714

Continued on the next page

STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
September 30, 2022

	Business Type Activities - Enterprise Funds				Governmental	
	Utilities Fund (Major Fund)	Stormwater (Major Fund)	Solid Waste (Major Fund)	Total Nonmajor Enterprise Fund	Total Enterprise Funds	Activities - Internal Service Funds
LIABILITIES						
Current Liabilities:						
Accounts Payable	4,296,071	744,888	1,073,066	87,921	6,201,946	433,453
Accrued Liabilities	174,555	30,778	-	44,781	250,114	161,169
Unearned Revenues	164,914	2,467,368	1,129,548	20,100	3,781,930	-
Bonds Payable	605,046	-	-	-	605,046	-
Notes Payable	5,185,000	-	-	-	5,185,000	-
Compensated Absences	118,257	22,795	-	26,796	167,848	9,922
Claims Payable	-	-	-	-	-	1,137,392
Current Liabilities Payable from Restricted Assets:						
Customer Deposits	2,683,350	-	394,766	-	3,078,116	-
Total Current Liabilities	13,227,193	3,265,829	2,597,380	179,598	19,270,000	1,741,936
Noncurrent Liabilities:						
Bonds Payable	13,740,917	-	-	-	13,740,917	-
State Revolving Loan Payable	8,275,334	-	-	-	8,275,334	-
Notes Payable	550,000	-	-	-	550,000	-
Accreted Interest Payable	9,209,568	-	-	-	9,209,568	-
Total OPEB Liability	2,077,980	649,369	129,873	259,748	3,116,970	259,747
Compensated Absences	620,850	119,676	-	140,681	881,207	52,093
Finance Lease Payable	-	-	-	500,678	500,678	-
Claims Payable	-	-	-	-	-	2,624,160
Total Noncurrent Liabilities	34,474,649	769,045	129,873	901,107	36,274,674	2,936,000
Total Liabilities	47,701,842	4,034,874	2,727,253	1,080,705	55,544,674	4,677,936
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows Related to OPEB	182,757	57,111	11,422	22,844	274,134	22,844
Total Deferred Outflows of Resources	182,757	57,111	11,422	22,844	274,134	22,844
NET POSITION						
Net Investment in Capital Assets	136,617,236	15,247,247	-	690,112	152,554,595	4,440,604
Restricted:						
Renewal and Replacement	15,000,780	-	-	-	15,000,780	-
Capital Improvements	27,549,535	-	-	-	27,549,535	-
Debt Service	1,920,000	-	-	-	1,920,000	-
Building Fund	-	-	-	13,037,621	13,037,621	-
Employee Benefits	-	-	-	-	-	1,800,000
Unrestricted	6,101,648	9,960,717	503,650	-	16,566,015	23,848,289
Total Net Position	\$ 187,189,199	\$ 25,207,964	\$ 503,650	\$ 13,727,733	\$ 226,628,546	\$ 30,088,893



THIS PAGE INTENTIONALLY LEFT BLANK.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For Fiscal Year Ended September 30, 2022

	Business Type Activities - Enterprise Funds				Governmental	
	Utilities Fund (Major Fund)	Stormwater (Major Fund)	Solid Waste (Major Fund)	Total Nonmajor Enterprise Fund	Total Enterprise Funds	Activities - Internal Service Funds
Operating Revenues:						
Charges for Services:						
Water	\$ 20,290,816	\$ -	\$ -	\$ -	\$ 20,290,816	\$ -
Sewer	14,979,341	-	-	-	14,979,341	-
Stormwater	-	8,877,010	-	-	8,877,010	-
Solid Waste	-	-	12,863,297	-	12,863,297	-
User Fees	-	-	-	396,268	396,268	29,094,742
Assessments	335,058	6,058	-	-	341,116	-
Licenses and Permits	-	-	-	7,283,622	7,283,622	-
Miscellaneous Income	152,194	-	-	79,289	231,483	396,093
Total Operating Revenues	35,757,409	8,883,068	12,863,297	7,759,179	65,262,953	29,490,835
Operating Expenses:						
Personal Services	9,928,980	2,441,796	67,160	2,840,905	15,278,841	4,159,547
Material, Supplies, and Operating expenses	8,598,047	2,163,968	12,936,790	1,258,712	24,957,517	5,215,420
Claims/Premium Expense	-	-	-	-	-	13,499,345
Depreciation	4,884,004	610,799	3,742	84,664	5,583,209	825,245
Amortization	-	-	-	80,215	80,215	-
Total Operating Expenses	23,411,031	5,216,563	13,007,692	4,264,496	45,899,782	23,699,557
Operating Income	12,346,378	3,666,505	(144,395)	3,494,683	19,363,171	5,791,278
Nonoperating Revenues (Expenses):						
Interest Income	(282,372)	58,511	9,339	71,782	(142,740)	64,415
Interest Expense and Fiscal Charges	(1,639,863)	-	-	(26,331)	(1,666,194)	-
Intergovernmental Revenues	339,393	-	-	1,699	341,092	25,806
Gain on Sale of Capital Assets	40,823	7,644	-	1,375	49,842	-
Gain (Loss) on Disposal	-	(35,352)	-	-	(35,352)	3,217
Total Nonoperating Revenues (Expenses)	(1,542,019)	30,803	9,339	48,525	(1,453,352)	93,438
Income Before Contributions and Transfers	10,804,359	3,697,308	(135,056)	3,543,208	17,909,819	5,884,716
Capital Contributions	18,793,009	12,316	-	-	18,805,325	-
Transfers In	12,069,847	283,000	-	6,440	12,359,287	3,127,015
Transfers Out	(13,479,552)	(88,000)	(119,430)	-	(13,686,982)	(1,055,203)
Change in Net Position	28,187,663	3,904,624	(254,486)	3,549,648	35,387,449	7,956,528
Net Position - Beginning of year	159,001,536	21,303,340	758,136	10,178,085	191,241,097	22,132,365
Total Net Position - Ending	\$ 187,189,199	\$ 25,207,964	\$ 503,650	\$ 13,727,733	\$ 226,628,546	\$ 30,088,893

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

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For Fiscal Year Ended September 30, 2022**

	Business Type Activities - Enterprise Funds				Governmental	
	Utilities Fund (Major Fund)	Storm Water Fund (Major Fund)	Solid Waste Fund (Major Fund)	Total Nonmajor Enterprise Fund	Total Enterprise Funds	Activities - Internal Service Funds
Cash Flows from Operating Activities						
Receipts from Customers and Users	\$ 33,344,891	\$ 8,880,839	\$ 12,891,660	\$ 7,759,242	\$ 62,876,632	\$ 29,585,030
Payments to Suppliers	(10,214,327)	(1,656,165)	(12,963,137)	(1,272,456)	(26,106,085)	(18,827,799)
Payments to Employees	(9,758,111)	(2,333,115)	(55,919)	(3,012,371)	(15,159,516)	(4,226,115)
Net Cash Provided by Operating Activities	13,372,453	4,891,559	(127,396)	3,474,415	21,611,031	6,531,116
Cash Flows from Noncapital Financing Activities						
Interfund Advances	-	-	-	94,837	94,837	-
Intergovernmental Revenues	339,393	-	-	-	339,393	25,716
Transfers to Other Funds	(13,479,552)	283,000	-	-	(13,196,552)	(1,055,203)
Transfers from Other Funds	12,069,847	(88,000)	-	6,440	11,988,287	3,124,738
Net Cash Provided (Used) by Noncapital Financing Activities	(1,070,312)	195,000	-	101,277	(774,035)	2,095,251
Cash Flows from Capital and Related Financing Activities						
Acquisition/Construction of Capital Assets	(20,891,597)	(3,025,180)	-	52,894	(23,863,883)	(2,753,121)
Principal Paid on Capital Debt	(589,620)	-	-	(60,825)	(650,445)	-
Interest Paid on Capital Debt	(2,388,188)	-	-	(26,331)	(2,414,519)	-
Contributions	18,793,009	-	-	-	18,793,009	-
Principal Paid on Notes Payable	(5,934,000)	-	-	-	(5,934,000)	-
Proceeds from Issuance of Notes	11,507,000	-	-	-	11,507,000	-
Proceeds from Loan	6,929,211	-	-	-	6,929,211	-
Proceeds from Sale of Capital Assets	40,823	(27,708)	-	1,375	14,490	3,217
Net Cash Used by Capital and Related Financing Activities	7,466,638	(3,052,888)	-	(32,887)	4,380,863	(2,749,904)
Cash Flows from Investing Activities						
Investment purchases	(48,998,685)	(665,425)	497,793	(960,497)	(50,126,814)	(1,127,447)
Proceeds from Sale and Maturity of Investments	38,081,272	-	-	-	38,081,272	-
Interest Income on Investments	(282,372)	58,511	9,339	71,782	(142,740)	64,415
Net Cash Provided (Used) by Investing Activities	(11,199,785)	(606,914)	507,132	(888,715)	(12,188,282)	(1,063,032)
Net Increase (Decrease) in Cash and Cash Equivalents	8,568,994	1,426,757	379,736	2,654,090	13,029,577	4,813,431
Cash and Cash Equivalents at Beginning of Year	9,514,320	1,272,231	366,409	1,676,640	12,829,600	4,756,046
Cash and Cash Equivalents at End of Year	\$ 18,083,314	\$ 2,698,988	\$ 746,145	\$ 4,330,730	\$ 25,859,177	\$ 9,569,477
Cash and Cash Equivalents Classified As:						
Current Assets	\$ 1,509,328	\$ 2,698,988	\$ 351,379	\$ 3,839,355	\$ 8,399,050	\$ 9,569,477
Restricted Assets	16,573,986	-	394,766	-	16,968,752	-
Total Cash and Cash Equivalents	\$ 18,083,314	\$ 2,698,988	\$ 746,145	\$ 3,839,355	\$ 25,367,802	\$ 9,569,477

Continued on the next page

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

STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
For Fiscal Year Ended September 30, 2022

	Business Type Activities - Enterprise Funds				Governmental	
	Utilities Fund (Major Fund)	Storm Water Fund (Major Fund)	Solid Waste Fund (Major Fund)	Total Nonmajor Enterprise Fund	Total Enterprise Funds	Activities - Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities						
Operating Income (Loss)	\$ 11,753,054	\$ 3,666,505	\$ (144,395)	\$ 3,494,683	\$ 18,769,847	\$ 5,791,278
Depreciation	4,884,004	610,799	3,742	84,664	5,583,209	(825,245)
Amortization	-	-	-	80,215	80,215	-
Change in Assets and Liabilities:						
(Increase) in Accounts Receivable	(379,380)	(660,418)	80,543	63	(959,192)	57,108
Decrease in Deferred Outflows - OPEB	92,547	28,921	5,784	11,569	138,821	11,569
(Increase) Decrease in Inventories	(344,083)	-	-	-	(344,083)	(42,104)
(Increase) in Prepaid Expenses	13,586	(2,100)	-	(7,994)	3,492	34,149
Increase (Decrease) in Accounts Payable	(473,809)	573,189	(26,345)	(134,440)	(61,405)	(151,035)
Increase (Decrease) in Accrued Liabilities	(218,650)	(63,286)	-	(70,460)	(352,396)	(19,660)
(Decrease) in Deferred Inflows - OPEB	(20,106)	(6,284)	(1,257)	(2,513)	(30,160)	(2,513)
Increase in Customer Deposits	(2,033,138)	-	28,357	-	(2,004,781)	-
(Decrease) in Total OPEB Liability	107,426	33,570	6,714	13,428	161,138	13,428
Increase (Decrease) in Compensated Absences	(8,998)	52,474	-	38,918	82,394	(483)
(Decrease) in Claims Payable	-	-	-	-	-	14,134
Increase (Decrease) in Unearned Revenue	-	658,189	(80,539)	(33,718)	543,932	-
Total Adjustments	1,619,399	1,225,054	16,999	(20,268)	2,841,184	(910,652)
Net Cash Provided by Operating Activities	\$ 13,372,453	\$ 4,891,559	\$ (127,396)	\$ 3,474,415	\$ 21,611,031	\$ 4,880,626

There are no noncash investing, capital, and financing activities.

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

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
September 30, 2022

ASSETS	Total
Cash and Cash Equivalents	\$ 7,425,198
Investments, at fair value:	
Common Stock	56,511,411
Domestic Equity Funds	19,657,639
U.S. Government securities	21,164,133
Corporate Bonds	19,258,446
Bond Funds	53,469
International Equity Funds	28,906,560
Real Estate Funds	22,983,688
Convertible Securities	20,117,620
Master Limited Partnership	6,305,454
Total investments	194,958,420
Receivables:	
Accrued Interest and Dividends	351,692
Due from Broker	204,306
Other	63,398
Total Receivables	619,396
Other assets:	36,672
Total Assets	203,039,686
 LIABILITIES	
Accounts Payable	270,630
Deferred City Contributions	116,474
Due to broker	561,294
Total Liabilities	948,398
 NET POSITION	
Restricted for Pension Benefits	\$ 202,091,288

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
For the Year Ended September 30, 2022**

	Total
ADDITIONS	
Contributions:	
Employer	\$ 5,326,712
Employee	1,470,956
State	1,600,193
Employee Buybacks	59,097
Total Contributions	8,456,958
Investment Earnings:	
Net depreciation in Fair Value of Investments	(53,665,034)
Interest and Dividends	5,551,356
Miscellaneous	21,573
Total Investment Earnings	(48,092,105)
Less: Investment Expenses	1,162,124
Net investment Income	(49,254,229)
Total Additions	(40,797,271)
DEDUCTIONS	
Benefits	13,254,723
Refunds	-
Administrative Expense	522,560
Total Deductions	13,777,283
Change in Net Position	(54,574,554)
Net Position - Beginning of Year	256,665,842
Net Position - End of Year	\$ 202,091,288

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



THIS PAGE INTENTIONALLY LEFT BLANK.

NOTE 1 – Summary of Significant Accounting Policies

The financial statements of the City of Palm Bay, Florida (the “City”) have been prepared in conformity with generally accepted accounting principles (“GAAP”) in the United States of America as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant City accounting policies are described below:

A. The Reporting Entity

The City is a political subdivision incorporated on January 1, 1960, in the State of Florida and located in Brevard County. The legislative branch of the City is composed of a five (5) member elected Council, including a city-wide elected mayor. The City Council is governed by the City Charter, and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Council appointed city manager.

Accounting principles generally accepted in the United States of America require that the reporting entity include: (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Although they are separate legal entities, blended component units are in substance part of the City’s operations and are reported as an integral part of the City’s financial statements. The City’s component units are described as follows:

The Bayfront Community Redevelopment Agency (the “BCRA”) is an incremental tax district created by City ordinance pursuant to Section 163.356, Florida Statutes. The City Council appoints an advisory board to administer the activities of the BCRA. The Board approves the budget and provides funding. The City performs all accounting functions as well as facilitates operational responsibilities for the activities of the BCRA. Its services are provided exclusively to the City. The BCRA is classified as a special revenue fund.

The Palm Bay Municipal Foundation Inc. is a Florida 501(c)(3) nonprofit public benefit corporation formed in June 2013 by City Council Legislative Memorandum pursuant to Florida Nonprofit Corporation Laws. The Palm Bay Municipal Foundation was established exclusively for charitable, educational, and cultural purposes for the benefit of the City. City Council members serve as the Foundation’s board of directors. They also approve the budget. The City performs all accounting functions and facilitates operational responsibilities for the activities of the Foundation. Palm Bay Municipal Foundation is classified as a special revenue fund.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the primary government and its blended component units. For the most part, the effect of interfund activity has been removed from these statements to minimize double counting of internal activities. 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 to external parties.

The Statement of Activities demonstrates the degree to which the direct expenses and indirect costs of a given function, or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are those costs that are allocated to functions and activities in accordance with the City’s adopted indirect cost allocation plan. The “expenses” column includes both direct and indirect expenses. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are *restricted* to meeting the operational or capital requirements of a function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1 – Summary of Significant Accounting Policies (Continued)**B. Government-wide and Fund Financial Statements (Continued)**

Separate financial statements are provided for governmental funds, proprietary funds, and the fiduciary fund. The fiduciary fund is excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. The internal service funds are included in governmental activities in the government-wide financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**Government-wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements 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 comparable items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are user fees between the City's enterprise funds and other governmental functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Fund Financial Statements

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within four months of the end of the current fiscal period. Expenditures generally are recorded when a liability (including lease liabilities) 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.

Taxes when levied, franchise fees, licenses, intergovernmental revenues when eligibility requirements are met, charges for services, and interest associated with the current fiscal period are all considered to be measurable and if available have been recognized as revenues of the current fiscal period. All other revenue items are measurable and available only when cash is received by the City.

NOTE 1 – Summary of Significant Accounting Policies (Continued)C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Bayfront Community Redevelopment Agency Fund is used to account for ad valorem tax increment revenues accumulated for community development in the areas where the taxes were assessed.
- The City has one debt service fund which is used to account for principal and interest payment on the following debts:
 - Taxable Special Obligation Revenue Bonds, Series 2004
 - Public Service Tax Revenue Bonds, Series 2010
 - Taxable Special Obligation Refunding Bonds, Series 2013
 - Local Option Gas Tax Refunding Note, Series 2014
 - Sales Tax Refunding Bonds, Series 2015
 - Franchise Fee Revenue Note, Series 2015
 - Franchise Fee Revenue Note, Series 2016
 - Local Option Gas Tax Revenue Note, Series 2018
 - Special Obligation Refunding Note, Series 2020
 - General Obligation Bonds, Series 2019 & Series 2021
 - Debt service on capital leases.
- The GO Bond Road Program Fund is used to account for bond proceeds earmarked for road rejuvenation, maintenance and repair of citywide roadways.
- The Impact Fee Fund accounts for revenues originating from new development and used for the acquisition and or improvement of police, fire, & recreation facilities and expansion of the City's major road network system.
- The ARPA Fund (American Rescue Plan Act) accounts for federal relief funds granted to mitigate the negative impact resulting from the coronavirus pandemic. The funds are intended to offset revenue loss due to COVID-19, provide premium pay for essential workers, invest in broadband, water, or sewer infrastructure.

The City reports the following major enterprise fund:

- The Utilities Fund, accounts for the fiscal activities of the City's water and wastewater treatment and distribution operations as well as the funding and payment of related debt.
- The Stormwater Utility Fund is used to account for fees and services associated with management of the City's stormwater system.
- The Solid Waste fund is used to account for residential solid waste collection services administered by the City in partnership with Republic Services.

Additionally, the City reports the following fund types:

- The Internal Service Funds account for certain activities of the City's risk management, employee benefit programs and its fleet operations. Activities include premium and benefit payments, legal expenses incurred related to activities not specifically covered by City insurance policies, collections of settlements or refunds from related cases, and charges to City departments for fleet services and a vehicle replacement program.

NOTE 1 – Summary of Significant Accounting Policies (Continued)C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

- The Pension Trust Fund accounts for the activities of the City's Police and Firefighters Retirement System, ("PBP&FPF") which accumulates resources for pension benefit payments to certain general government employees and qualified police and fire employees.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. General capital asset acquisitions entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

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

D. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, certificates of deposit, money market accounts, money market funds, Negotiable Order of Withdrawal, and cash with fiscal agent.

E. Investments

Investments are stated at fair value, except for investments in the Florida State Board of Administration Local Government Pooled Investment Funds ("SBA"), an external investment pool which complies with criteria set forth in Section 150: *Investments* of the GASB codification. All fair market valuations are based on quoted market prices. SBA pool shares are based on amortized cost of the SBA's underlying portfolio.

F. ReceivablesProperty Taxes Receivable

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 assessments 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 City's millage rate, on which tax collections in fiscal year 2021 are based, is 7.5995.

All real and tangible personal property taxes are due and payable on the levy date of November 1 of each year or as soon thereafter as the assessment roll is certified by the Brevard County Property Appraiser (levy date). The Brevard County Tax Collector collects and distributes all taxes. Taxes may be paid upon receipt of notice from the Tax Collector, with discounts at the rate of four percent (4%) if paid in the month of November, three percent (3%) if paid in the month of December, two percent (2%) if paid in the month of January, and one percent (1%) if paid in the month of February. Taxes paid during the month of March are without discount and all unpaid taxes on real and tangible property become delinquent on April 1 and a lien is executed on or before May 30. Property tax revenues are recognized in the fiscal year for which they are budgeted and become due and payable. Virtually all unpaid taxes are collected via tax certificates sold on or prior to June 1; therefore, no material taxes are receivable at fiscal yearend.

Accounts Receivable

Utilities Fund operating revenues are generally recognized based on cycle billings rendered monthly. Revenues for services delivered during the last month of the fiscal year that have not been read by

NOTE 1 – Summary of Significant Accounting Policies (Continued)F. Receivables (Continued)

September 30 is accrued based on meter readings for the applicable consumption taken at the beginning of October and billed in October. Accounts receivable balances are shown net of the allowance for uncollectible accounts. The allowances are determined based on management estimates of uncollectible amounts.

G. Lease Receivable

For the year ended September 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Lease*. The primary objective of this statement is to enhance the relevance and constancy of information about governments' leasing activities. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lease is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City has entered into multiple governmental activities leases as lessor of cell towers. An initial lease receivable was recorded in the amount of \$5,923,955. For the year ended September 30, 2022, the value of the lease receivable is \$5,786,740. The leases have interest rates ranging from 3.00% to 5.00%. The value of the deferred inflows of resources ended September 30, 2022, is \$5,635,799 and the City recognized lease revenue of \$288,156 and interest income of \$99,420.00 during the year.

A deferred inflow of resources is recorded for the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

H. Inventories and prepaid items

Inventories in the governmental, enterprise and internal service funds consist primarily of expendable supplies held for consumption. Inventories are valued at cost, using the first-in /first-out ("FIFO") method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories held for resale are reported at the lower of cost or market.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of a prepaid item is recorded as an expenditure/expense when consumed rather than when purchased.

I. Restricted Assets

The uses of certain assets of the Utilities Fund are restricted by specific provisions of bond resolutions and other agreements. Assets so designated are identified as restricted assets on the statement of net position.

J. Encumbrance

Encumbrance accounting is employed in the general, capital project and special revenue funds. Under this method, purchase orders, contracts and other commitments outstanding at year-end do not constitute expenditures for liabilities. GASBC 1800: *Classification and terminology*, provides additional guidance on the classification within the Net Position section of the amounts that have been encumbered. Encumbrances of balances within the General fund are classified as *assigned*; Special Revenue and Capital Projects funds are classified as *committed* and *restricted*. These encumbrances are not separately stated in the financial statements.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

K. Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, easements, bridges, sidewalks, and related items), and right-to-use assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Property, plant, and equipment with initial, individual costs that equal or exceed \$5,000 and estimated useful lives of over one year are recorded as capital assets. Roads, bridges, and sidewalks are capitalized when their initial costs equal or exceed \$250,000 and have estimated useful lives of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed, except intangible right-to-use assets, the measurement of which is discussed in note L below. Donated capital assets, donated works of art, and similar items and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation rather than estimated fair market value.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. In governmental funds, capital purchases (capital assets) are reported as expenditures.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right-to-use leased building and infrastructure are depreciated/amortized using the straight-line method over the following estimated lives:

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

<u>Assets</u>	<u>Years</u>
Building and Improvements	25-50
Utility Systems	25-40
Infrastructure	15-20
Machinery and equipment	5-20
Vehicles	3-10
Right-to-use leases	5-20

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. The City has three items that qualify for reporting in this category; they are deferred charges on refunding, deferred outflows related to pensions and deferred outflows related to OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions, pursuant to GASBC P20: *Pension Activities* are unrealized contributions and losses related to pension costs. See Note 9 Employee Retirement Systems.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represent an acquisition on net assets that applies to a future period and will not be recognized as revenue until then. The City has four items in this category, which arises under both the full accrual and modified accrual basis of accounting; deferred amounts related to pensions, unamortized gain on refunding, pursuant to GASBC P20: *Pension Activities*, and deferred amounts related to OPEB, and deferred amounts related to leases. In the government-wide financial statements the City reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

M. Leases

Lessee: The City is a lessee for noncancellable lease of a building. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more. 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 as 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 its useful life.

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

- The City uses the stated interest rate according to the contractual agreement as the discount rate. When the interest rate is not provided, the City 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 purchase option prices that is reasonably certain to be exercised.

The City monitors changes in circumstances that would require a remeasurement of its lease 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 other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is lessor for several noncancellable lease of cell towers. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental financial statements.

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

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

- The City uses its stated contractual rate when known or its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period for the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payment from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the lease receivable.

N. Pension

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

NOTE 1 – Summary of Significant Accounting Policies (Continued)

O. Amortization of Bond Discount and Premium

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the term of the bonds using the effective interest method.

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

P. Compensated Absences

All full-time permanent employees accrue sick and vacation benefits according to the following table: Employee terminating in good standing with unused annual leave will be paid up to a maximum of 240 hours. Sick leave will be paid up to a maximum of 500 hours but based on years of service and position.

Compensated Absences	Vacation			Sick		
	Accrual Per Month	Max	Payout*	Accrual Per Month	Max	Payout*
Employee Status						
Employees hired prior to September 1, 2017	8-14 hrs	320**	320**	8-12 hrs	1152***	500
Employees hired after to September 1, 2017	8-10 hrs	240	240	8 hrs	500	500

*Employee must be in good standing upon termination. Sick Payouts based on Years of Service and Position
 **Max will change to 240 hours once drops below 240 by payouts and use of annual leave
 ***Max will change to 500 once drops below 500 by payouts and use of sick leave

The City records compensated absences in governmental funds as expenditures for the amount accrued during the year that would normally be liquidated with expendable, available financial resources and to the extent they are due as of the end of the fiscal year. The City accrues compensated absences in the period they are earned in the government-wide and enterprise fund financial statements.

Q. Fair Value Measurement

The City categorizes its fair value measurements with the hierarchy established by GASBC Section 150: *Investments*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted process in active markets; Level 2 inputs are significant other observable inputs and Level 3 inputs are significant unobservable inputs.

R. Capital Contributions

Capital Contributions consist of amounts from federal and state aid programs, developers, and water and sewer stabilization fees charged to customers for initial hookup to the Utilities System’s water and sewer lines. Contributions are recognized when earned or when legal title is transferred to the City for contributed capital assets.

S. Net Position

In the government-wide financial statements and in the proprietary fund statements, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

NOTE 1 – Summary of Significant Accounting Policies (Continued)S. Net Pension (Continued)

Restricted Net Position – This category represents the net position of the City, which is restricted by constraints placed on the use by external groups such as creditors, grantors, contributors, laws, regulations of other governments, through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the City, which can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. Deficit unrestricted net position if any would require future funding.

T. Fund Balance

Nonspendable – This category includes items that are not in spendable form because they are either legally or contractually required to be maintained intact such as inventory, prepaid and long-term amounts of loans and notes receivable.

Restricted – Includes items that are restricted by external creditors, grantors, or contributors, or restricted by legal constitutional provisions.

Committed – The portion of fund balance that can be constrained for a specific purpose imposed via resolution by the Palm Bay City Council (the highest level of decision-making authority). Commitment of fund balance may be made for such purposes as a) major maintenance and repair projects, b) meeting obligations resulting from a natural disaster, c) accumulating resources pursuant to stabilization arrangements, d) establishing reserves for disasters and or, e) for specific projects. Any changes or removal of committed fund balance must be sanctioned by the Palm Bay City Council through the same process that facilitated the original commitment.

Assigned – Includes items intended for specific uses and authorized by the City Manager and or Finance Director. The Palm Bay City Council designated these representatives as the delegated officials to assign portions of the fund balance as evidenced by Resolution 2011-34 as superseded by Resolution 2021-03.

Unassigned – This is the residual classification used for those balances not *assigned* to another category in the General Fund. Deficit fund balance in other governmental funds is also presented as *unassigned*.

SBC 1800: *Classification and terminology* requires the highest legal authority to approve authorized commitments of fund balance and to approve who can authorize assignment of fund balance. On August 4, 2011, City Council by resolution 2011-34 authorized the Finance Director rights to assign resources and ending fund balances. This Resolution was revised in January 2021 via Resolution 2021-03. GASBC 1800: *Classification and terminology* also requires a spending policy to ending fund balances. The spending policy states in what order fund balance categories are spent. On August 4, 2011, by resolution 2011-34, the Council approved the following fund balance order of spending: (1) *restricted* fund balance first, and then (2) *committed* fund balance, then (3) *assigned* fund balance, and (4) *unassigned* fund balance. The General Fund maintains a minimum fund balance of two months of regular budgetary General Fund operating expenditures of the less capital outlay and transfers.

A detailed classification of the City's Fund Balances as of September 30, 2022, follows on the next page

Function Balance Classification	Major Funds							Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	ARPA Fund	Bayfront Community Redevelopment Agency	Impact Fee Fund	Debt Service Fund	GO Bond Road Program Fund			
Non-Spendable:									
Items Not In Spendable Form:									
Inventory	\$ 3,245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,245
Prepaid Items	120,900	-	-	-	-	-	-	-	120,900
Total Nonspendable Fund Balances	124,145	-	-	-	-	-	-	-	124,145
Restricted for:									
Debt Service	-	-	-	-	5,770,816	-	-	-	5,770,816
Citizen Services	-	-	-	-	-	-	1,061,997	-	1,061,997
Forfeited Property	-	-	-	-	-	-	287,780	-	287,780
Redevelopment Activities	-	-	1,472,687	-	-	-	-	-	1,472,687
Road Maintenance & Repair Projects	-	-	-	45,310,495	-	55,851,907	-	-	101,162,402
Other Capital Projects	800,000	-	-	-	-	-	198,401	-	998,401
Total Restricted Fund Balances	800,000	-	1,472,687	45,310,495	5,770,816	55,851,907	1,548,178	-	110,754,083
Committed to:									
Emergency Contingency Funds	1,364,588	-	-	-	-	-	-	-	1,364,588
Road Maintenance	-	-	-	-	-	-	6,050,756	-	6,050,756
Various Contracts	976,650	-	-	-	-	-	594,498	-	1,571,148
Total Committed Fund Balances	2,341,238	-	-	-	-	-	6,645,254	-	8,986,492
Assigned to:									
Citizen Services	-	-	-	-	-	-	819,402	-	819,402
Various Contracts	802,276	-	-	-	-	-	1,851,914	-	2,654,190
Total Assigned Fund Balances	802,276	-	-	-	-	-	2,671,316	-	3,473,592
Unassigned:									
General government	32,901,049	-	-	-	-	-	-	-	32,901,049
Other governmental fund deficit residuals	-	-	-	-	-	-	(185,234)	-	(185,234)
Total Unassigned Fund Balances	32,901,049	-	-	-	-	-	(185,234)	-	32,715,815
Total Fund Balances	\$ 36,968,708	\$ -	\$ 1,472,687	\$ 45,310,495	\$ 5,770,816	\$ 55,851,907	\$ 10,679,514	\$ -	\$ 156,054,127

S. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from management’s estimates.

NOTE 2 – Stewardship, Compliance and Accountability

A. Deficit Fund Equity

At September 30, 2022, the following funds of the City had deficit balances:

Special Revenue Funds:	
Environmental Fee Fund	(\$185,234)

The deficit in the Environment Fee Fund was a result of an upfront payment of mitigation costs which will be repaid with future dedicated revenue sources.

NOTE 3 – Deposits and InvestmentsA. Cash and Deposits

At September 30, 2022, the carrying amount of the City's cash deposit accounts was \$54,542,825 and the bank balance was \$55,714,589. The City's cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. The City's cash deposits are fully insured by the Public Deposits Trust Fund.

Cash Equivalents consist of amounts placed with an intergovernmental investment pool, Florida Public Assets for Liquidity Management (FL PALM), \$78,107,270, A Local Government Surplus- Funds Trust Fund, Florida Prime, \$77,104,213, and money market funds held at US Bank, \$18,892,933. The City's investment in the State Board of Administration's (SBA) Local Government Surplus Funds Trust Fund investment pool, the Florida Prime Fund was created by Section 218.405, Florida Statutes. The Florida Prime Fund operates under investment guidelines established by Section 215.47, Florida Statutes.

B. Investment Portfolio

On May 3, 2018, the City of Palm Bay adopted a revised comprehensive investment policy pursuant to Section 218.415, Florida Statutes that updated permitted investments, asset allocation limits, issuer limits, credit rating requirements, and maturity limits to protect the City's cash and investment assets. The City maintains a common cash and investment pool for the use of all funds.

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. The City's investment policy allows for the following investments: The Florida PRIME Fund ("SBA"), United States Treasury Securities, United States Government

Agencies, Supranationals, Agency Mortgage-Backed Securities, Interest Bearing Time Deposit and Saving Accounts, Repurchase Agreements, Commercial Paper, Corporates, Asset-Backed Securities, Municipal Securities, Registered Investment Companies Money Market Mutual Funds, and Intergovernmental Investment Pools.

As of September 30, 2022, the City had the following investment types and effective duration presented in terms of years:

Security Type	Fair Value	Effective Duration (Years)
U.S. Treasuries	\$ 30,008,895	0.94
Federal Agency	3,115,692	0.98
Federal Agency Mortgage-Backed Security	600,518	2.28
Federal Agency Commercial Mortgage-Backed Security	998,203	2.11
Federal Agency Collateralized Mortgage Obligation	45,649	1.88
Supranationals	759,453	1.18
Municipal	319,549	1.71
Commercial Paper	24,518,962	0.38
Corporate Notes	4,927,708	1.89
Asset-Backed Securities	4,216,054	1.52
JP Morgan Chase Checking Account	55,145,959	0.003
Florida Prime**	77,104,213	21 days
US Bank Money Market Account	18,892,933	0.003
Florida PALM*	78,107,270	24 days
Total	\$ 298,761,058	0.21

* The Florida Public Asset for Liquidity Management Trust Fund's Fact Sheet as of September 30, 2022, provided the Weighted Average Maturity (represented in days).

NOTE 3 – Deposits and Investments**B. Investment Portfolio (Continued)**

** Florida Prime (SBA)'s September 30, 2022, Financial Statement Disclosure is available on the website, <https://www.sbafla.com/prime/>, is the source of the Fund's Weighted Average Maturity (represented in days).

C. Interest Rate Risk

The City's investment policy sets limits for investment maturities to match known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than five-and one-half (5.5) years. Investments of bond reserves, construction funds, and other non-operating funds, "core funds", shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five and one-half (5.5) years. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Master Repurchase Agreement. The City utilizes "weighted average duration" as a measurement of interest rate risk and as of September 30, 2022, the investment portfolio had an effective duration of 0.21 years.

The City has Corporate Notes, each with an embedded option consisting of the option at the discretion of the issuer to call their obligation or pay a stated increase in the interest rate. The following details the embedded options:

CUSIP	Description	Maturity			Fair Value
		Date	Call Date	Call Schedule	
110122DT2	BRISTOL-MYERS SQUIBB CO (CALLABLE)	11/13/23	1/3/2023	Continuous	\$ 110,152
38141GXL3	GOLDMAN SACHS GROUP INC (CALLABLE)	11/17/23	11/17/22	Discrete	74,546
808513BN4	CHARLES SCHWAB CORP NOTES (CALLABLE)	03/18/24	2/18/2024	Continuous	70,911
91324PEB4	UNITEDHEALTH GROUP INC (CALLABLE)	05/15/24	12/12/2022	Continuous	79,716
04636NAC7	ASTRAZENECA FINANCE LLC (CALLABLE)	05/28/24	1/3/2023	Continuous	107,718
641062AU8	NESTLE HOLDINGS INC CORP NOTES (CALLABLE)	09/14/24	9/14/2023	Continuous	166,583
46647PBS4	JPMORGAN CHASE & CO CORPORATE NOTES (C	09/16/24	09/16/23	Discrete	95,371
46647PBY1	JPMORGAN CHASE & CO CORPORATE NOTES (CALLAB	02/16/25	2/16/2024	Continuous	37,400
025816CQ0	AMERICAN EXPRESS CO CORP NOTES	03/04/25	2/1/2025	Continuous	23,430
771196BT8	ROCHE HOLDINGS INC (CALLABLE)	03/10/25	2/10/2025	Continuous	302,218
437076CM2	HOME DEPOT INC (CALLABLE)	04/15/25	3/15/2025	Continuous	19,077
06406RBC0	BANK OF NY MELLON CORP (CALLABLE)	04/25/25	3/25/2025	Continuous	289,749
17252MAP5	CINTAS CORPORATION NO. 2 CORP NOTE (CALL	05/01/25	4/1/2025	Continuous	53,101
172967MX6	CITIGROUP INC (CALLABLE)	05/01/25	5/1/2024	Continuous	83,389
95000U2T9	WELLS FARGO & COMPANY CORP NOTES (CALL	05/19/25	5/19/2024	Continuous	46,257
46647PCH7	JPMORGAN CHASE & CO (CALLABLE)	06/01/25	6/1/2024	Continuous	46,289
437076CR1	HOME DEPOT INC NOTES (CALLABLE)	09/15/25	8/15/2025	Continuous	24,603
06051GKE8	BANK OF AMERICA CORP NOTES (CALLABLE)	12/06/25	12/6/2024	Continuous	182,942
17327CAN3	CITIGROUP INC CORP NOTES (CALLABLE)	01/25/26	1/25/2025	Continuous	41,352
857477BR3	STATE STREET CORP (CALLABLE)	02/06/26	2/6/2025	Continuous	51,198
61747YEM3	MORGAN STANLEY CORP NOTES (CALLABLE)	02/18/26	2/18/2025	Continuous	135,094
06051GKM0	BANK OF AMERICA CORP NOTES (CALLABLE)	04/02/26	4/2/2025	Continuous	165,309
95000U2X0	WELLS FARGO & COMPANY CORP NOTES (CALL	04/25/26	4/25/2025	Continuous	114,716
46647PCZ7	JPMORGAN CHASE & CO (CALLABLE)	04/26/26	4/26/2025	Continuous	144,422
89788MAH5	TRUIST FIN CORP NOTES (CALLABLE)	07/28/26	7/28/2025	Continuous	77,804
Total					\$ 2,543,345

NOTE 3 – Deposits and Investments**D. Credit Risk**

The City's investment policy permits the following investments, which are limited to credit quality ratings from nationally recognized rating agencies (NRSROs) as described below.

Florida PRIME: Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf, or equivalent).

Asset-Backed Securities (ABS): Highest ST or LT Rating (A-1+/P-1, AAA/Aaa or equivalent).

Commercial Paper: Highest ST Rating Category (A-1/P-1, or equivalent).

Corporates: Highest ST or three highest LT Rating Categories (A-1/P-1, A-/A3 or equivalent).

Municipals: Highest ST or three highest LT Rating Categories (SP-1/MIG 1, A-/A3 or equivalent).

Money Market Funds (MMFs): Highest Fund Rating by all NRSROs who rate the fund (AAAm/Aaa-mf or equivalent).

Repurchase Agreements (Repo or RP): Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the highest ST Rating Category (A-1/P-1 or equivalent). If the counterparty is a Federal Reserve Bank, no rating is required.

Supranationals: Highest ST or highest LT Rating Categories (A-1/P-1, AAA/Aaa or equivalent).

Intergovernmental Investment Pools (LGIPS): Highest Fund Quality and Volatility Rating Categories by all NRSROs that rate the LGIP (AAAm/AAAf, S1 or equivalent).

NOTE 3 – Deposits and Investments (Continued)D. Credit Risk (Continued)

As of September 30, 2022, the City had the following credit exposure as a percentage of total investments:

Security Type	Credit Rating	% of Portfolio
U.S. Treasury Notes	AA+	10.04%
Federal Instrumentalities - Notes	AA+	1.04%
Federal Agency Mortgage-Backed Security	AA+	0.20%
Federal Agency Commerical Mortgage-Backed Security	AA+	0.33%
Federal Agency Collateralized Mortgage Obligation	AA+	0.02%
Commercial Paper	A-1+	2.14%
Commercial Paper	A-1	4.67%
Commercial Paper	A-2	1.40%
Corporate Notes	AA-	0.19%
Corporate Notes	AA	0.23%
Corporate Notes	A+	0.27%
Corporate Notes	A	0.35%
Corporate Notes	A-	0.46%
Corporate Notes*	BBB+	0.16%
Supranationals	AAA	0.25%
Municipals	AA+	0.06%
Municipals	AA	0.03%
Municipals	AA-	0.02%
Municipals	A+	0.00%
Municipals**	NR	0.00%
Asset Backed Securities	AAA	1.05%
Asset Backed Securities**	NR	0.36%
Florida Prime***	AAAm	25.81%
Florida PALM****	AAAm	26.14%
US Bank Money Market Account	N/A	6.32%
JP Morgan Chase Checking Account	N/A	18.46%
Total		100.00%

* The City's policy requires securities to be rated A-/A3 or better by at least one NRSRO. Five Corporate Notes are rated BBB+ by S&P but two of those securities are rated A3, one is rated A2 and two are rated A1 by Moody's and follow the City's policy.

** Although not rated by S&P, these securities are rated Aaa by Moody's, an NRSRO, in compliance with City policy.

*** Florida Prime (SBA)'s Financial Statement Disclosure for September 30, 2022, available on the website <https://prime.sbafla.com>, is the source of the Fund's Credit Rating from Standard & Poor's.

**** The Florida Public Assets for Liquidity Management Fund's Fact Sheet as of September 30, 2022, provided the credit rating from Standard & Poor's.

NOTE 3 – Deposits and Investments (Continued)

E. Custodial Credit Risk

The City’s investment policy, pursuant to Section 218.415(18), Florida Statutes, requires securities, except for certificates of deposits, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts, and which is doing business in the State of Florida. Certificates of deposits maintained by book-entry at the issuing bank shall clearly identify the City as the owner.

As of September 30, 2022, the City’s investment portfolio was held with a third-party custodian as required by the City’s investment policy.

F. Concentration of Credit Risk

The City’s investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the City’s investment portfolio:

Investment	Max % Available Funds	% Limit on Individual Agency or Issuers
Florida PRIME Fund "SBA"	25%	0%
United States Government Securities	100%	0%
United States Government Agencies	75%	40%
Federal Instrumentalities	75%	10%
Mortgage Backed Securities	25%	40%
Non-negotiable Collateralized Bank Deposits or Savings Accounts	50%	0%*
Repurchase Agreements**	25%	10%
Prime Commercial Paper	50%	5%
Corporates	50%	5%
Municipals	25%	5%
Money Market Funds (MMFs)	50%	25%
Intergovernmental Investment Pools (LGIPs)	50%	25%
Supranationals	25%	10%
Asset-backed Securities	25%	5%
*If fully collateralized		
**excluding one business day agreements and overnight sweep agreements		

NOTE 3 – Deposits and Investments (Continued)**F. Concentration of Credit Risk (Continued)**

As of September 30, 2022, the City had the following issuer concentration based on fair value:

Security Type	Fair Value	% of Portfolio
FLORIDA PRIME	\$ 78,107,270	26.14%
FLORIDA PALM	77,104,213	25.81%
JP MORGAN CHASE ACCOUNTS	55,145,959	18.46%
UNITED STATES TREASURY	30,008,895	10.04%
US BANK MONEY MARKET ACCOUNT	18,892,933	6.32%
TOYOTA MOTOR CORP	6,741,506	2.26%
CREDIT AGRICOLE SA	6,567,954	2.20%
JP MORGAN CHASE & CO	4,303,361	1.44%
CREDIT SUISSE GROUP RK	4,186,819	1.40%
FREDDIE MAC	3,722,289	1.25%
LLOYDS BANKING GROUP PLC	3,402,665	1.14%
FANNIE MAE	1,037,772	0.35%
CARMAX AUTO OWNER TRUST	593,156	0.20%
CAPITAL ONE FINANCIAL CORP	441,723	0.15%
ASIAN DEVELOPMENT BANK	405,261	0.14%
GM FINANCIAL CONSUMER AUTO TRUST	390,322	0.13%
KUBOTA CREDIT OWNER TRUST	371,908	0.12%
BANK OF AMERICA CO	371,737	0.12%
INTER-AMERICAN DEVELOPMENT BANK	354,193	0.12%
NETLIFE INC	320,658	0.11%
DISCOVER FINANCIAL SERVICES	316,712	0.11%
ROCHE HOLDING AG	302,218	0.10%
AMAZON COM INC	290,644	0.10%
THE BANK OF NEW YORK MELLION CORP	289,749	0.10%
HYUNDAI AUTO RECEIVABLES	255,168	0.09%
DEERE & CO	206,830	0.07%
JOHN DEERE OWNER TRUST	202,639	0.07%
PACCAR FINANCIAL CORP	202,367	0.07%
HARLEY-DAVIDSON MOTORCYCLE TRUST	196,128	0.07%
CNH EQUIPMENT TRUST	191,081	0.06%
AMERICAN EXPRESS	189,723	0.06%
IBM CORP	176,474	0.06%
WORLD OMNI AUTO	175,131	0.06%
AMERICAN HONDA FINANCE	171,825	0.06%
DOLDMAN SACHS GROUP INC	171,714	0.06%
NESTLE SA	166,583	0.06%
WELLS FARGO & CO	160,973	0.05%
CATERPILLAR INC	160,166	0.05%
NEW YORK ST URBAN DEVELOPMENT CORP	156,578	0.05%
NISSAN AUTO RECEIVABLES	145,337	0.05%
MORGAN STANLEY	135,094	0.05%
BMW FINANCIAL SERVICES NA LLC.	133,717	0.04%
CITIGROUP INC	124,741	0.04%
PRINCIPAL FINANCIAL GROUP INC	114,855	0.04%
BRISTO;-MYERS SQUIBB CO	110,152	0.04%
AZTRAZENECA PLC	107,718	0.04%
GM FINANCIAL LEASING TRUST	98,951	0.03%
NATIONAL RURAL UTILITIES CO FINANCE CORP	94,057	0.03%
WAL-MART STORES INC	93,338	0.03%
BMW VEHICLE OWNER TRUST	87,803	0.03%
VERIZON MASTER TRUST	83,919	0.03%
HONDA AUTO RECEIVABLES	80,625	0.03%
UNITED HEALTH GROUP INC	79,716	0.03%
TRUST FIN CORP	77,804	0.03%
VERIZON OWNER TRUST	73,773	0.02%
CHARLES SCHWAB	70,911	0.02%
TOYOTA LEASE OWNER TRUST	63,780	0.02%
PEPSICO INC.	63,768	0.02%
FORD CREDIT AUTO OWNER TRUST	61,983	0.02%
FLORIDA STATE BOARD OF ADMIN FIN CORP	58,848	0.02%
CINTAS CORP NO.2	53,101	0.02%
NEW JERSEY TURNPIKE AUTHORITY	52,466	0.02%
STATE STREET CORP	51,198	0.02%
HOME DEPOT INC	43,680	0.01%
COLGATE-PALMOLIVE CO	38,636	0.01%
DORMITORY AUTHORITY OF NEW YORK	32,022	0.01%
CHEVRON CORP	28,990	0.01%
STATE OF CONNECTICUT	19,632	0.01%
NISSAN AUTO LEASE TRUST	14,561	0.00%
MERCEDES-BENZ AUTO LEASE TRUST	12,585	0.00%
Total	\$ 298,761,058	100.00%

NOTE 3 – Deposits and Investments (Continued)G. Fair Value Measurement and Application

Investments are carried at fair value as defined in GASB Statement 72 “Fair Value Measurement and Application”. Consistent with GASBC Section 150: *Investments*, the City categorizes its fair value measurements within the fair value hierarchy. The City has the following fair value measurements as of September 30, 2022.

		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs
Investments by fair value level	9/30/2022	Level 1	Level 2
U.S. Treasury securities	\$ 30,008,895	\$ 30,008,895	\$ -
Federal Agencies and Instrumentalities	3,115,692	-	3,115,692
Federal Agency Mortgage-Backed Securities	600,518	-	600,518
Federal Agency Commercial Mortgage-Backed Securities	998,203	-	998,203
Federal Agency Collateralized Mortgage Obligation	46,649	-	46,649
Supranationals	759,453	-	759,453
Municipal securities	319,549	-	319,549
Commercial paper	24,518,962	-	24,518,962
Corporate notes	4,927,708	-	4,927,708
Asset-Backed Securities	4,216,054	-	4,216,054
Total investments by fair value level	69,511,683	30,008,895	39,502,788
Investments measured at net asset value (NAV) and Amortized Cost			
Florida Prime Fund (NAV)	77,104,213		
Florida Public Assets - Liquidity Mgmt Fund (Amortized Cost)	78,107,270		
US Bank money market account (Amortized Cost)	18,892,933		
JP Morgan Chase Concentration Account (Amortized Cost)	55,145,959		
Total investments measured at NAV Amortized Cost	229,250,375		
Total investments	\$ 298,762,058		

Level 1 inputs are measured at quoted prices. Level 2 inputs utilize pricing models of similar securities. This includes basing value or yield currently available on comparable securities of issues with similar credit rating.

Level 3 inputs are not traded in an active market. No significant observable market inputs are available as of the reporting date.

The cash equivalents measured at amortized cost meet the requirements under GASBC Section 150: *Investments* to be valued at cost and not fair value. Florida Prime Fund, intergovernmental investment pool and money market account have no unfunded commitments and are redeemed daily with a 1-day minimum holding period.

NOTE 3 – Deposits and Investments (Continued)

G. Investments – Fair Value Measurement and Application (Continued)

Investments regarding the City’s Police and Fire Pension Plan had the following fair value measurements as of September 30, 2022.

Investments by fair value level	9/30/2022	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs
		Level 1	Level 2	Level 3
Common Stocks	\$ 56,511,411	\$ 55,971,632	\$ 510,059	\$ 29,720
Domestic Equity Funds	10,258,368	10,258,368	-	-
U.S. Government securities	21,164,133	2,301,883	18,862,250	-
Corporate bonds	19,258,446	-	19,258,446	-
International equity funds	2,651,712	-	2,651,712	-
Real estate funds	22,983,688	-	-	22,983,688
Convertible securities	20,117,620	1,364,923	# 18,752,697	-
Infrastructure	6,305,454	-	-	6,305,454
Total Investments by net fair value level	159,250,832	69,896,806	60,035,164	29,318,862

Investments measured at net asset value ("NAV")

Domestic Equity Funds	131,093
International Equity Funds	26,254,848
Bond Funds	53,469
Master Limited Partnership	9,268,178
Total investments measured at NAV	35,707,588
Total investments	\$ 194,958,420

The Plan’s valuation methods for investments measured at the net asset value (“NAV”) per share (or its equivalent) as of September 30, 2022, are as follows:

Investments Measured at the NAV					
		Unfunded Commitments	Redemption Frequency	Redemption Notice Period	
Mutual funds	\$ 26,439,410	\$ -	Daily	Same Day	
Commingled domestic equity funds	9,268,178	-	Monthly	Up to 15 Days	
Total investment measured at the NAV	\$ 35,707,588	\$ -			

NOTE 3 – Deposits and Investments (Continued)H. Investments – Investment in Palm Bay Retirement System1. Investment Authorization

The Palm Bay Retirement System's (the "Plan") investment policy is determined by the Board of Trustees (the "Board"). The policy has been identified by the Board as having the greatest expected investment return, and the resulting positive impact on asset values, funded status, and benefits, without exceeding a prudent level of risk. The Board determined this policy after evaluating the implications of increased investment return versus increased variability of return for several potential investment policies with varying commitments to stocks and bonds. The primary investment objective of the plan is the preservation of invested capital. The secondary objective is to achieve moderate long-term real growth of the assets while minimizing the volatility of returns.

The Trustees are authorized to acquire and retain every kind of property, real, personal, or mixed, and every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account. Investment in all equity securities shall be limited to those listed on a major U.S. stock exchange and limited to no more than 75% (at market) of the Plan's total asset value with no more than 5% at cost value of an investment manager's equity portfolio invested in the shares of a single corporate issuer. Investments in stocks of foreign companies shall be limited to 25% (at market) of the investment portfolio. Convertible securities shall be limited to 25% of the Plan's total portfolio. Investment in equity securities whose market capitalization is less than \$3 billion dollars shall be limited to 25% of the total equity portfolio. Investments in those corporations whose stock has been publicly traded for less than one year are limited to 15% of the equity portfolio.

The fixed income portfolio shall be comprised of securities rated "BBB" or higher by Standard & Poor's or Baa or higher by Moody's rating services with no more than 10% at cost of an investment manager's total fixed income portfolio invested in the securities of any single corporate issuer. However, investments in securities rated below "A" shall be limited to 20% of the total fixed income portfolio.

Investments in Collateralized Mortgage Obligations (CMOs) shall not exceed 25% of the fixed income portfolio and real estate shall not exceed 15% of the portfolio or market, respectively.

The Plan has contracts with investment counselors who supervise and direct the investment of equity and fixed income securities. In this regard, the Plan does utilize mutual funds as the investment vehicles for all its fixed income investments. In addition, the Plan utilizes an investment advisor who monitors the investing activity. The investments owned are held by custodians in the name of the Plan.

2. Types of Investments

Florida Statutes and Plan investment policy authorize the Trustees to invest funds in various investments. The current target and actual allocation of these investments at market are as follows:

Authorized Investments	Target % of Portfolio	Actual % of Portfolio
Domestic equities	35%	35%
Fixed income	25%	20%
International equities	15%	17%
Convertible securities	10%	10%
Real Estate	10%	11%
Infrastructure	5%	3%
Cash equivalents	0%	4%
	100%	100%

NOTE 3 – Deposits and Investments (Continued)**H. Investments – Investment in Palm Bay Retirement System (Continued)****3. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in the market interest rates. As a means of limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations are provided by the following tables that show the distribution of the Plan's investment by maturity at September 30, 2022:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 9,031,637	\$ -	\$ -	\$ -	\$ 9,031,637
U.S. Agencies	12,132,496	-	-	-	12,132,496
Debt Securities	37,766,685	1,136,407	28,050,429	2,877,161	5,702,688
Bond Funds	53,469	-	53,469	-	-
Total Fixed Income	\$ 58,984,287	\$ 1,136,407	\$ 28,103,898	\$ 2,877,161	\$ 26,866,821

4. Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification to control this risk.

The following tables disclose credit ratings by investment type, at September 30, 2022, as applicable:

Quality Rating of Credit Risk Debt Securities	Fair Value	Percentage of Portfolio
Government	\$ 21,164,133	44.1%
AAA	1,223,483	2.1%
AA	183,309	0.3%
AA-	188,985	0.3%
A+	234,543	0.4%
A	2,112,105	3.6%
A-	3,123,620	5.3%
BB+	503,656	0.9%
BB-	63,722	0.1%
BBB+	3,603,040	6.1%
BBB	3,730,232	6.3%
BBB-	1,732,121	2.9%
CCC	111,520	3.0%
NR	21,009,818	35.6%
Total Credit Risk Debt Securities	\$ 37,820,154	56%
Total Fixed Income Securities	\$ 58,984,287	100%

NOTE 3 – Deposits and Investments (Continued)

H. Investments – Investment in Palm Bay Retirement System (Continued)

5. Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of plan net position at September 30, 2022.

6. Custodial Credit Risk

Deposits are exposed to custodial risk if they are uninsured and uncollateralized. Custodial risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its

investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Plan and are held either by the counterparty or the counterparty’s trust department or agent but not in the Plan’s name.

Consistent with the Plan’s investment policy, substantially all the investments are held by Plan’s custodial bank and registered in the Plan’s name. All the Plan’s deposits are insured and or collateralized by a financial institution separate from the Plan’s depository financial institution.

7. Rate of Return

For the year ended September 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 20.09% for Police Officers, 20.31% for Firefighters and 19.52% for General. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount invested.

NOTE 4 – Receivables

The City's receivables other than leases receivable as of September 30, 2022, are summarized as follows:

	Primary Government		Total
	Governmental	Business-type	
Accounts Receivable:			
Accounts receivable	\$ 3,723,651	\$ 10,825,070	\$ 14,548,721
Due from other Governments	3,817,531	12,316	3,829,847
	<u>7,541,182</u>	<u>10,837,386</u>	<u>18,378,568</u>
Less: Allowances for Uncollectibles	-	(70,000)	(70,000)
Accounts receivable, net	<u>\$ 7,541,182</u>	<u>\$ 10,767,386</u>	<u>\$ 18,308,568</u>

	Governmental Activities			Total
	General Fund	Other		
		Governmental	Internal Service	
Accounts Receivable:				
Accounts receivables	\$ 3,554,425	\$ 63,982	\$ 105,244	\$ 3,723,651
Due from State of Florida	3,316,524	-	-	3,316,524
Due from Brevard County	19,341	605	-	19,946
Due from Other Governments	32,828	448,233	-	481,061
Governmental receivable, net	<u>\$ 6,923,118</u>	<u>\$ 512,820</u>	<u>\$ 105,244</u>	<u>\$ 7,541,182</u>

NOTE 4 – Receivables (Continued)

The City’s Utilities Fund provides water, sewer, and stormwater services to residents in the City. Customers routinely receive services in advance during the ordinary course of business; however, customers’ deposits are available to be applied against amounts owed. Accounts receivable in the Utilities Fund at September 30, 2022, is summarized as follows:

	Business-type Activities				Total
	Utilities Fund (Major Fund)	Stormwater (Major Fund)	Solid Waste (Major Fund)	Building (NonMajor Fund)	
Accounts Receivable:					
Accounts receivables	\$ 4,436,344	\$ 2,469,639	\$ 1,129,671	\$ 63	\$ 8,035,717
Unbilled receivables	2,789,353	-	-	-	2,789,353
Due from other Governments	-	12,316	-	-	12,316
	<u>7,225,697</u>	<u>2,481,955</u>	<u>1,129,671</u>	<u>63</u>	<u>10,837,386</u>
Less: Allowances for uncollectibles	(70,000)	-	-	-	(70,000)
Business-type receivable, net	<u>\$ 7,155,697</u>	<u>\$ 2,481,955</u>	<u>\$ 1,129,671</u>	<u>\$ 63</u>	<u>\$ 10,767,386</u>

NOTE 5 – Restricted Assets

The use of certain Utility Fund assets is restricted by specific provisions of the bond resolution authorizing the issuance of the utility revenue and refunding bonds. In addition, the City restricts funds available for repayment of customer deposits as well as funds required to be placed in special construction accounts, as required by state statutes. Restricted assets at September 30, 2021, are as follows:

Account Description	Cash and Cash Equivalents
Current:	
Customer Deposits	\$ 3,078,116
Total Current Restricted Assets	<u>3,078,116</u>
Non-Current:	
Renewal, Replacement and Improvement	4,765,091
Connection Fees	9,121,971
Total Noncurrent Restricted Assets	<u>13,887,062</u>
Total Restricted Assets	<u>\$ 16,965,178</u>

NOTE 6 - Interfund Transfers, Receivables and Payables

Individual Interfund transfers at September 30, 2021, are presented on the table that follows:

Transfers In								
Transfers Out	General	Debt Service Fund	Nonmajor Governmental	Utilities	Stormwater	Nonmajor Enterprise	Internal Service Fund	Total Transfers Out
General	\$ -	\$ 6,393,952	\$ 1,540,708	\$ 1,033	\$ 275,697	\$ 245	\$ 3,116,750	\$ 11,328,385
Impact Fee Fund	-	994,620	-	-	-	-	-	994,620
Debt Service Fund	-	3,479,098	-	-	-	-	-	3,479,098
Nonmajor Governmental	-	-	16,665	-	-	-	-	16,665
Bayfront Comm Redevelopment	-	-	1,340,011	-	-	-	-	1,340,011
2021 GO Bond Rd Program	-	11,306	-	-	-	-	-	11,306
Utilities	1,438,883	-	-	12,040,670	-	-	-	13,479,553
Solid Waste	-	-	-	-	-	-	-	-
Stormwater	-	-	88,000	-	-	-	-	88,000
Nonmajor Enterprise	15,563	-	-	-	-	-	-	15,563
Internal Service	1,003,295	-	-	28,145	7,303	6,195	10,265	1,055,203
Total Transfers In	<u>\$ 2,457,741</u>	<u>\$ 10,878,976</u>	<u>\$ 2,985,384</u>	<u>\$ 12,069,848</u>	<u>\$ 283,000</u>	<u>\$ 6,440</u>	<u>\$ 3,127,015</u>	<u>\$ 31,808,404</u>

The transfer of approximately \$1.4 million from Utilities to the General Fund represents annual return on investments (ROI). This amount is based on a percentage of the Utility System's total gross capital assets and is equivalent to payment in lieu of taxes (PILOT). Transfers from General Fund to the Debt Service Fund totaling \$6.4 million covers interest and principal obligations as does the transfer of \$994,620 from Impact Fees Fund. Transfers within utilities in the amount of \$12.0 million covered debt service obligations, supported capital improvement projects and maintained fund balance in accordance with established policies. Internal Services transfers from General Fund totaling \$3.1 million represents funding for police, fire, public works, and parks vehicle replacement.

Advances to/from other funds at September 30, 2022, were as follows:

- \$342,240 – Balance of funds advanced by the Building Inspection Fund in FY07 to the Environmental Fee fund to cover the cost of a Federal Fish and Wildlife permit granted by the U.S. Department of Interior.

General Fund due to/from other funds balances consist of \$392,986 deficit coverage provided on behalf of Development Block Grant, CDBG CV- Coronavirus Fund, Community Investment Fund and the Connector Road I-95 Fund. Nonmajor due to other funds of \$184,243 represents the balance due the SHIP fund from the NSP fund for FY17 expenditures pending grant reimbursement.

NOTE 7 – Capital Assets**A. Changes in Capital Assets**

The following tables show the changes in capital assets by governmental activities and business-type activities. Governmental activities include the capital assets for the Internal Service Funds.

	Beginning			Ending Balance 9/30/2022
	Balance 9/30/2021	Increases	Decreases	
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 16,112,558	\$ 611,048	\$ (603,719)	\$ 16,119,887
Construction In Progress	26,377,154	9,991,052	(13,598,003)	22,770,203
Total Capital Assets, Not Being Depreciated	42,489,712	10,602,100	(14,201,722)	38,890,090
Capital Assets, Being Depreciated:				
Buildings and Improvements	36,833,151	-	-	\$ 36,833,151
Machinery, Equipment and Vehicles	29,366,016	3,240,926	(773,528)	31,833,414
Infrastructure	162,008,090	13,598,003	-	175,606,093
Total Capital Assets Being Depreciated	228,207,257	16,838,929	(773,528)	244,272,658
Less Accumulated Depreciation For:				
Buildings and Improvements	(20,282,416)	(1,005,635)	-	(21,288,051)
Machinery and Equipment	(22,944,810)	(2,015,683)	743,953	(24,216,540)
Infrastructure	(66,667,053)	(6,878,217)	-	(73,545,270)
Total Accumulated Depreciation	(109,894,279)	(9,899,535)	743,953	(119,049,861)
Total Capital Assets, Being Depreciated, Net	118,312,978	6,939,394	(29,575)	125,222,797
Governmental Activities Capital Assets, Net	\$ 160,802,690	\$ 17,541,494	\$ (14,231,297)	\$ 164,112,887

NOTE 7 – Capital Assets (Continued)

A. Changes in Capital Assets (Continued)

	Ending Balance 9/30/2021	Increases	Decreases	Ending Balance 9/30/2022
Business-type Activities				
<u>Utility System</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 5,118,403	\$ -	\$ -	\$ 5,118,403
Construction In Progress	24,909,819	16,381,741	(3,090,897)	38,200,663
Total Capital Assets, Not Being Depreciated	30,028,222	16,381,741	(3,090,897)	43,319,066
Capital Assets, Being Depreciated:				
Buildings and Improvements	2,886,341	-	-	2,886,341
Water and Sewer System	189,031,729	7,423,636	-	196,455,365
Machinery and Equipment	5,016,205	177,118	(265,087)	4,928,236
Total Capital Assets Being Depreciated	196,934,275	7,600,754	(265,087)	204,269,942
Less Accumulated Depreciation For:				
Buildings and Improvements	(1,595,993)	(69,452)	-	(1,665,445)
Water and Sewer System	(81,680,049)	(4,484,474)	-	(86,164,523)
Machinery and Equipment	(3,375,594)	(330,079)	241,584	(3,464,089)
Total Accumulated Depreciation	(86,651,636)	(4,884,005)	241,584	(91,294,057)
Total Capital Assets, Being Depreciated, Net	110,282,639	2,716,749	(23,503)	112,975,885
Utility System Capital Assets, Net	\$ 140,310,861	\$ 19,098,490	\$ (3,114,400)	\$ 156,294,951
 <u>Stormwater Utility</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 19,802	\$ -	\$ -	\$ 19,802
Construction in Progress	1,479,206	2,503,042	(364,368)	3,617,880
Total Capital Assets, Not Being Depreciated:	1,499,008	2,503,042	(364,368)	3,637,682
Capital Assets, Being Depreciated:				
Infrastructure	11,130,440	364,368	-	11,494,808
Machinery and Equipment	3,089,811	557,762	(35,623)	3,611,950
Total Capital Assets Being Depreciated	14,220,251	922,130	(35,623)	15,106,758
Less Accumulated Depreciation For:				
Machinery and Equipment	(1,746,335)	(243,624)	-	(1,989,959)
Infrastructure	(398,575)	(367,176)	-	(765,751)
Total Accumulated Depreciation	(2,144,910)	(610,800)	-	(2,755,710)
Total Capital Assets, Being Depreciated, Net	12,075,341	311,330	(35,623)	12,351,048
Stormwater Utility Capital Assets, Net	\$ 13,574,349	\$ 2,814,372	\$ (399,991)	\$ 15,988,730

NOTE 7 – Capital Assets (Continued)

A. Changes in Capital Assets (Continued)

Business-type Activities

Building

Capital Assets, Not Being Depreciated:

Construction in Progress	\$ 12,690	\$ 387,160	\$ -	\$ 399,850
Total Capital Assets, Not Being Depreciated	12,690	387,160	-	399,850

Capital Assets, Being Depreciated:

Right to Use Asset	-	561,503	-	561,503
Machinery and Equipment	\$ 467,909	\$ 52,894	\$ -	\$ 520,803
Less Accumulated Depreciation/Amortization For:	467,909	614,397		1,082,306
Right to Use Asset	-	(80,215)	-	(80,215)
Machinery and Equipment	(126,486)	(84,664)	-	(211,150)
Total Accumulated Depreciation	(126,486)	(164,879)		(291,365)

Building Capital Assets, Net	\$ 354,113	\$ 836,678	\$ -	\$ 1,190,791
-------------------------------------	-------------------	-------------------	-------------	---------------------

Solid Waste

Capital Assets, Being Depreciated:

Machinery and Equipment	\$ 2,761,770	\$ (201,770)	\$ -	\$ 2,560,000
Less Accumulated Depreciation For:				
Machinery and Equipment	(2,638,598)	(3,742)	82,340	(2,560,000)

NOTE 7 – Capital Assets (Continued)

A. Changes in Capital Assets (Continued)

Shown below is a summary of depreciation expense by function. Depreciation expense for the internal service funds is included in the governmental activities amounts.

Depreciation Expense By Function

Governmental Activities:

General Government	\$ 1,051,817
Public Safety	1,103,372
Physical Environment	683,125
Transportation	6,122,535
Economic Environment	120,937
Culture/Recreation	<u>735,407</u>
Total Governmental Activities	<u>\$ 9,817,193</u>

Business-type Activities:

Utility System	\$ 4,884,005
Building Inspection	164,879
Stormwater	610,800
Solid Waste Fund	<u>3,742</u>
Total Business-type Activities	<u>\$ 5,663,426</u>

B. Construction Commitments

Projects	Spent-to-Date	Remaining Commitment
Public Works		
Road Maintenance Program	\$ 5,069,259	\$ 21,300,172
GO Bond Road Program	6,409,380	50,299,928
Utility Improvements		
South Regional Water Reclamation Facility	12,218,929	20,940,037
Waste & Wastewater Rehabilitation Improvements	24,175,963	19,966,231
Total	<u>\$ 47,873,531</u>	<u>\$ 112,506,368</u>

NOTE 8 - Long Term Debt

A. Schedule of Changes in Long-Term Debt

The following is a schedule of changes in the City's long-term debt for the fiscal year ended September 30, 2022:

Governmental Activities:	Balance			Balance		
	9/30/21	Additions	Reductions	9/30/22	Due Within	Long-Term
					One Year	Portion
Bonds Payable:						
<u>General Obligation Bonds</u>						
General Obligation Bonds - Series 2019	\$ 46,685,000		\$ 1,740,000	\$ 44,945,000	\$ 1,830,000	\$ 43,115,000
General Obligation Bonds - Series 2021	50,000,000	-	1,155,000	\$ 48,845,000	1,880,000	\$ 46,965,000
Add: Unamortized Premium	10,202,793	-	548,941	9,653,852	-	9,653,852
Total General Obligation Bonds Payable	106,887,793	-	3,443,941	103,443,852	3,710,000	99,733,852
<u>Revenue Bonds from Direct Placement & Direct Borrowing:</u>						
Taxable Special Obligation Bonds - Series 2004	340,934	-	64,899	276,035	65,888	210,147
Taxable Special Obligation Bonds - Series 2013	5,195,000	-	1,250,000	3,945,000	1,285,000	2,660,000
Sales Tax Revenue Bonds - Series 2015	12,670,000	-	595,000	12,075,000	615,000	11,460,000
Taxable Special Obligation Refunding Bonds - Series 2019	51,385,000	-	615,000	50,770,000	625,000	50,145,000
Add: Unamortized Premium	391,178	-	26,079	365,099	-	365,099
Total Revenue Bonds Payable	69,982,112	-	2,550,978	67,431,134	2,590,888	64,840,246
Notes Payable:						
<u>Notes Payable from Direct Placement & Direct Borrowing:</u>						
Bayfront Community Redevelopment Agency Note - Series 2006	342,000	-	342,000	-	-	-
Franchise Fee Revenue Note - Series 2015	2,495,000	-	478,000	2,017,000	489,000	1,528,000
Franchise Fee Revenue Note - Series 2016	3,409,000	-	193,000	3,216,000	206,000	3,010,000
Local Option Gas Tax Note - Series 2018	7,778,000	-	557,000	7,221,000	572,000	6,649,000
Special Obligation Refunding Note - Series 2020	4,258,000	-	248,000	4,010,000	253,000	3,757,000
Total Notes Payable	18,282,000	-	1,818,000	16,464,000	1,520,000	14,944,000
Other Liabilities:						
Capital Leases	5,531,621	-	398,051	5,133,570	414,594	4,718,976
Net Pension Liability	7,761,926	45,198,641	-	52,960,567	-	52,960,567
Total OPEB Liability	9,360,132	510,272	-	9,870,404	-	9,870,404
Compensated Absences	5,132,858	4,594,459	4,309,650	5,417,667	866,827	4,550,840
Claims Payable	3,747,418	-	77,000	3,670,418	1,058,578	2,611,840
Total Other Liabilities	31,533,955	50,303,372	4,784,701	77,052,626	2,339,999	74,712,627
Total Governmental Activities	\$ 226,685,860	\$ 50,303,372	\$ 12,597,620	\$ 264,391,612	\$ 10,160,887	\$ 254,230,725

NOTE 8 - Long Term Debt (Continued)

A. Schedule of Changes in Long-Term Debt (Continued)

Business-type Activities:	Balance 9/30/21	Additions	Reductions	Balance 9/30/22	Due Within One Year	Long-Term Portion
Utility System						
Bonds Payable:						
<u>Bonds Payable from Direct Placement & Direct Borrowing:</u>						
Utility Capital Improvement Revenue Bonds - Series 2001	\$ 4,597,582	\$ -	\$ 589,619	\$ 4,007,963	\$ 559,046	\$ 3,448,917
Total Revenue Bonds Payable	4,597,582	-	589,619	4,007,963	559,046	3,448,917
Notes Payable:						
<u>Notes Payable from Direct Placement & Direct Borrowing:</u>						
Utility System Refunding Revenue Note - Series 2014	3,710,000	-	3,710,000	-	-	-
Utility System Refunding Revenue Note - Series 2016	7,110,000	-	1,375,000	5,735,000	5,185,000	550,000
Special Assessment Refunding Revenue Note - Series 2016	265,000	-	265,000	-	-	-
Utility System Revenue Note, Series 2020	10,922,000	-	584,000	10,338,000	46,000	10,292,000
Total Notes Payable	22,007,000	-	5,934,000	16,073,000	5,231,000	10,842,000
Other Liabilities:						
Due to other governments:						
State Revolving Loan Payable - Direct Borrowings	1,346,123	6,929,211	-	8,275,334	-	8,275,334
Total OPEB Liability	1,970,554	107,426	-	2,077,980	-	2,077,980
Compensated Absences	748,106	824,237	833,236	739,108	118,257	620,851
Total Other Liabilities:	4,064,783	7,860,874	833,236	11,092,422	118,257	10,974,165
Total Utility System	<u>\$ 30,669,365</u>	<u>\$ 7,860,874</u>	<u>\$ 7,356,855</u>	<u>\$ 31,173,385</u>	<u>\$ 5,908,303</u>	<u>\$ 25,265,082</u>
Building Inspection						
Total OPEB Liability	\$ 246,320	\$ 13,428	\$ -	\$ 259,748	\$ -	\$ 259,748
Compensated Absences	128,559	192,620	153,702	167,477	26,796	140,681
Lease Liability	-	561,503	60,825	500,678	-	500,678
Total Building Inspection	<u>\$ 374,879</u>	<u>\$ 767,551</u>	<u>\$ 214,527</u>	<u>\$ 927,903</u>	<u>\$ 26,796</u>	<u>\$ 901,107</u>
Stormwater Utility						
Total OPEB Liability	\$ 615,799	\$ 33,570	\$ -	\$ 649,369	\$ -	\$ 649,369
Compensated Absences	89,997	227,172	174,699	142,470	22,795	119,675
Total Stormwater Utility	<u>\$ 705,796</u>	<u>\$ 260,742</u>	<u>\$ 174,699</u>	<u>\$ 791,839</u>	<u>\$ 22,795</u>	<u>\$ 769,044</u>
Solid Waste						
Total OPEB Liability	\$ 123,159	\$ 6,714	\$ -	\$ 129,873	\$ -	\$ 129,873
Total Solid Waste	<u>\$ 123,159</u>	<u>\$ 6,714</u>	<u>\$ -</u>	<u>\$ 129,873</u>	<u>\$ -</u>	<u>\$ 129,873</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. For governmental activities, claims and compensated absences are generally liquidated with resources from the General Fund. It is anticipated that future discharge of net pension and postemployment benefit obligations will also be liquidated with General Fund resources.

NOTE 8 - Long Term Debt (Continued)

B. General Obligation Bonds

On November 6, 2018, voters approved a referendum allowing for the issuance of up to \$150 million in general obligation bonds by the City to finance roadway improvements. The bonds are direct obligations that are backed by the full faith and credit and taxing authority of the City. In the event of default from a) failure to make legally required payment when due, b) bankruptcy, or c) default of any other covenant not cured within 30 days after written notice, any Holder of the Bonds may compel performance of all required duties. However, the right to declare principal and interest to be immediately due and payable shall not be an available remedy.

In July 2019, the City issued General Obligation Bonds, Series 2019, in the amount of \$50 million. For the current year, \$3,527,750 in principal and interest was paid on the Series 2019 bonds. Principal and interest remaining on the Series 2019 bonds is \$63,501,000, with interest rates varying from 3% to 5%.

In February 2021, the City issued General Obligation Bonds, Series 2021, in the amount of \$50 million. For the current year, no principal or interest was paid on the Series 2021 bonds. Principal and interest remaining on the Series 2021 Bonds is \$65,507,776, with interest rates varying from 2% to 5%.

The following schedule represents the future debt principal and interest requirement general obligation bonds outstanding as of September 30, 2022.

Fiscal Year	GO Bonds	
	Principal	Interest
2023	3,710,000	3,267,900
2024	3,890,000	3,082,400
2025	4,085,000	2,887,900
2026	4,295,000	2,683,650
2027	4,505,000	2,468,900
2028-2032	26,060,000	8,813,850
2033-2037	30,550,000	4,336,150
2038-2041	16,695,000	705,650
	<u>93,790,000</u>	<u>28,246,400</u>
Add Premium	9,653,852	-
	<u>\$ 103,443,852</u>	<u>\$ 28,246,400</u>

C. Bonds Payable

1. Governmental Activities

In September 2004, the City issued \$5,376,447 in special obligations bonds secured by pledged state revenue sharing monies, as defined in Chapter 218, Part II, Florida Statutes, in an amount of up to 50% of the state revenue monies received in the preceding fiscal year. Proceeds from the bonds were used to discharge the unfunded actuarial accrued pension liability of the Palm Bay Police and Firefighters Pension Plan. The bonds are payable solely from the state revenue sharing funds and are payable through 2026. In December 2016, the City partially refunded these bonds, providing \$4,013,423 in escrow to redeem principal of \$3,945,000 and interest of \$68,423 in January 2017. Total principal and interest remaining to be paid on the bonds is \$880,000. For the current year, principal, and interest of \$175,000 was paid. State revenue sharing monies received in 2022 were \$6,927,757. The bonds are direct obligations. Resolution No.2004-51 authorized the issuance of the special obligation bonds with provisions that in the event of default, for failure to a) pay principal and interest; b) pay Bond Issuer; c) maintain eligibility to receive State Revenue Sharing money, d) or

NOTE 8 - Long Term Debt (Continued)C. Bonds Payable (Continued)1. Governmental Activities (Continued)

e) comply with covenant agreement; if not remedied or begun to remedy in 30 days, and so long as the Bond Issuer shall not be in default in its payment obligations, the Bond Insurer may waive any event of default under this Resolution and shall be deemed to be the Holder of all Bonds so secured.

The City has pledged certain designated revenues, to repay \$50,855,000 in revenue bonds issued November 2013. Proceeds from the bonds were used to a) refund the City's 2008 Series Taxable Special Obligation Bonds and b) pay termination costs in connection with the associated interest rate SWAP agreement. The bonds are payable principally from communication service and public service tax revenues and are payable through 2040. Total principal and interest remaining to be paid on the bonds is \$4,225,959 due to a partial refunding of \$44,000,000 in December 2019. For the current year, principal, and interest of \$1,458,079 was paid. Designated Revenues were \$13,115,446. The bonds contain provisions for default resulting from a) payment of interest not made when due, b) payment of principal not made when due, c) default of any other covenants, d) insolvency, e) receipt of written notice from a Credit Bank that following a drawing for the payment of interest on Bonds, the Credit Bank has not been reimbursed, or any other event of default under such reimbursement agreement. If default occurs, the Holders of not less than 25% in aggregate principal amount of Bonds then outstanding may proceed to enforce the rights of the holders, including to sue for and receive all amounts then due for principal, interest, or otherwise under any of the provisions, together with interest on overdue payments and all costs and expenses of collection.

The City has pledged sales tax revenues to repay \$15,375,000 in bonds issued in October 2015. The proceeds from the bonds were used to defease outstanding 2006 Sales Tax Revenue Bonds procured for the acquisition and construction of capital improvement. The bonds are payable from sales tax revenues and are payable through 2037. Principal and interest remaining on the Series 2015 bonds is \$15,549,716. For the current year, principal and interest paid was \$1,042,506. Sales tax revenues were \$6,927,757. Resolution No. 2006-45 provides that any registered owner of the Bonds may compel performance of all required duties. The City is obligated to pay the principal and interest on the Bonds and to make all reserve and other payments.

In December 2019, the City issued the Taxable Special Obligation Refunding Bonds, Series 2019, in the amount of \$51,670,000 to partially refund \$44,000,000 of the City's outstanding Taxable Special Obligation Bonds, Series 2013 and to pay associated issuance costs. The difference in cash flows required to service the old debt versus the new debt is a decrease of \$9,962,373. The economic gain resulting from the refunding is \$7,230,347. The bonds are payable principally from communication service and public service tax revenues and are payable through 2040. For the current year, principal and interest paid was \$2,203,295. Principal and interest remaining on the Series 2019 Bonds is \$70,073,007. The bonds contain provisions for default resulting from a) payment of interest not made when due, b) payment of principal not made when due, c) default of any other covenants, d) insolvency, e) receipt of written notice from a Credit Bank that, following a drawing for the payment of interest on bonds, the Credit Bank has not been reimbursed, or any other event of default under such reimbursement agreement. If default occurs, the Holders of not less than 25% in aggregate principal amount of bonds then outstanding may proceed to enforce the rights of the Holders, including to sue for and receive all amounts then due for principal, interest, or otherwise under any of the provisions, together with interest on overdue payments and all costs and expenses of collection.

NOTE 8 - Long Term Debt (Continued)C. Bonds Payable (Continued)1. Governmental Activities (Continued)

A summary of outstanding governmental revenue bonds payable on September 30, 2022, is as follows:

Governmental Activities:	Purpose of Issue	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Revenue Bonds:					
Taxable Special Obligation Bonds Series 2004	Discharging of unfunded actuarial accrued pension fund liability	\$ 5,376,447	\$ 276,035	5.970-6.040	2026
Taxable Special Obligation Refunding Bonds Series 2013	Refunding of '08 Pension Bonds and finance termination of SWAP	50,855,000	3,945,000	4.405-4.805	2025
Sales Tax Revenue Refunding Bonds Series 2015	Refunding of '06 Sales Tax Bonds	15,375,000	12,075,000	3.000-4.000	2037
Taxable Special Obligation Refunding Bonds Series 2019	Partial refunding of 2013 Taxable Special Obligation Refunding Bonds	51,670,000	50,770,000	2.117-3.476	2041
Total Governmental Activities			<u>\$ 67,066,035</u>		

2. Business-type Activities

All the outstanding bonds of the Utilities Fund are secured by the water and sewer net operating revenues. In addition, mainline extension charges and water connection fees are pledged for debt coverage.

In July 2001, the City issued \$21,311,958 in Capital Improvement Revenue Bonds which were secured by pledged City water and sewer system net operating revenues, including water connection fees. Proceeds from the bonds were used to (1) finance capital improvements to the water portion of the City's Water and Wastewater System (2) pay costs and expenses related to issuance of the Series 2001 Bonds including the municipal bond insurance premium and Reserve Fund Surety Bond premium. The bonds are payable through 2031. Total principal and interest remaining to be paid on the bonds is \$17,267,806. Current year principal and interest payments were \$1,915,629. The City's net operating water and sewer revenues were \$17,589,793. Resolution No. 94-07 provides that each of the following events is an "event of default" if a) any payment of Debt Service is not made when due, b) City becomes incapable of fulfilling its obligations, c) City admits in writing its inability to pay its debts, or files for bankruptcy, or consents to the appointment of a receiver or trustee, d) City is insolvent, or is adjudged bankrupt, e) City seeks reorganization under bankruptcy, f) Default of other covenants. Upon the occurrence and continuance of any event of default, the Holders of not less than 10% in aggregate principal amount and Accreted Value of the Bonds then outstanding may enforce the rights of the Bondholders either for the specific performance of any covenant or agreement contained herein or by any power granted for the enforcement of any proper legal remedy. Upon the happening and continuance of any event of default, Holders of not less than 51% of the aggregate principal amount and Accreted Value of the Bonds then outstanding may declare the principal and Accreted Value of all Bonds then outstanding to be due and payable.

NOTE 8 - Long Term Debt (Continued)

C. Bonds Payable (Continued)

2. Business-type Activities (Continued)

The following is a summary of business-type activities bonds payable reflected in the City's Utilities Fund as of September 30, 2022:

Business-type Activities:	<u>Purpose of Issue</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>	<u>Remaining Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
Revenue Bonds:					
Utility Capital Improvement Revenue Bonds Series 2001	Capital improvements to water system	\$ 21,311,958	\$ 4,007,963	5.630-5710	2031
Total Business-type Activities			<u>\$ 4,007,963</u>		

NOTE 8 - Long Term Debt (Continued)

C. Debt Service Requirements

The following are the debt service requirements to maturity on the City’s long-term debt, excluding general obligation bonds, premiums & discounts, compensated absences as well as claims payable for governmental activities and business-type activities:

Governmental Activities:

Fiscal Year	Revenue/Refunding Bonds		Capital Leases		Notes Payable		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$ 2,590,888	\$ 2,276,203	\$ 414,594	\$ 122,078	\$ 1,520,000	\$ 424,870	\$ 7,348,633
2024	2,658,286	2,196,421	431,787	113,613	1,570,000	385,203	7,355,310
2025	2,740,221	2,110,887	313,034	104,745	1,613,000	344,170	7,226,057
2026	2,816,640	2,037,492	329,406	97,645	1,663,000	301,177	7,245,360
2027	2,785,000	1,780,295	346,463	90,144	1,462,000	257,775	6,721,677
2028-2032	16,480,000	7,577,077	1,638,977	328,885	6,636,000	637,204	33,298,143
2033-2037	21,465,000	4,581,685	1,659,309	121,608	2,000,000	57,771	29,885,373
2038-2041	15,530,000	1,102,587	-	-	-	-	16,632,587
Total	\$ 67,066,035	\$ 23,662,647	\$ 5,133,570	\$ 978,718	\$ 16,464,000	\$ 2,408,170	\$ 115,713,140

BusinessType Activities:

Fiscal Year	Revenue/Refunding Bonds		Notes Payable		Total
	Principal	Interest	Principal	Interest	
2023	\$ 559,046	\$ 1,360,954	\$ 5,231,000	\$ 298,815	\$ 7,449,815
2024	521,064	1,396,464	1,276,000	183,976	3,377,504
2025	492,840	1,425,492	1,300,000	159,752	3,378,084
2026	465,701	1,451,607	1,323,000	138,042	3,378,350
2027	440,733	1,478,490	1,343,000	115,948	3,378,171
2028-2032	1,528,579	6,146,836	5,600,000	235,721	13,511,136
	\$ 4,007,963	\$ 13,259,843	\$ 16,073,000	\$ 1,132,254	\$ 34,473,060

NOTE 8 - Long Term Debt (Continued)D. Debt Defeasance and Advance Refunding

The City advances, refunds and/or defeases long-term debt primarily to reduce debt service requirements. As of September 30, 2022, the City has no outstanding defeased bonds.

E. Notes Payable

The Bayfront Community Redevelopment Agency ("BCRA") entered a direct borrowing financial arrangement to facilitate a special, limited obligation note with a financial institution for \$6,000,000 to fund redevelopment activities of the BCRA. In May 2019, the City used \$988,000 in unspent bond proceeds to prepay principal on the 2006 BCRA Note. Principal is due annually on August 1st and interest payments are due semi-annually on August 1st and February 1st of each year. The note is collateralized by a lien upon, and pledge of ad valorem taxes designated for the BCRA. The principal and interest balance outstanding as of September 30, 2022, is zero. The note contains provisions that in the event of default resulting from: a) failure by the Agency to make any principal or interest payment within 3 days of the applicable date, b) failure by the Agency to perform any other covenant, c) the making of any material false or misleading representation, d) the filing of a bankruptcy petition against the Agency or the City, e) the filing by the Agency or the City of a voluntary petition in bankruptcy, f) the admission by the Agency or the City of its insolvency or bankruptcy. The Registered Owner may sue to protect and enforce all rights, including the right to specific performance.

In April 2014, the City issued a \$28,800,000 Utility System Refunding Revenue Note, Series 2014. Proceeds from the Note were used to refund outstanding Utility System Refunding Bonds, Series, 2002, partially refund Utility System Refunding Bonds, Series 2003 and advance refund Utility Capital Improvement Bonds, Series 2004. The Note which has a maturity date of 2022 bears a fixed interest rate of 2.060% and is due semi-annually on April 1 and October 1. The Note is secured by pledged revenues from water and sewer connection fees. Principal and interest remaining on the Note is zero. The total principal and interest paid during the current year was \$3,786,426. Resolution 98-54 provides that each of the following qualifies as an event of default if: a) any payment of Debt Service is not made when due, b) City becomes incapable of fulfilling its obligations, c) City admits in writing its inability to pay its debts, or files for bankruptcy, or consents to the appointment of a receiver or trustee, d) City is insolvent, or is adjudged bankrupt, e) City seeks reorganization under bankruptcy, f) Default of other covenants. Upon the occurrence and continuance of any event of default, the Holders of not less than 10% in aggregate principal amount and Accreted Value of the Bonds then outstanding may enforce the rights of the Bondholders either for the specific performance of any covenant or agreement contained herein or by any power granted for the enforcement of any proper legal remedy. Upon the happening and continuance of any event of default, Holders of not less than 51% of the aggregate principal amount and Accreted Value of the Bonds then outstanding may declare the principal and Accreted Value of all Bonds then outstanding to be due and payable.

NOTE 8 - Long Term Debt (Continued)E. Notes Payable (Continued)

In May 2015, the City issued a \$4,744,000 Franchise Fee Revenue Note, Series, 2015. Most of the proceeds of the Note were used to finance mitigation costs relative to the I-95 Interchange Capital Improvement Project. Remaining proceeds shall be used for transportation improvements to include a connector road to the I-95 interchange. The note matures in 2026 and bears a fixed interest rate of 2.100%. Principal and interest remaining on the Note is \$2,102,796. The total principal and interest paid during the year was \$525,376. A summary follows of Resolution No. 2015-24 list of Events of Default: a) default in the payment of principal of amortization installment, redemption premium, or interest when due, b) default in the payment of fees due any provider of a Reserve Account Insurance Policy, c) bankruptcy, d) default of any other covenant. Any Holder of Bonds may enforce performance if acceleration shall not be a remedy unless specifically provided by Supplemental Resolution. Holder(s) of Bonds in an aggregate principal amount of not less than 25% of the Bonds then outstanding may appoint a trustee to represent such Bondholders in any legal proceeding for enforcement of Bondholders rights.

In March 2016, the City issued a \$13,190,000 Utility System Revenue Refunding Note, Series 2016, to refund Utility System Capital Improvement Refunding Bonds, Series 2005B. The Note, which has a maturity date of 2024, bears a fixed interest rate of 2.200%, and is due semi-annually on March 6 and September 6. The note is secured by pledged revenues from main line extension fee revenue and water & sewer operating revenues. Principal and interest remaining on the Series 2016 Refunding Note is \$5,873,270. Total principal and interest paid on the Refunding Note during the year was \$1,531,420. Resolution 98-54 provides that each of the following events is an "event of default" if: a) any payment of Debt Service is not made when due, b) City becomes incapable of fulfilling its obligations, c) City admits in writing its inability to pay its debts, or files for bankruptcy, or consents to the appointment of a receiver or trustee, d) City is insolvent, or is adjudged bankrupt, e) City seeks reorganization under bankruptcy, f) Default of other covenants. Upon the occurrence and continuance of any event of default, the Holders of not less than 10% in aggregate principal amount and Accreted Value of the Bonds then outstanding may enforce the rights of the Bondholders either for the specific performance of any covenant or agreement contained herein or by any power granted for the enforcement of any proper legal remedy. Upon the happening and continuance of any event of default, Holders of not less than 51% of the aggregate principal amount and Accreted Value of the Bonds then outstanding may declare the principal and Accreted Value of all Bonds then outstanding to be due and payable.

In December 2016, the City issued a Utility Special Assessment Revenue Refunding Note, Series 2016, in the par amount of \$2,060,000. The proceeds, along with an issuer contribution of \$544,523, were used to current refund the Utility Special Assessment Note, Series 2009, and pay for issuance costs. The Note, which has a maturity date of 2024, bears a fixed interest rate of 2.42%, and is payable semi-annually on January 1 and July 1. Principal and interest paid on the Note during the year was \$271,106. Principal and interest remaining on the Series 2016 Refunding Note is zero. Resolution 98-54 provides that each of the following events is an "event of default" if: a) any payment of Debt Service is not made when due, b) City becomes incapable of fulfilling its obligations, c) City admits in writing its inability to pay its debts, or files for bankruptcy, or consents to the appointment of a receiver or trustee, d) City is insolvent, or is adjudged bankrupt, e) City seeks reorganization under bankruptcy, f) Default of other covenants. Upon the occurrence and continuance of any event of default, the Holders of not less than 10% in aggregate principal amount and Accreted Value of the Bonds then outstanding may enforce the rights of the Bondholders either for the specific performance of any covenant or agreement contained herein or by any power granted for the enforcement of any proper legal remedy. Upon the happening and continuance of any event of default, Holders of not less than 51% of the aggregate principal amount and Accreted Value of the Bonds then outstanding may declare the principal and Accreted Value of all Bonds then outstanding to be due and payable.

In December 2016, the City issued \$3,983,000 in Taxable Franchise Fee Revenue Refunding Note, Series 2016. The proceeds and City contributions of \$81,518.13, were used to current refund a portion of the Taxable Special Obligation Bonds (Pension Obligation), Series 2004, and cover the costs of issuance. The Note, which has a maturity date in fiscal year 2031, bears a fixed interest rate of 4.07%, and is payable semi-annually on April 1 and October 1. Principal and interest paid on the Refunding Note during the year was \$327,819.

NOTE 8 - Long Term Debt (Continued)E. Notes Payable (Continued)

Principal and interest remaining on the Series 2016 Refunding Notes is \$3,860,240. Resolution 2015-24 defines each of the following as an "Event of Default": a) default in the payment of the principal of, Amortization Installment, redemption premium or interest when due, b) default in the payment of fees due any provider of a Reserve Account Insurance Policy, c) bankruptcy, d) default of any other covenants, and such default shall continue to a period of 30 days after written notice received from the Holders of not less than 25% of the aggregate principal amount of Bonds outstanding or the Insurer of such amounts of Bonds. Any Holder of Bonds may compel the performance of all duties required.

In February 2018, the City issued Local Option Gas Tax Revenue Note, Series 2018, in the par amount of \$9,000,000 for the construction of a connector road from Babcock Street to the new I-95 exchange and to cover costs of issuance. The note matures in October 2032 and bears a fixed interest rate of 2.71%. Principal and interest remaining on the Note totals \$8,349,459. Total principal and interest paid during the fiscal year was \$760,236. Resolution No. 2014-08 describes Events of Default as a) failure to make payments when due, b) bankruptcy, c) default of any other covenants. Notwithstanding the foregoing, the Issuer shall not be deemed in default if such default can be cured within a reasonable period and if the Issuer in good faith begins curative action and pursues such action until the default has been corrected. Any Holder may compel the performance of all duties required. The Holder(s) in an aggregate principal amount of not less than 25% of the obligations then outstanding may appoint a trustee to represent such Holders in any legal proceedings. During the period in which an Event of Default shall have occurred or be continuing, the Series 2018 Note shall bear interest at the "Default Rate", calculated at the greater of (i) the published Federal Reserve Bank Prime Rate plus 3%, (ii) the Federal Funds rate plus 5%, or (iii) 7% per annum; however not to exceed the maximum rate permitted by law.

On October 1, 2020, the City refunded the Public Service Tax Bonds, Series 2010, through the issuance of the Special Obligation Revenue Refunding Note, Series 2020, in the amount of \$4,258.00. Also, \$490,111 from the Debt Service Reserve Fund of the refunded bond was used as a source of funding for part of the refunding escrow deposit. In the event of default from a) nonpayment of interest when due, b) nonpayment of principal when due, c) insolvency proceedings, d) non-reimbursement of a Credit Bank, or e) default in the performance of any other covenants, then the Holders shall be entitled to sue to enforce payment. For the current year, \$248,000 in principal and \$77,719 in interest was paid. Principal and interest remaining on the 2020 Special Obligation Note is \$4,560,276.

In July 2020, the City entered into a direct borrowing for Equipment Lease/Purchase Agreement, as lessee, with Banc of America Public Capital Corp, lessor, in the amount of \$4,479,235. The purpose of the agreement is to refund Series 2018 Capital Lease which secured equipment to be used for energy savings at City facilities. The lease matures in July 2037 and has a fixed contract rate of 2.55%. The net present value savings is \$284,315. Principal and interest remaining on the Lease is \$4,868,788. Total principal and interest paid during the fiscal year was \$252,983.

On October 29, 2020, the City issued a note in the amount of \$11,507,000 to provide funds for certain capital improvements to the City's water and sewer system and for costs of issuance. Each of the following is deemed an "event of default" if a) any payment of debt service is not made when due, b) the City is rendered incapable of fulfilling its obligations, c) files bankruptcy, d) adjudged insolvent, e) reorganization under bankruptcy laws, f) default in punctual performance of any other covenants. In the event of default, the holders of the bonds then outstanding may protect and enforce the rights of the bondholders, but the remedy of acceleration shall not be available. For the current year, \$584,000 of principal and \$182,397 in interest was paid. Principal and interest remaining on the 2020 Utility Note is \$11,331,984.

In March 2020, The City entered into two direct borrowings for Equipment Lease/Purchase Agreements, as lessee, with Banc of America Public Capital Core, lessor. The first agreement totaled \$661,884 and secured Police equipment. The lease matures in 2024 and has a contract rate of 1.6008%. Principal and interest remaining on the lease is \$273,229. Total principal and interest paid during the fiscal year was \$136,614. The second lease agreement secured Fire equipment in the amount of \$1,278,000. The lease matures in 2029 and

NOTE 8 - Long Term Debt (Continued)E. Notes Payable (Continued)

has a contract rate of 1.8522%. Principal and interest remaining on the lease is \$970,270. Total principal and interest paid during the fiscal year was \$138,610.

In 2020, the City entered into a Clean Water State Revolving Loan Funding Agreement with the Florida Water Pollution Control Financing Corporation, which was reviewed by the State of Florida Department of Environmental Protection for funding the South Regional Water Treatment Reclamation Facility Construction project. Estimated project cost is \$38,938,800. The Final Loan Amendment is to be executed upon completion of project. Pledged revenues shall be the gross revenues, together with sewer impact fees, derived yearly from the operation of the water and sewer systems after payment of the operation and maintenance expense and the satisfaction of all yearly payment obligations of the senior revenue debt. The following are events of default are enumerated in the agreement: 1) failure to make monthly loan deposit or to make semi-annual loan payment when due 2) failure to comply with any covenants required by loan agreement 3) any false representation by, or on behalf of, the City contained in loan agreement, 4) an order appointing a receiver of any part of the water or sewer system or gross revenues thereof, 5) any proceeding instituted for the purpose of adjusting the claims of City's creditors if the claims are payable from water or sewer revenues, 6) bankruptcy, 7) charge of criminal violations in the implementation of the Project or the administration of the proceeds from this Loan against one or more officials of the City, 8) failure of City to give immediate written notice of knowledge of a potential default to the Department. Remedies include: 1) By mandamus, 2) Require City to account for all moneys received pursuant to this agreement and to account for the receipt, use, application, or disposition of the pledged revenues, 3) Enjoin any acts or things which may be unlawful or in violation of the rights of the Corporation or the Department, 4) Cause the appointment of a receiver to manage the water and sewer systems, 5) the Department may provide for the payment to the Trustee of the delinquent amount plus a penalty from any unobligated funds due to the City under any revenue or tax sharing fund established by the State, 6) Notifying financial market credit rating agencies and potential creditors 7) By suing for payment of amounts due, 8) By accelerating the repayment schedule or increasing the financing rate on the unpaid principal of the loan to as much as 1.667 times the financing rate. Estimated principal amount of the loan is \$20 million. The loan service fee is estimated at \$400 thousand. Semi-annual loan payments shall be in the amount of \$510 thousand until the payment amount is adjusted by amendment. For the current year, no principal or interest was paid. As of September 30, 2022, the City drew down \$8,275,334 from the available funding.

NOTE 8 - Long Term Debt (Continued)

E. Notes Payable (Continued)

The following is a summary of the City’s notes payable as of September 30, 2021:

Governmental Activities:	Purpose of Issue	Amount Issue	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Franchise Fee Revenue Note Series 2015	Financing of I-95 Interchange Mitigation costs	4,744,000	2,017,000	2.100	2026
Franchise Fee Revenue Note Series 2016	Partial Refunding of Special Obligation Bonds, Series 2004	3,983,000	3,216,000	4.070	2031
Local Option Gas Tax Note Series 2018	Financing I-95 connector road project	9,000,000	7,221,000	2.710	2033
Special Obligation Revenue Refunding Note Series 2020	Refunding of Public Service Tax Bonds Series 2010	4,258,000	4,010,000	1.880	2036
Total Governmental Activities			\$ 16,464,000		

Business-type Activities:	Purpose of Issue	Amount Issue	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Utility System Refunding Revenue Note Series 2016	Refunding of Utility Revenue Bonds Series 2005B	13,190,000	5,735,000	2.200	2024
Utility System Revenue Note, Series 2020	Fund Capital Improvements for Water and Sewer system	11,507,000	10,338,000	1.670	2030
Total Business -type Activities			\$ 16,073,000		

F. Capital Lease Obligations

The City has entered into lease agreements as lessee for financing the acquisition of Police & Fire equipment. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments.

Assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and equipment	\$ 4,960,924
Less: Accumulated depreciation	(1,272,142)
	3,688,782

NOTE 8 - Long Term Debt (Continued)

F. Capital Lease Obligations (Continued)

Future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2022, were as follows:

Governmental Activities

<u>Fiscal Year</u>	
2023	536,673
2024	545,399
2025	417,779
2026	427,051
2027	436,607
2028-2032	1,967,862
2033-2037	1,780,916
Total minimum lease payment	6,112,287
Less: amount representing interest	<u>(978,717)</u>
Present value of minimum lease payments	<u>\$ 5,133,570</u>

G. Right of Use Lease Obligations

For the year ended September 30, 2022, the financial statements include the adoption of GASB Statement No.87, Leases. The City has entered into a lease as lessee of a building. An initial lease liability was recorded in the amount of \$561,503. For the year ended September 30, 2022, the lease liability is \$500,678. The lease has an interest rate of 5.00%. The value of the right of way use asset for the year ended September 30, 2022, is \$580,644.00 with accumulated amortization of \$80,215.

The future minimum lease obligations and the net present value of the minimum lease payment as of September 30, 2022, is as follows:

Business-Type Activities

<u>Fiscal Year</u>	
2023	89,772
2024	92,460
2025	95,232
2026	98,088
2027	101,028
2028	104,064
Total minimum lease payment	580,644
Less: amount representing interest	(79,966)
Present value of minimum lease payments	<u>500,678</u>

NOTE 9 – Employee Retirement Systems

All City of Palm Bay full-time employees participate in one of two retirement plans offered by the City. Full-time employees participate in either the Palm Bay Defined Contribution Retirement Plan or the Palm Bay Defined Benefit Police and Firefighters Retirement System. In addition, the City offers elected officials' membership in the Florida Retirement System, which is a cost-sharing, multi-employer defined benefits plan. The pension expense for all pension plans was \$8,042,981 for the fiscal year ended September 30, 2021.

A. Defined Contribution Retirement Plan

The City of Palm Bay's general employees' retirement plan is a defined contribution plan administered and maintained by ICMA Retirement Corporation. The City has no fiduciary responsibility for this plan and the assets of the plan are not reported as a pension trust fund. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All full-time general employees are eligible to participate upon employment. Effective May 1, 2001, an executive plan was established which includes the City Manager, Deputy City Managers, City Clerk, City Attorney, Deputy City Attorney and all department heads except the police and fire department chiefs who are covered under the defined benefit plan. Employer contributions are vested according to the following schedule: 20% after one year of service and 20% per year thereafter until fully vested. Contributions under the plan were established by the Plan & Trust adoption agreement with ICMA Retirement Corporation and may be amended at the City's discretion.

As of December 2010, the City modified contributions for members covered under the executive plan (executive) and general employees (general). The City contributes a base of 3.75% for executive and 3% for general, to everyone's retirement account. The employee may elect to contribute an additional percentage of their salary, between 0%-9.75% and 0%-6%, for executive and general respectively. The City will match the employee contribution.

As of August 2010, the City's contribution for NAGE Blue and White employees was modified. The employer contributes a base of 3% to everyone's retirement account. The employee may elect zero to six percent (0-6%) to contribute to their account and the City will match the employee contribution.

In fiscal year 2021, employer and employee contributions to the ICMA defined contributions plan were \$2,001,031 and \$1,481,168, respectively.

B. Defined Benefit Plan Palm Bay Police and Firefighter Plan

Plan Description - The City of Palm Bay maintains a single-employer defined benefit pension plan, which covers general employees, police officers and firefighters. The Plan is closed to new general employees and that classification consists of retirees only. Coverage for firefighters and police officers is administered by the Board of Trustees of the City of Palm Bay Police and Firefighters Retirement System (the "Plan"). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Benefits under the plan are established in accordance with City Ordinance No. 74-9 as amended and certain provisions of Florida Statutes Chapters 185 (Police Officers) and 175 (Firefighters).

Benefit provisions of the Plan may be amended by the City Council but may not be reduced below the minimum specified by Florida Statutes, unless the plan stops receiving 175 and 185 funds. The Plan's Board of Trustee is comprised of 5 members:

- One Chairman Board Appointee
- One Vice Chairman Police Elected Representative
- One Secretary, Fire Elected Representative
- Two City Council Appointees

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing the Board of Trustees:

Board of Trustees of the City of Palm Bay Police and Firefighters Retirement System
1501 Robert J. Conlan Boulevard NE, Suite 240
Palm Bay, Florida 32905-3567 <https://www.pbpfpf.org/>

NOTE 9 – Employee Retirement Systems

B. Defined Benefit Plan Palm Bay Police and Firefighter Plan (Continued)

Employees Covered – Based on the Actuarial Valuation Report as of October 1, 2020, the following employees were covered by the benefit terms for the Plan:

	Police Officers	Fire Fighters	General Employees
Inactive employees or beneficiaries currently receiving benefits	109	97	1
Inactive employees entitled to benefits but not receiving them	26	5	-
Active employees	139	107	-
Total members	274	209	1

Benefits Provided - All regular full-time certified police officers and firefighters are eligible to participate in the Plan.

Police officer members:

Normal retirement shall be the earlier of attainment of (1) age 55, (2) completion of 30 years credited service regardless of age, (3) age 52 with 25 years of credited service (4) for police officers who are employed on or after October 1, 2006, and retire after that date, 28 years of credited service, regardless of age, or (5) for police officers who are employed on or after April 5, 2012, completion of 25 years of credited service, regardless of age. Average Final Compensation (AFC) is one and a half times the average of the highest five years of the last ten years of credited service. Payments for used leave are not included in AFC.

Each police officer member with less than 20 years of credited service will have a monthly normal retirement benefit in an amount equal to 2% of the member's AFC multiplied by the member's credited service performed prior to June 1, 1992, and 2½% of the member's AFC multiplied by the member's credited service performed on and after June 1, 1992. For members who have completed 20 years of credited service as sworn police officers, instead of the amount described in the previous sentence, the member's monthly normal retirement benefit shall be an amount equal to 3% of the member's AFC multiplied by the member's credited service plus 5% of AFC for service after 20 years to a maximum of 100% of the AFC upon completion of 28 years of service. For police officers hired after October 1, 2016, the maximum normal retirement benefit shall be 85% of average final compensation.

Firefighter members:

Tier One members - Firefighters hired prior to March 15, 2012.

Normal retirement shall be the earlier of attainment of (1) age 55, (2) completion of 25 years of credited service at 85% of AFC or 28 years regardless of age, or (3) age 52 with 25 years of credited service effective September 30, 2002. Average Final Compensation (AFC) is one and a half times the average of the highest five years of the last ten years of credited service. Payments for used leave are not included in AFC.

Each firefighter member with less than 20 years of credited service will have a monthly normal retirement benefit in an amount equal to 2% of the member's AFC multiplied by the member's credited service performed prior to October 1, 1991, and 2½% of the member's AFC multiplied by the member's credited service performed on and after October 1, 1991. For members who have completed 20 years of credited service as a firefighter, instead of the amount described in the previous sentence, the member's monthly normal retirement

NOTE 9 – Employee Retirement Systems (Continued)B. Defined Benefit Plan Palm Bay Police and Firefighter Plan (Continued)Benefits Provided - Firefighter members (Continued)

benefit shall be an amount equal to 3% of the member's AFC multiplied by the member's credited service plus 5% of AFC for service after 20 years to a maximum of 100% of the AFC upon completion of 28 years of service.

Tier Two members – Firefighters hired on or after March 12, 2012.

Normal retirement shall be the first day of the month coincident with or next following the completion of 25 years of credited regardless of age. Provided, however that a vested member who terminates prior to attaining 25 years of credited service shall be eligible for normal retirement benefits upon reaching age 55. Average Final Compensation (AFC) is one and a half times the average of the highest five years of the last ten years of credited service. Payments for unused leave are not included in AFC.

Each firefighter with less than 20 years of credited service will have a monthly normal retirement benefit in an amount equal to 2% of the member's AFC multiplied by the member's credited service. For members who have completed 20 years of credited service as a firefighter, instead of the amount described in the previous sentence, the member's monthly normal retirement benefit shall be an amount equal to 3.2% of AFC for service after 20 years to a maximum of 90% of the AFC, excluding supplemental benefits.

Deferred Retirement Option Plan (DROP):

Effective September 30, 2000, for police officers and September 30, 2001, for firefighters, members who continue in employment past the normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Each participant in the DROP has an account credited monthly with benefits not received and quarterly with investment earnings net of expenses based on the Plan's earnings. The DROP is administered by the Board of Trustees. Participation in the DROP is limited to 60 months.

Supplemental BenefitsPolice officer members:

Police officers who retire after October 1, 2006, receive a Supplemental Benefit equal to \$25 per month, times completed years of Credited Service. The benefit shall cease upon the retiree reaching age 65. Members approved for disability retirement are ineligible for the supplemental retirement benefit.

Firefighter members:Tier One members

Firefighters receive a Supplemental Benefit of \$189 per month payable over the life of the retiree only.

Firefighters who retire on or after October 1, 2006, receive \$458 per month, instead of \$189. Firefighters who terminate after October 1, 2007, receive a Supplemental Benefit equal to \$25 per month times years of credited service earned prior to March 15, 2012. Effective March 15, 2012, firefighters who have not attained age 55 with 10 or more years of credited service or 25 years of credited service regardless of age on that date who either terminate while vested or terminate upon reaching normal or early retirement shall receive a supplemental benefit of \$12 per month for each year of credited service. The benefit shall cease upon the retiree reaching the age of Medicare eligibility and members approved for disability retirement are ineligible for the supplemental retirement benefit.

Tier Two members

Firefighters are eligible to receive a Supplemental Benefit of \$12 per month for each year of credited service. The benefit shall commence upon entry into the DROP or upon receipt of a retirement benefit and separation from the City. This benefit shall only be payable over the life of the member, will cease upon the member reaching the age of Medicare eligibility and members approved for disability retirement are ineligible for the supplemental retirement benefit.

NOTE 9 – Employee Retirement Systems (Continued)**B. Defined Benefit Plan Palm Bay Police and Firefighter Plan (Continued)****Benefits Provided - Firefighter members (Continued)****Cost of Living Adjustment:*****Police officer members:***

The Plan provides for cost-of-living adjustment to police officers who retire or enter the DROP on or after September 30, 2000. The retirement benefits will increase by 3% each year commencing with the September 30th following three years of retirement.

Firefighter members:**Tier One members**

The Plan provides for cost-of-living adjustment to firefighters who retire or enter the DROP on or after September 30, 2001. The retirement benefits will increase by 2% each year commencing with the September 30th following six years of retirement.

Tier Two members

The cost-of-living adjustment will increase by 3% commencing with September 30th following six years of retirement.

Contributions - Florida Statutes, Chapters 175 and 185 require members to contribute not less than 0.5% of their annual salary. The Plan, as approved by the City Council, requires member police officers and firefighters to contribute 8.76% of their base annual salary. Funding contributions are determined annually on an actuarial basis as of October 1. The City is required to contribute at an actuarially determined amount necessary to finance current costs and amortized unfunded past service cost as provided by Florida Statute, Chapter 112. The City made contributions of \$5,326,712 in fiscal year 2022.

Municipalities that have established pension plans complying with the provisions of Chapters 175 and 185, Florida Statutes, and that have enacted appropriate taxing legislation are eligible to receive revenues generated from excise taxes on gross receipts of certain insurance premiums from policyholders covering property within the City limits. These are the Firefighters' Pension Fund Excise Tax imposed on the gross receipts of property insurance policy premiums and the Police Officers' Pension Fund Excise Tax imposed on the gross receipts of casualty insurance policy premiums. The City recognized as revenues and expenditures on-behalf of payment relating to pension contributions for its public safety employees by the State. These contributions from excise tax totaled \$1,600,193.

Net Pension Liability (Asset)

The City's net pension liability (asset) for The Plan is measured as the total pension liability less the pension fiduciary net position. The total pension liability, net pension liability (asset) and certain sensitivity information for each of the Plan classification is measured as of October 1, 2020. The total pension liability was rolled forward from the valuation date to the Plan's fiscal year ending September 30, 2021, using generally accepted actuarial principles. Components of the net pension liability (asset) of the City at September 30, 2021, are as follows on the next page:

NOTE 9 – Employee Retirement Systems (Continued)

Net Pension Liability (Asset) (Continued)

	2022			
	Police	Fire	General	Total
Total pension liability	\$ 150,473,252	\$ 126,915,182	\$ 11,206	\$ 277,399,640
Plan fiduciary net pension ending	(113,240,736)	(88,645,341)	(205,211)	(202,091,288)
City's net pension liability (asset)	<u>\$ 37,232,516</u>	<u>\$ 38,269,841</u>	<u>\$ (194,005)</u>	<u>\$ 75,308,352</u>
Plan fiduciary net pension - actuarial as a percentage of the total pension liability (asset)	75.26%	69.85%	1831.26%	72.85%

Actuarial Assumptions - The total pension liabilities were determined by an actuarial valuation as of October 1, 2020, updated to September 30, 2022, using the following assumptions:

	Police Officers	Fire Fighters	General Employees
Valuation Date	October 1, 2020	October 1, 2020	October 1, 2020
Measurement Date	September 30, 2022	September 30, 2022	September 30, 2022
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Actuarial Assumptions			
Discount Rate	7.50%	7.50%	7.65%
Inflation	2.70%	2.70%	2.70%
Payroll Growth	0.00%	0.00%	N/A
Projected Salary Increase	Varies by age	Varies by age	N/A
Investment Rate of Return	7.50%	7.50%	7.65%
Mortality	PubS.H-2010	PubS.H-2010	PubS.H-2010
	Improvement Scale MP-2018	Improvement Scale MP-2018	Improvement Scale MP-2018
Service Retirement	Members will retire at a rate of 5% per year prior to normal retirement		

Mortality rates are mandated by Chapter 2015-157, Laws of Florida. The assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019, FRS valuation report for special risk employees, with appropriated risk and collar adjustments made based on plan demographics.

Discount Rate - The long-term expected rate of return on pension plan investments were determined using a building block method which best estimates ranges of expected future real rates of return (expected returns, net of pension investment expenses and inflation) are developed for each major asset. 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, 2021, are summarized in the table on the following page:

NOTE 9 – Employee Retirement Systems (Continued)***B. Defined Benefit Palm Bay Police and Firefighter Plan (Continued)*****Actuarial Assumptions – Discount Rate (Continued)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35%	7.10%
Fixed Income	25%	3.10%
Real Estate	10%	6.40%
International Equity	15%	3.10%
Convertible Security	10%	6.40%
Master Limited Partnership	5%	5.60%
	100%	

The discount rate used to measure the total pension liability for police and fire was 7.50%. General employees discount rate was 7.65%. The projection of cash flows used to determine the discount rate assumed the Plan member's contributions will be made at the current contribution rates and that contributions from the City will be made at statutorily required rates as actuarially determined. Based on those assumptions, the 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.

Changes in the Net Pension Liability (Asset)- The changes in the Net Pension Liability (Asset) for The Plan as of the measurement date of September 30, 2022, are as follows:

	Police		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at September 30, 2021	\$ 141,653,598	\$ 145,064,213	\$ (3,410,615)
Changes in the year:			
Service Cost	1,804,281	-	1,804,281
Interest on the total pension liability	10,710,139	-	10,710,139
Change in excess state money	-	-	-
Share Plan Allocation	249,643	-	249,643
Difference between expected and actual	264,507	-	264,507
Changes in assumptions	2,678,105	-	2,678,105
Contributions - Employer	-	2,177,619	(2,177,619)
Contributions - State	-	1,020,019	(1,020,019)
Contributions - Employee	-	832,048	(832,048)
Contributions - Buyback	25,096	25,096	-
Net investment income	-	(28,677,347)	28,677,347
Benefit payments, including refunds of employee contributions	(6,912,117)	(6,912,117)	-
Administration expense	-	(288,795)	288,795
Net Changes	8,819,654	(31,823,477)	40,643,131
Balance at September 30, 2022	\$ 150,473,252	\$ 113,240,736	\$ 37,232,516

NOTE 9 – Employee Retirement Systems (Continued)

B. Defined Benefit Palm Bay Police and Firefighter Plan (Continued)

Changes in Net Pension Liability (Continued)

	Fire		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at September 30, 2021	\$ 119,045,436	\$ 111,352,937	\$ 7,692,499
Changes in the year:			
Service Cost	1,805,670	-	1,805,670
Interest on the Total Pension Liability	9,039,979	-	9,039,979
Change in Excess State Money	-	-	-
Share Plan Allocation	-	-	-
Changes of Benefit Terms	488,588	-	488,588
Difference between Expected and Actual Experience	686,968	-	686,968
Changes in assumptions	2,154,613	-	2,154,613
Contributions - Employer	-	3,151,077	(3,151,077)
Contributions - State	-	580,174	(580,174)
Contributions - Employee	-	638,908	(638,908)
Contributions - Buyback	34,001	34,001	-
Net Investment Income	-	(20,538,465)	20,538,465
Benefit Payments, Including Refunds of Employee Contributions	(6,340,073)	(6,340,073)	-
Administration Expense	-	(233,218)	233,218
Net Changes	7,869,746	(22,707,596)	30,577,342
Balance at September 30, 2022	<u>\$ 126,915,182</u>	<u>\$ 88,645,341</u>	<u>\$ 38,269,841</u>

	General		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a)-(b)
Balance at September 30, 2021	\$ 16,952	\$ 248,694	\$ (231,742)
Changes in the year:			
Interest on the total pension liability	1,200	-	1,200
Difference between Expected and Actual Experience	(4,414)	-	(4,414)
Changes in Assumptions	-	-	-
Net Investment Income	-	(38,418)	38,418
Benefit Payments, Including Refunds of Employee Contributions	(2,532)	(2,532)	-
Administration Expense	-	(2,533)	2,533
Net Changes	(5,746)	(43,483)	37,737
Balance at September 30, 2022	<u>11,206</u>	<u>205,211</u>	<u>(194,005)</u>
Total of PBP&PBF Plans	<u>\$ 277,399,640</u>	<u>\$ 202,091,288</u>	<u>\$ 75,308,352</u>

B. Defined Benefit Palm Bay Police and Firefighter Plan (Continued)

Changes in Net Pension Liability (Asset) (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following chart presents the net pension liability (asset) of the Plan as of September 30, 2022, calculated using the discount rate of 7.65% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower (6.50%) or 1-percent-point higher (8.50%) than the current rate for police & fire. General employees discount rate 1-percent-point lower (6.65%) or 1-percent-point higher (8.65%) than the current rate.

	Discount Rate - 1% 6.50%	Current Discount 7.50%	Discount Rate + 1% 8.50%
Police Officers	\$ 57,328,660	\$ 37,170,078	\$ 20,763,172
Fire Fighters	\$ 54,377,978	\$ 38,215,807	\$ 25,004,225
	Discount Rate - 1% 6.65%	Current Discount 7.65%	Discount Rate + 1% 8.65%
General Employees	\$ (193,591)	\$ (194,006)	\$ (194,392)

Pension Plan Fiduciary Net Pension

Detailed information about the pension plan's fiduciary net position is available in the separately issued Police and Fire Pension Plan's financial reports.

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

For the year ended September 30, 2022, the City recognized combined pension expense of 8,404,363. At September 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police & Fire and General	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,297,648	\$ 413,202
Changes in assumptions	7,303,070	-
plan investments	36,788,175	-
Total	<u>\$ 46,388,893</u>	<u>\$ 413,202</u>

The amount reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized as pension expense as follows:

Police & Fire and General Employees
Year ending September 30:

2023	\$ 11,129,791
2024	9,588,929
2025	10,517,631
2026	14,265,743
2027	473,597
	<u>\$ 45,975,691</u>

NOTE 9 – Employee Retirement Systems (Continued)C. Florida Retirement System

On June 5, 2008, the City passed Resolution 2008-55, authorizing participation of its elected officials in the Florida Retirement System (“FRS”) administered by the State of Florida. Also approved was Resolution 2008-56 providing for membership in the FRS and authorizing execution of all necessary agreements with the administrator of the FRS for extending benefits to elected officials of the City pursuant to Chapters 112 and 121, Florida Statutes.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The reports may be obtained by writing to the State of Florida, Division of Retirement:

State of Florida Division of Retirement
Department of Management Services
P.O Box 9000
Tallahassee, Florida 32315-9000
www.dms.myflorida.com/worforce_operations/retirement/publications.

Plan Description - The Florida Retirement System is a multiple employer cost sharing public employee retirement system, administered by the Florida Legislature. FRS is available to governmental units within Florida and provides a Deferred Retirement Option Program (DROP) for eligible employees. The Plan affords retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. In addition to the benefits, members of the Florida Retirement System are afforded benefits through the Retiree Health Insurance Subsidy (HIS) Program. HIS was established and is administered in accordance with section 112.363, Florida Statutes.

Benefits Provided - Benefits under the Pension Plan are computed based on age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits.

Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service, regardless of age for Elected Officers’ class members. The final average compensation for these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is a proportion of 3.0% determined by dividing the sum of the pre-July 2011 service credit by the total service credit

NOTE 9 – Employee Retirement Systems (Continued)

C. Florida Retirement System (Continued)

at retirement multiplied by 3.0%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS trust Fund and accrue interest. There are no required contributions by DROP participants.

HIS membership is available to all members within the FRS. The benefit is a monthly payment to assist retirees of the state-administered retirement system in paying their health insurance costs. 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 \$160 per month. 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 includes Medicare.

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3.0% percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contributions rates established by the Florida Legislature. These rates are updated as of July 1 each year. The employer contribution rates for elected officials for the periods October 1, 2021, through June 30, 2022, and from July 1, 2021, through September 30, 2022, were 49.18% and 51.42% respectively. These percentages include a 1.66% contribution rate for HIS.

Article X, Section 14 of the State Constitution and Part VII, Chapter 112 of the Florida Statutes provide the authority to amend the contribution rates and obligations.

The City’s contributions recognized during the fiscal year ended September 30, 2022, by FRS and HIS were \$20,516 and \$1,070 respectively.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions

The City’s proportionate share of net pension liability, pension expense related deferrals as of September 30, 2022, are as follows:

	FRS	HIS	Total
Proportionate Share of Net Pension Liability on June 30,2022	\$ 178,894	\$ 18,735	\$ 197,629
City's portion at June 30, 2022	0.0000048080	0.0000176881	
City's portion at June 30, 2021	0.0005992080	0.0000196991	
Change in proportion during current year	(0.0005944000)	(0.0000020110)	

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$(1,823). In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources on the next page.:

NOTE 9 – Employee Retirement Systems (Continued)

C. Florida Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	FRS		HIS		TOTAL	
	Deferred	Deferred	Deferred	Deferred	Deferred	Deferred
	Outflows of Resources	Inflows of Resources	Outflows of Resources	Inflows of Resources	Outflows of Resources	Inflows of Resources
Difference between expected and actual experience	\$ 8,496	\$ -	\$ 569	\$ 82	\$ 9,065	\$ 82
Change in assumptions	22,031	-	1,074	2,898	23,105	2,898
Change in proportion and differences between City Pension Plan contributions and proportionate share of contributions	12,320	74,588	2,794	2,344	15,114	76,932
City Pension Plan contributions subsequent to the measurement date	6,901	-	299	-	7,200	-
Net difference between projected actual earnings on plan investments	11,812	-	27	-	11,839	-
Total	\$ 61,560	\$ 74,588	\$ 4,763	\$ 5,324	\$ 66,323	\$ 79,912

Plan contributions made after the measurement date of the net pension liability, but before the end of the City's reporting period of September 30, 2022 are recognized as a reduction of the net pension liability in the subsequent fiscal year rather than the current fiscal year. City contributions to the Plan subsequent to the measurement date totaled \$7,200 and are included in deferred outflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year ending September 30	Net Pension		
	FRS	HIS	Expense
2023	\$ 406	\$ 963	\$ 1,369
2024	(12,607)	294	(12,313)
2025	(22,405)	(387)	(22,792)
2026	16,025	(624)	15,401
2027	(1,346)	(784)	(2,130)
Thereafter	-	(324)	(324)
	\$ (19,927)	\$ (862)	\$ (20,789)

Actuarial Assumptions – Actuarial assumptions for both cost-sharing defined benefit plans were reviewed by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. Because the HIS Program is funded on a pay-as-you-go basis, no experience study was completed for that program. The actuarial assumptions used to determine the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

NOTE 9 – Employee Retirement Systems (Continued)

C. Florida Retirement System (Continued)

Actuarial Assumptions (Continued)

The total pension liability for FRS and HIS on the July 1, 2022, actuarial valuation was determined using the following assumptions:

	<u>FRS</u>	<u>HIS</u>
Valuation Date	July 1, 2022	July 1, 2022
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions		
Discount Rate	6.70%	3.54%
Inflation	2.40%	2.40%
Projected Salary Increase	3.25%	3.25%
Investment Rate of Return	6.70%	N/A
Municipal Bond Index	-	3.54%
Mortality	PUB-2010 base table varies by member with category & sex projected generationally with Scale MP-2018	Generational PUB-2010 with Projected Scale MP-2018

The actuarial assumptions used in the July 1, 2021, valuation was based on the results of an actuarial experience study for the period July 1, 2013, through June 20, 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 of 6.70% did not change from the prior year.

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 rate of return on Pension Plan investments were based on forward-looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for inflation assumption. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric Return)</u>
Cash	1.00%	2.60%	2.60%
Fixed Income	19.80%	4.40%	4.40%
Global Equity	54.00%	8.80%	7.30%
Real Estate	10.30%	7.40%	6.30%
Private Equity	11.10%	12.00%	8.90%
Strategic Investments	3.80%	6.20%	5.90%
	<u>100.00%</u>		

NOTE 9 – Employee Retirement Systems (Continued)

C. Florida Retirement System (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 6.70%. The Pension Plan’s 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 calculation of the total pension liability is equal to the long-term expected rate of return. However, because the HIS program uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index).

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following represents the City’s proportionate share of the net pension liability as of June 30, 2022, calculated using the discount rate, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	FRS Net Pension Liability			HIS Net Pension Liability		
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Employer’s proportionate share of the net pension liability	\$ 309,386	\$ 178,894	\$ 69,788	\$ 21,434	\$ 18,735	\$ 16,501

Below is a summary of the net pension liability, deferred inflows and outflows of resources and pension expense for all defined pension plans:

Pension Plan	Net Pension Liability	Net Pension Asset	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Palm Bay Police & Fire	\$ 75,502,357	\$ 194,005	\$ 46,388,894	\$ 413,201	\$ 8,404,363
FRS (Proportionate Share)	178,894	-	61,560	74,588	(2,955)
HIS (Proportionate Share)	18,735	-	4,763	5,324	1,132
Total	\$ 75,699,986	\$ 194,005	\$ 46,455,217	\$ 493,113	\$ 8,402,540

Pension Plan Fiduciary Net Position - Detailed information regarding the Pension Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

D. Other Post-Employment Benefits Other Than Pensions (OPEB)

The City follows Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (“OPEB”), for certain postemployment healthcare benefits provided by the City.

Plan Description - The City of Palm Bay administers an employee group medical insurance plan (the “Plan”) is a single-employer plan that provides medical insurance benefits to its employees and their eligible dependents. In accordance with Section 112.0801 of the Florida Statutes, because the City provides a medical plan to active employees and their eligible dependents, the City is also required to provide retirees with the opportunity to participate in this Plan. Benefit provisions for the Plan are established and may be amended by the City Council. The retirees pay the full group premium amount for health insurance with no explicit subsidy from the City. The Plan does not issue a publicly available financial report.

NOTE 9 – Employee Retirement Systems (Continued)

C. Other Post-Employment Benefits Other Than Pensions (OPEB) (Continued)

Funding Policy - Contribution rates for the Plan are established on an annual basis. Eligible retirees and their covered dependents receiving benefits contribute 100% of their premium costs for medical insurance. While the City does not directly contribute towards the costs of retiree premiums via an explicit subsidy, the ability of retirees to obtain health insurance coverage at a group rate which includes active employees constitutes a significant economic benefit to retirees, or an “implicit” subsidy. This implicit subsidy is an Other Post Employment Benefit (OPEB) obligation of the City and is funded by general assets on a pay-as-you-go basis since there is no Trust Fund or equivalent arrangement into which the City makes contributions. For the year ended September 30, 2022, the City estimated its subsidized contributions towards medical cost on behalf of retirees and their covered dependents to be 327,577.

Employees Covered by Benefit Terms – As of October 1, 2021, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	35
Active Plan Members	642
Total	<u>677</u>

Total OPEB Liability – The City’s total OPEB liability of \$12,987,375 was measured as of October 1, 2021, which was determined by an actuarial valuation as of September 30, 2022.

Significant Actuarial Assumptions and other Inputs – The total OPEB Liability determined in the October 01, 2021, actuarial valuation used the following significant actuarial assumptions and other inputs:

Inflation	5.00%
Payroll Growth	4.00%
Discount Rate	3.75%
Healthcare Trend Rate	5.00%

Retirement Age - 100% at Normal Retirement Eligibility Date

Mortality - Florida Retirement System Mortality Table

General (non-special risk)– For female lives, 100% of the Combined Healthy White-Collar table was used. For male lives, a 50% Combined Healthy White-Collar table, 50% Healthy Blue-Collar table blend was used.

Police & Fire (special risk) - For female lives, 100% of the Combined Healthy White-Collar table was used. For male lives, a 10% Annuitant White-Collar table, 90% Annuitant Blue-Collar table blend was used.

All tables include fully generational adjustments for mortality improvements using improvement scale BB.

Discount Rate – Given the City’s decision not to fund the OPEB plan, all future benefit payments were discounted using a high-quality bond rate of 3.75%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends.

Projection of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of

NOTE 9 – Employee Retirement Systems (Continued)

D. Other Post-Employment Benefits Other Than Pensions (OPEB)(Continued)

Significant Actuarial Assumptions and other Inputs (Continued)

each valuation and the historical pattern of sharing benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at October 1, 2021	\$ 12,315,964
Changes for the year:	
Service Cost (Entry Age Normal Cost) for 1 year	543,281
Interest for 1 year*	455,707
Difference between Expected and Actual Experience	-
Changes to Assumptions	-
Benefit Payments	<u>(327,577)</u>
Net Changes	<u>671,411</u>
Balances at September 30, 2022	<u><u>\$ 12,987,375</u></u>

*Discount rate of 3.75% for the fiscal year ended September 30, 2022.

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

	1% Decrease 2.75%	Current Discount Rate 3.75%	1% Increase 4.75%
Total OPEB Liability	\$ 11,058,586	\$ 12,987,375	\$ 15,432,737

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

	1% Decrease 2.75%	Current Discount Rate 3.75%	1% Increase 4.75%
Total OPEB Liability	\$ 11,058,586	\$ 12,987,375	\$ 15,432,737

NOTE 9 – Employee Retirement Systems (Continued)

D. Other Post-Employment Benefits Other Than Pensions (OPEB)(Continued)

OPEB expense for the fiscal year ended September 30, 2022, was \$1,301,008. On September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,333,458	\$ 213,420
Change in assumptions	702,303	928,812
Total	<u>\$ 2,035,761</u>	<u>\$ 1,142,232</u>

OPEB Outflows/Inflows of Resources Schedule for Future Years:

Deferred outflow in resources related to OPEB is a result of differences between expected and actual experience while deferred inflows reflect changes in assumptions. These deferred resources will be recognized in OPEB expense as follows:

<u>Year ending September 30</u>	
2023	\$ 260,510
2024	260,510
2025	138,727
2026	359,446
2027	(62,832)
2028	(62,832)
Thereafter	-
	<u>\$ 893,529</u>

NOTE 10 – Restricted Net Position

The City maintains several special revenue funds to account for external and internal restrictions placed on revenue sources. In addition, the City has one debt service funds which accounts for proceeds that are restricted for repayment of bonds. A summary of restrictions that meet the criteria for restricted net position are as follows:

Governmental Activities		
<u>General Fund:</u>	Restricted pursuant to FDOT Contribution agreement	<u>\$ 800,000</u>
<u>Special Revenue Funds:</u>		
Law Enforcement Trust Fund	Forfeited property accounted for and used according to Federal and Florida laws	\$ 287,780
Impact Fee Funds	Levied pursuant to Florida Statutes, must be used for allowable improvements	45,310,495
Bayfront Community Redevelopment Agency	Levied pursuant to County and City Ordinance, must be used for activities of the redevelopment agency	1,472,687
SHIP	Restricted pursuant to grant agreement	498,766
Community Development Block Grant	Restricted pursuant to grant agreement	6,672
HOME	Restricted pursuant to grant agreement	94,924
Neighborhood Stabilization Program	Restricted pursuant to grant agreement	<u>461,635</u>
		48,132,959
<u>Debt Service Funds:</u>		
Debt Service Funds	Restricted pursuant to bond covenants for payment of principal and interest	<u>3,507,910</u>
<u>Capital Improvement Funds:</u>		
Capital Improvement Funds	Restricted pursuant to covenants on proceeds for capital improvement projects	<u>56,077,278</u>
<u>Internal Service Funds:</u>		
Employee Health Insurance Fund	Restricted pursuant FS 112.08 requiring 60 days reserve for claims as a safe-harbor regarding self-insured health plans	<u>1,800,000</u>
	Total Restricted Net Position - Governmental Activities	<u><u>\$ 110,318,147</u></u>
 Business-type Activities		
Renewal and Replacement	Funds required to be placed in special construction accounts pursuant to Bond Covenants	\$ 15,000,780
Debt Service Reserve	Funds required to be placed in reserve pursuant to construction Bond Covenants	\$ 1,920,000
Building Fund	Funds required to be spent on building code activities pursuant to Section 166.222, Florida Statutes	13,037,621
Capital Improvements	Water and sewer connection fees and mainline extension charges pledged for repayment of bond debt incurred for capital expansion and system improvements	<u>27,549,535</u>
	Total Restrictred Net Positon - Business-type Activities	<u><u>\$ 57,507,936</u></u>

NOTE 11 – Risk Management

The City is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; injuries to employees; third party injuries and or property damage; information security and privacy; Law Enforcement Practices and natural disasters. The Risk Management program began on October 1, 1989. Historically under this program, the Risk Management Fund operated primarily as a self-insurance program. Maximum Fund amounts thru December 30, 2009, were as follows:

Coverage	Self-Insured Retentions
Worker's Compensation	\$350,000 each claim
General / Auto Liability	\$250,000 each claim
Theft, Disappearance & Dishonesty	\$ 25,000 each claim
Property Damage – Building	\$ 2,500 each claim
Property Damage – Auto	\$500 each claim / \$1,000 each claim (trucks)

During the first quarter of fiscal year 2010, a decision was made to transition the Worker's Compensation, General Liability and Automobile Liability lines of coverage from a self-insured program with the above-mentioned self-insured retentions, to an essentially fully insured program with no self-insured retention amounts for Worker's Compensation and Automobile Liability. General Liability covered the first \$100,000 as self-insured claims. This program was effective for all claims dated January 1, 2010, and beyond.

Beginning Fiscal year October 1, 2015, the City purchased coverage levels under which the Fund will only provide coverage as follows with self-insured retention amounts once again applying to all lines of coverage:

Coverage	Self-Insured Retentions
Worker's Compensation	\$350,000 each claim
*General / Auto Liability	\$200,000 each claim
Theft, Disappearance & Dishonesty	\$ 5,000 each claim
Property Damage – Building	\$2,500 each claim exception of "Named Storm"
Property Damage – Building	3% of Total Insured Value for "Named Storm" subject to a minimum of \$15,000 per occurrence
Property Damage – Auto	\$500 each claim

Claims exceeding the self-insured retention thresholds are under the umbrella of commercial coverage purchased by the City. Open claims for Worker's Compensation are currently administered by a third-party administrator.

*The City is protected by Section 768.28, Florida Statutes, under the Doctrine of Sovereign Immunity, which limits the amount of liability of governmental entities for tort claims to \$200,000 per claim and \$300,000 per accident.

All departments of the City participate in the program. Payments are made by various funds to the Risk Management Fund based on experience and actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of \$3,124,000 reported in the Risk Management Fund at September 30, 2021, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The City's claims liability at year end is actuarially determined and includes incurred but not reported losses. Prior years' liabilities are undiscounted. Changes in the fund's claim liability are as follows:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Less Claims Payments	Balance at Fiscal Year End
2021-2022	\$ 3,188,000	2,257,552	\$ (2,244,552)	\$ 3,201,000
2021-2022	3,201,000	1,908,336	(1,985,336)	3,124,000

NOTE 12 – Employee Health Insurance Benefits

The City maintains an Employee Benefit Internal Service Fund to account for the employee health care coverage program. Beginning January 1, 2018, the City transitioned to a self-insured plan. Based on increased employee utilization of benefits, comparative analysis projected substantial cost savings to support the change. Revenues are recognized from employee payroll deductions and city contributions. The plan is evaluated on a quarterly basis by a third-party to ensure viability. As of September 30, 2022, a liability of \$637,552 has been recorded, which represents estimated claims due and unpaid, and claims incurred but not reported. Changes in the first-year liability is as follows:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Less Claims Payments	Balance at Fiscal Year End
2021-2022	\$ 546,418	\$ 87,194	\$ 3,940	\$ 637,552
2020-2021	560,301	(16,763)	2,880	546,418

NOTE 13 – Commitments and Contingencies

Intergovernmental Grants – Amounts received or receivable from grantors are subject to audit and adjustment by grantor agencies, principally federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. The City is engaging auditors to audit the grant funds as requested by the Florida Housing Finance Corporation pursuant to their required procedures. The precise amounts are not known and will depend on the outcome of the audit.

Litigation – Various suits and claims arising in the ordinary course of operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of management, upon consultation with legal counsel, the City has enough insurance coverage to cover any claims and/or the liabilities that may arise from such action. The effect of such losses would not materially affect the financial position of the City or the results of its operations.

Encumbrance – The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts and other commitments are recorded to reserve the portion of applicable appropriations. Outstanding encumbrances at yearend are recorded as *restricted*, *committed*, or *assigned* fund balances, depending on the classification of the resources to be used to liquidate the encumbrance. Encumbrances outstanding as of September 30, 2022, are as follows:

Major Governmental Funds	
General Fund	\$ 1,780,783
ARPA Fund	375,934
Impact Fee Fund	6,362,057
GO Bond Road Program Fund	16,447,273
Non-major Governmental Funds	1,896,661
	<u>\$ 26,862,708</u>

NOTE 14 – Tax Abatements

The City provides tax abatements through the Economic Development Ad Valorem Tax Exemption Program subject to Statement No. 77, *Tax Abatement Disclosures*. It enters into tax abatement agreements with local businesses as allowed by Article VII, Section 3 of the Florida Constitution, Chapter 196.1995 F.S., and approved by voter referendum in November 1998, August 2008, and again in November 2018, and by Council Resolution No. 98-55, Ordinance No. 2007-82, Ordinance No. 2009-32, and Ordinance 2011-67. Per Florida Statute, municipalities may exempt up to 100 percent of a business' property tax bill for the purpose of attraction or expansion of businesses within its jurisdiction. The abatements may be granted to any new business or expanding existing business that meets the definition in 196.012, F.S. This statute enumerates the following eligibility criteria to be considered: number of net new full-time jobs to be created, the average wage for the new jobs, the capital investment to be made, the type of business or operation, the environmental impact, the extent to which the applicant intends to source its supplies and materials within the jurisdiction, and any other economic-related characteristics deemed necessary by Council. For the fiscal year ended September 30, 2020, the City abated property taxes totaling \$512,795 under this program.

As part of the agreement, the benefiting businesses shall submit an annual report providing evidence of continued compliance with the definition of a new or existing business planning to expand in the City for each of the ten (10) years during which the businesses are eligible to receive the ad valorem tax exemption. If the annual report is not received, or if the annual report indicates that the business no longer meets the criteria of Section 196.012 Florida Statutes, the City Manager shall make a report to the City Council for consideration of revocation of the ad valorem tax exemption. The City Council may adopt an ordinance revoking the ad valorem tax exemption. The ordinance may provide that the City Council recover any ad valorem taxes abated in favor of the business for the time that was determined that the company no longer met the criteria.

NOTE 15 – Other Required Disclosures***New Pronouncements***

GASB Statement No. 93 – In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The Objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate ("IBOR"). This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended. This Statement is effective for fiscal year ending September 30, 2022. Management has determined that the impact of the Statement did not have a material effect on the City.

GASB Statement No. 87 – 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. The Statement is effective for the City's fiscal year ending September 30, 2022. The impact of GASB Statement No. 87 can be found in Note 1 – Summary of Significant Accounting Policies.

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of the 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 is effective for the fiscal year ending September 30, 2022. Management has determined that the impact of the Statement did not have a material effect on the City.

NOTE 15 – Other Required Disclosures (Continued)**Future Accounting Pronouncements**

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objective of the Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by the issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of conduit debt obligations; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for the fiscal year ending September 30, 2023.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objective this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports; (2) Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (“OPEB”) plan; (3) The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits; (4) The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements; (5) Measurement of liabilities (and assets, if any) related to asset retirement obligations (“AROs”) in a government acquisition; (6) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; (7) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; (8) Terminology used to refer to derivative instruments. This Statement is effective for fiscal year ending September 30, 2022.

GASB Statement No.94 – In March 2020, GASB issued Statement No 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangement (PPPS). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (“APAs”). The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This Statement is effective for fiscal year ending September 30, 2023.

GASB Statement No.96 – In May 2020, GASB issued Statement No 96, *Subscription-Based Information Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). The Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; (3) provides a capitalization criterion for outlays other than subscription payments, including implementation costs of a SBITA; (4) requires notes disclosures regarding a SBITA. This Statement is effective for fiscal year ending September 30, 2023.

Management has not determined the impact that these future accounting pronouncements will have on the City's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules:

- General Fund
- Bayfront Community Redevelopment Agency
- ARPA Fund
- Impact Fee Funds

Schedule of Changes in Net Pension Liability & Related Ratios:

- City of Palm Bay Retirement System

Schedule of Proportionate Share of Net Pension Liability:

- City of Palm Bay Retirement System

Schedule of Pension Contributions:

- City of Palm Bay Retirement System

Schedule of Funding Progress:

- Other Post-Employment Benefits

Schedule of Investment Returns:

- City of Palm Bay Retirement System

Notes to Required Supplementary Information

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND
For Fiscal Year Ended September 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
REVENUES/TRANSFERS IN				
Taxes:				
Ad Valorem	\$ 38,013,418	\$ 38,013,418	\$ 38,345,724	\$ 332,306
Local Option Fuel	3,796,230	3,796,230	4,165,133	368,903
Utility Service	9,385,000	9,385,000	10,429,242	1,044,242
Communication Service	2,500,000	2,633,283	2,686,205	52,922
Business Tax Receipts	539,800	539,800	525,197	(14,603)
	<u>54,234,448</u>	<u>54,367,731</u>	<u>56,151,501</u>	<u>1,783,770</u>
Licenses and Permits:				
Franchise Fees	5,944,250	5,944,250	7,203,233	1,258,983
Other Licenses and Permits	129,280	213,856	524,069	310,213
	<u>6,073,530</u>	<u>6,158,106</u>	<u>7,727,302</u>	<u>1,569,196</u>
Intergovernmental Revenues:				
Federal Grants	383,204	343,712	187,625	(156,087)
State Grants	-	49,891	13,581	(36,310)
Local Grants	158,000	158,000	186,000	28,000
State Revenue Sharing	12,410,904	13,128,502	15,569,918	2,441,416
Shared Taxes and Licenses	45,000	45,000	32,435	(12,565)
	<u>12,997,108</u>	<u>13,725,105</u>	<u>15,989,559</u>	<u>2,264,454</u>
Charges for Services:				
General Government Charges	699,920	747,115	1,336,730	589,615
Public Safety Charges	80,000	80,000	303,575	223,575
Physical Environment Charges	400,000	400,000	672,985	272,985
Transportation Charges	411,809	411,809	407,160	(4,649)
Culture/Recreation Charges	458,050	462,300	664,802	202,502
Charges to Other Funds	3,318,551	3,318,551	3,318,551	-
	<u>5,368,330</u>	<u>5,419,775</u>	<u>6,703,803</u>	<u>1,284,028</u>
Fines and Forfeitures:				
Court Fines and Costs	491,400	491,400	571,847	80,447
Miscellaneous Revenue:				
Investment income	433,000	433,000	(191,806)	(624,806)
Interest Income from Lease	-	-	99,420	99,420
Rents	300,000	300,000	88,570	(211,430)
Leases Revenue	-	-	288,156	288,156
Sales of Surplus	39,600	39,600	66,425	26,825
Contributions	61,400	61,400	23,505	(37,895)
Other Revenue	111,390	120,050	131,123	11,073
	<u>945,390</u>	<u>954,050</u>	<u>505,393</u>	<u>(448,657)</u>
Other Sources:				
Proceeds from Sale of Capital Assets	-	357,159	357,189	30
		<u>357,159</u>	<u>357,189</u>	<u>30</u>
Transfers In:				
CDBG	-	9,753	9,753	-
BCRA Fund	743,665	-	-	-
NSP Fund	-	1,533	1,533	-
Coronavirus Relief Fund	-	4,277	4,277	-
Fleet Service Fund	-	60,000	60,000	-
Other Employee Benefits Fund	943,295	943,295	943,295	-
Utilities Operating Fund	1,438,883	1,438,883	1,438,883	-
	<u>3,125,843</u>	<u>2,457,741</u>	<u>2,457,741</u>	<u>-</u>
Total Revenues and Transfers In	83,236,049	83,931,067	90,464,335	6,533,268

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)**
For Fiscal Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
EXPENDITURES/TRANSFERS OUT				
General Government:				
Legislative:				
Personal Services	613,238	645,910	621,480	24,430
Operating	171,931	383,432	364,413	19,019
	<u>785,169</u>	<u>1,029,342</u>	<u>985,893</u>	<u>43,449</u>
City Manager:				
Personal Services	865,768	979,887	875,419	104,468
Operating	382,991	413,075	233,301	179,774
	<u>1,248,759</u>	<u>1,392,962</u>	<u>1,108,720</u>	<u>284,242</u>
City Attorney:				
Personal Services	202,128	221,728	219,901	1,827
Operating	277,528	318,020	164,175	153,845
	<u>479,656</u>	<u>539,748</u>	<u>384,076</u>	<u>155,672</u>
Procurement:				
Personal Services	669,325	671,776	632,293	39,483
Operating	15,115	15,169	7,921	7,248
	<u>684,440</u>	<u>686,945</u>	<u>640,214</u>	<u>46,731</u>
Finance:				
Personal Services	1,405,040	1,458,272	1,354,264	104,008
Operating	39,462	39,562	32,922	6,640
	<u>1,444,502</u>	<u>1,497,834</u>	<u>1,387,186</u>	<u>110,648</u>
Information and Innovation:				
Personal Services	1,393,760	1,436,294	1,383,986	52,308
Operating	2,141,792	2,688,381	2,180,138	508,243
Capital Outlay	-	2,031,423	15,354	2,016,069
	<u>3,535,552</u>	<u>6,156,098</u>	<u>3,579,478</u>	<u>2,576,620</u>
Human Resources:				
Personal Services	546,877	545,015	371,421	173,594
Operating	236,687	232,257	158,923	73,334
	<u>783,564</u>	<u>777,272</u>	<u>530,344</u>	<u>246,928</u>
Growth Management:				
Personal Services	1,644,358	1,744,577	1,563,707	180,870
Operating	224,658	611,464	194,230	417,234
	<u>1,869,016</u>	<u>2,356,041</u>	<u>1,757,937</u>	<u>598,104</u>
Community & Economic Dev:				
Personal Services	836,270	834,293	634,448	199,845
Operating	412,248	431,256	173,123	258,133
Capital Outlay	-	15,000	-	15,000
	<u>1,248,518</u>	<u>1,280,549</u>	<u>807,571</u>	<u>472,978</u>
Facility Maintenance				
Personal Services	3,513,427	3,500,156	3,317,671	182,485
Operating	2,290,999	2,617,955	2,359,725	258,230
Capital Outlay	-	2,042,800	1,061,755	981,045
	<u>5,804,426</u>	<u>8,160,911</u>	<u>6,739,151</u>	<u>1,421,760</u>
Non-Departmental:				
Operating	6,134,689	5,765,447	5,729,753	35,694
	<u>6,134,689</u>	<u>5,765,447</u>	<u>5,729,753</u>	<u>35,694</u>
Total General Government	24,018,291	29,643,149	23,650,323	5,992,826

Continued on the next page

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)**
For Fiscal Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Public Safety:				
Police:				
Personal Services	23,729,335	23,969,309	22,403,231	1,566,078
Operating	1,247,955	1,608,623	1,310,853	297,770
	<u>24,977,290</u>	<u>25,577,932</u>	<u>23,714,084</u>	<u>1,863,848</u>
Fire:				
Personal Services	16,313,985	16,544,441	16,580,708	(36,267)
Operating	633,404	856,370	806,908	49,462
Capital Outlay	-	452,893	7,927	444,966
	<u>16,947,389</u>	<u>17,853,704</u>	<u>17,395,543</u>	<u>458,161</u>
Total Public Safety	41,924,679	43,431,636	41,109,627	2,322,009
Transportation:				
Public Works - Transportation				
Personal Services	5,493,789	5,477,774	4,530,040	947,734
Operating	1,912,453	2,437,957	1,579,097	858,860
Capital Outlay	-	633,088	102,326	530,762
Total Transportation	7,406,242	8,548,819	6,211,463	2,337,356
Culture/Recreation:				
Parks & Recreation				
Personal Services	1,386,822	1,382,071	1,156,044	226,027
Operating	800,513	792,300	637,236	155,064
Capital Outlay	-	17,904	16,331	1,573
Total Culture / Recreation	2,187,335	2,192,275	1,809,611	382,664
Transfers Out:				
Capital Improvements Program	-	25,409	25,409	-
Debt Service Fund	6,413,145	6,413,145	6,393,952	19,193
Stormwater Fund	275,697	275,697	275,697	-
Fleet Services Fund	160,584	3,116,750	3,116,750	-
Road Maintenance CIP	750,000	1,107,159	1,107,189	(30)
HOME	-	58,111	58,110	1
Environment Fee Fund	50,000	50,000	50,000	-
Utility Operating Fund	50,076	1,033	1,033	-
Community Investment Grant	-	300,000	300,000	-
Building Fund	-	245	245	-
Total Transfers Out	7,699,502	11,347,549	11,328,385	19,164
Total Expenditures and Transfers Out	83,236,049	95,163,428	84,109,409	11,054,019
Excess (Deficiency) of Revenues and Transfers In Over (Under) Expenditures and Transfers Out	\$ -	\$ (11,232,361)	\$ 6,354,926	\$ 17,587,287
Fund Balance - Beginning of Year			30,613,782	
Fund Balance - End of Year			\$ 36,968,708	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – BAYFRONT COMMUNITY REDEVELOPMENT AGENCY
For Fiscal Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 1,637,391	\$ 1,637,391	\$ -
Investment Income	6,400	14,057	(7,657)
Total Revenues	1,643,791	1,651,448	(7,657)
EXPENDITURES			
Current:			
Economic Environment	1,145,095	638,662	506,433
Capital Outlay	-	-	-
Debt Service:			
Principal Retirement	342,000	342,000	-
Interest and Fiscal Charges	7,167	7,167	-
Total Expenditures	1,494,262	987,829	506,433
Excess (Deficiency) of Revenues Over (Under) Expenditures	149,529	663,619	498,776
OTHER FINANCING SOURCES			
Proceeds from Sales of Capital Assets	214,830	177,606	(37,224)
Transfers Out	(1,340,011)	(1,340,011)	-
Total Other Financing Sources	(1,125,181)	(1,162,405)	-
Net Change in Fund Balance	\$ (975,652)	\$ (498,786)	\$ 498,776
Fund Balance - Beginning		1,971,473	
Fund Balance - Ending		\$ 1,472,687	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL - ARPA FUND
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 9,004,932	\$ 1,276,282	\$ (7,728,650)
Investment Income	-	3,194	3,194
Miscellaneous Revenue	-	-	-
Total Revenues	9,004,932	1,279,476	(7,725,456)
EXPENDITURES			
Current:			
Economic Environment	13,464,125	1,282,148	12,181,977
Total Expenditures	13,464,125	1,282,148	12,181,977
Excess of Revenues Over Expenditures	(4,459,193)	(2,672)	4,456,521
Net Change in Fund Balance	\$ (4,459,193)	(2,672)	\$ 4,456,521
Fund Balance - Beginning		2,672	
Fund Balance - Ending		\$ -	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL - IMPACT FEE TRUST FUND
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Impact Fees	\$ 8,025,000	\$ 17,148,790	\$ 9,123,790
Investment Income	41,400	228,495	187,095
Total Revenues	8,066,400	17,377,285	9,310,885
EXPENDITURES			
Current:			
Culture/Recreation	19,564	1,183	18,381
Public Safety	167,564	119,502	48,062
Physical Environment	-	-	-
Transportation	92,195	12,489	79,706
Capital Outlay	16,417,159	1,345,961	15,071,198
Total Expenditures	16,696,482	1,479,135	15,217,347
Excess of Revenues Over Expenditures	(8,630,082)	15,898,150	24,528,232
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers (Out)	(944,620)	(994,620)	(50,000)
Total Other Financing Sources (Uses)	(944,620)	(994,620)	(50,000)
Net Change in Fund Balance	\$ (9,574,702)	14,903,530	\$ 24,478,232
Fund Balance - Beginning		30,406,965	
Fund Balance - Ending		\$ 45,310,495	

**CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
September 30, 2022**

	Police									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Total Pension Liability										
Service Cost	\$ 1,804,281	\$ 1,748,826	\$ 1,690,596	\$ 1,563,897	\$ 1,590,256	\$ 1,571,207	\$ 1,641,528	\$ 1,627,434	\$ 1,682,546	
Interest	10,710,139	10,225,054	9,666,537	9,100,104	8,659,017	8,317,177	8,013,990	7,846,279	7,499,442	
Change in Excess State Money	-	-	-	-	(82,053)	(468,527)	82,053	97,949	84,152	
Shared Plan Allocation	249,643	200,154	187,202	160,785	136,496	186,426	-	-	-	
Changes of Benefit Terms	-	756,379	-	-	-	-	-	-	-	
Difference between expected & actual experience	264,507	878,416	(1,033,005)	2,401,146	1,385,775	61,339	(1,049,607)	(2,269,835)	-	
Changes in assumptions	2,678,105	-	3,966,069	-	-	-	3,811,157	-	-	
Contributions Buy Back	25,096	14,123	40,406	60,141	17,077	45,396	15,167	5,777	-	
Benefit payments, including refunds of member contributions	(6,912,117)	(6,610,618)	(6,152,166)	(6,055,760)	(6,085,882)	(5,329,528)	(5,107,223)	(5,147,483)	(4,435,345)	
Net Change in Total Pension Liability	8,819,654	7,212,334	8,365,639	7,230,313	5,620,686	4,383,490	7,407,065	2,160,121	4,830,795	
Total Pension Liability - Beginning	141,653,598	134,480,630	126,114,991	118,884,678	113,263,992	108,880,502	101,473,437	99,313,316	94,482,521	
Total Pension Liability - Ending (a)	150,473,252	141,692,964	134,480,630	126,114,991	118,884,678	113,263,992	108,880,502	101,473,437	99,313,316	
Plan Fiduciary Net Position										
Contributions - Employer	2,177,619	1,825,661	1,906,845	1,920,794	1,697,726	1,116,672	1,651,022	1,811,984	1,698,539	
Contributions - State	1,020,019	921,042	895,138	842,305	793,726	716,530	684,840	618,683	604,886	
Contributions - Employee	832,048	713,687	690,308	670,948	638,421	621,675	589,865	605,581	599,342	
Contributions - Buy Back	25,096	14,123	40,406	60,141	17,077	45,396	15,167	5,777	-	
Net Investment (loss) income	(28,677,347)	24,565,999	13,728,562	4,905,418	9,688,752	10,734,486	8,778,963	(435,284)	9,243,488	
Benefit payments, including refunds of contributions	(6,912,117)	(6,610,618)	(6,152,166)	(6,055,760)	(6,085,882)	(5,329,528)	(5,107,223)	(5,147,483)	(4,435,345)	
Administrative Expenses	(288,795)	(294,671)	(292,328)	(299,073)	(306,350)	(309,245)	(279,039)	(252,632)	(245,600)	
Net Change in Plan Fiduciary Net Pension	(31,823,477)	21,135,223	10,816,765	2,044,773	6,443,470	7,595,986	6,333,595	(2,793,374)	7,465,310	
Plan Fiduciary Net Position - Beginning	145,064,213	123,968,356	113,100,885	111,056,112	104,612,642	97,016,656	90,683,061	93,476,435	86,011,125	
Plan Fiduciary Net Position - Ending (b)	113,240,736	145,103,579	123,917,650	113,100,885	111,056,112	104,612,642	97,016,656	90,683,061	93,476,435	
Net Pension Liability - Ending (a) - (b)	\$ 37,232,516	\$ (3,410,615)	\$ 10,562,980	\$ 13,014,106	\$ 7,828,566	\$ 8,651,350	\$ 11,863,846	\$ 10,790,376	\$ 5,836,881	
Plan fiduciary net position as a percentage of the total pension liability	75.26%	102.41%	92.15%	89.68%	93.41%	92.36%	89.10%	89.37%	94.12%	
Covered Payroll	\$ 9,498,262	\$ 8,133,762	\$ 7,648,804	N/A	N/A	N/A	N/A	\$ 6,841,804	\$ 6,877,781	
Net pension liability as a percentage of covered payroll	391.99%	-41.93%	138.10%	N/A	N/A	N/A	N/A	157.71%	84.87%	

Notes to Schedule:

The Covered Payroll numbers shown are in compliance with GASB 82. For fiscal years 2015 to 2018 the information was not available.

Note: This is the ninth year of implementation for GASBC P20: *Pension Activities*. GASB requires information for 10 years. The City has presented information for those years for which information is available.

**CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
September 30, 2022**

	Fire								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ 1,805,670	\$ 1,784,228	\$ 1,725,051	\$ 1,623,517	\$ 1,563,954	\$ 1,664,642	\$ 1,460,239	\$ 1,396,536	\$ 1,299,634
Interest	9,039,979	8,638,064	8,112,876	7,785,426	7,439,387	7,171,289	6,914,011	6,469,622	6,293,170
Change in Excess State Money	-	-	-	-	-	(157,840)	-	-	-
Changes of Benefit Terms	488,588	-	-	(23,176)	-	-	-	-	-
Shared Plan Allocation	-	-	-	-	-	7,840	-	-	-
Difference between expected & actual experience	686,968	320,532	695,678	752,209	1,124,887	366,711	88,819	2,589,797	-
Changes in assumptions	2,154,613	-	3,825,109	-	-	-	2,358,009	-	-
Contributions Buy Back	34,001	45,543	-	-	-	-	18,462	-	-
Benefit payments, including refunds of member contributions	(6,340,073)	(5,749,141)	(6,619,446)	(5,455,603)	(5,943,601)	(5,357,309)	(4,515,339)	(5,414,256)	(5,553,839)
Net Change in Total Pension Liability	7,869,746	5,039,226	7,739,268	4,682,373	4,184,627	3,695,333	6,324,201	5,041,699	2,038,965
Total Pension Liability - Beginning	119,045,437	114,006,211	106,266,943	101,584,570	97,399,943	93,704,610	87,380,409	82,338,710	80,299,745
Total Pension Liability - Ending (a)	126,915,183	119,045,437	114,006,211	106,266,943	101,584,570	97,399,943	93,704,610	87,380,409	82,338,710
Plan Fiduciary Net Position									
Contributions - Employer	3,151,077	2,784,081	2,699,071	2,535,686	2,463,758	2,195,957	2,065,835	1,976,329	1,889,000
Contributions - State	580,174	549,529	526,141	497,478	522,880	506,774	559,910	590,203	639,518
Contributions - Employee	638,908	547,792	555,414	533,821	520,927	511,241	500,569	474,486	426,764
Contributions - Buy Back	34,001	45,543	-	-	-	-	18,462	-	-
Net Investment (loss) income	(20,538,465)	18,973,828	9,801,388	3,442,083	6,785,112	8,443,619	5,998,705	(251,532)	7,612,697
Benefit payments, including refunds of contributions	(6,340,073)	(5,749,141)	(6,619,446)	(5,455,603)	(5,943,601)	(5,357,309)	(4,515,339)	(5,414,256)	(5,553,839)
Administrative Expenses	(233,218)	(242,641)	(233,632)	(244,302)	(245,013)	(239,997)	(224,986)	(205,617)	(187,613)
Net Change in Plan Fiduciary Net Pension	(22,707,596)	16,908,991	6,728,936	1,309,163	4,104,063	6,060,285	4,403,156	(2,830,387)	4,826,527
Plan Fiduciary Net Position - Beginning	111,352,937	94,443,946	87,715,010	86,405,847	82,301,784	76,241,499	71,838,343	74,668,730	69,842,203
Plan Fiduciary Net Position - Ending (b)	88,645,341	111,352,937	94,443,946	87,715,010	86,405,847	82,301,784	76,241,499	71,838,343	74,668,730
Net Pension Liability - Ending (a) - (b)	\$ 38,269,842	\$ 7,692,500	\$ 19,562,265	\$ 18,551,933	\$ 15,178,723	\$ 15,098,159	\$ 17,463,111	\$ 15,542,066	\$ 7,669,980
Plan fiduciary net position as a percentage of the total pension liability	69.85%	93.54%	82.84%	82.54%	85.06%	84.50%	81.36%	82.21%	90.68%
Covered Payroll	\$ 7,293,480	\$ 6,253,060	\$ 6,338,780	\$ 6,093,853	N/A	N/A	N/A	\$ 4,871,735	\$ 4,871,735
Net pension liability as a percentage of covered payroll	524.71%	123.02%	308.61%	304.44%	N/A	N/A	N/A	N/A	157.44%

Notes to Schedule:

The Covered Payroll numbers shown are in compliance with GASB 82. For the prior years, the information was not available.

Note: This is the ninth year of implementation for GASBC P20: *Pension Activities*. GASB requires information for 10 years. The City has presented information for those years for which information is available.

**CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
September 30, 2022**

	General								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,200	1,165	1,277	1,353	1,431	1,510	2,381	2,247	2,564
Difference between expected & actual experience	(4,414)	1,957	1,871	1,775	1,680	1,590	(10,628)	4,093	-
Changes in assumptions	-	-	(937)	-	-	-	2,080	-	-
Benefit payments, including refunds of member contributions	(2,532)	(2,796)	(4,115)	(4,115)	(4,115)	(4,115)	(4,115)	(5,213)	(7,835)
Net Change in Total Pension Liability	(5,746)	326	(1,904)	(987)	(1,004)	(1,015)	(10,282)	1,127	(5,271)
Total Pension Liability - Beginning	16,952	16,626	18,530	19,517	20,521	21,536	31,818	30,691	35,962
Total Pension Liability - Ending (a)	11,206	16,952	16,626	18,530	19,517	20,521	21,536	31,818	30,691
Plan Fiduciary Net Position									
Net Investment (loss) income	(38,418)	41,208	22,036	10,497	18,604	20,370	16,561	1,776	18,826
Benefit payments, including refunds of contributions	(2,532)	(2,796)	(4,115)	(4,115)	(4,115)	(4,115)	(4,115)	(5,213)	(7,835)
Administrative Expenses	(2,533)	(4,448)	(4,359)	(4,315)	(4,692)	(4,370)	(4,796)	(6,130)	(455)
Net Change in Plan Fiduciary Net Pension	(43,483)	33,964	13,562	2,067	9,797	11,885	7,650	(9,567)	10,536
Plan Fiduciary Net Position - Beginning	248,692	214,728	201,166	199,099	189,302	177,417	169,767	179,334	168,798
Plan Fiduciary Net Position - Ending (b)	205,209	248,692	214,728	201,166	199,099	189,302	177,417	169,767	179,334
Net Pension Liability - Ending (a) - (b)	\$ (194,003)	\$ (231,740)	\$ (198,102)	\$ (182,636)	\$ (179,582)	\$ (168,781)	\$ (155,881)	\$ (137,949)	\$ (148,643)
Plan fiduciary net position as a percentage of the total pension liability	1831.24%	1467.04%	1291.52%	1085.62%	1020.13%	922.48%	823.82%	533.56%	584.32%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: This is the ninth year of implementation for GASBC P20: *Pension Activities*. GASB requires information for 10 years. The City has presented information for those years for which information is available.

**CITY OF PALM BAY FLORIDA RETIREMENT SYSTEM (FRS)
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
September 30, 2022**

	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability (asset)	0.000004808%	0.000599208%	0.000811617%	0.000850780%	0.000840355%	0.000620674%	0.000314544%
City's proportionate share of the net pension liability (asset)	\$ 178,894	\$ 45,263	\$ 351,767	\$ 292,997	\$ 253,119	\$ 183,591	\$ 79,423
City's covered payroll	\$ 74,805	\$ 81,392	\$ 80,542	\$ 79,251	\$ 74,676	\$ 58,992	\$ 30,877
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	239.15%	55.61%	436.75%	369.71%	338.96%	311.21%	257.22%
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%

Note: 1) This is the ninth year of implementation for GASBC P20: *Pension Activities*. GASB requires information for 10 years. The City has presented information for those years for which information is available.

2) The Plan's fiduciary net position as a percentage of total pension liability is published in Note 4 of the Plan's Annual Comprehensive Financial Report.

3) These amounts are of June 30, the Plan's fiscal year end.

**CITY OF PALM BAY HEALTH INSURANCE SUBSIDY (HIS)
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
September 30, 2022**

	2022	2021	2020	2019	2018	2017	2016
City's proportion of the net pension liability (asset)	0.000017688%	0.000196991%	0.000199291%	0.000202312%	0.000202913%	0.000152400%	0.000777202%
City's proportionate share of the net pension liability (asset)	\$ 18,735	\$ 24,164	\$ 24,333	\$ 22,715	\$ 21,477	\$ 16,295	\$ 9,058
City's covered payroll	\$ 74,805	\$ 81,392	\$ 80,542	\$ 79,251	\$ 74,676	\$ 58,992	\$ 30,877
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	25.05%	29.69%	30.21%	28.66%	28.76%	27.62%	29.34%
Plan fiduciary net position as a percentage of the total pension liability	4.84%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

Note: 1) This is the ninth year of implementation for GASBC P20: *Pension Activities*. GASB requires information for 10 years. The City has presented information for those years for which information is available.

2) The Plan's fiduciary net position as a percentage of total pension liability is published in Note 4 of the Plan's Annual Comprehensive Financial Report.

3) These amounts are of June 30, the Plan's fiscal year end.

**CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
September 30, 2022**

	Police							
	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 2,947,994	\$ 2,597,252	\$ 2,677,671	\$ 2,493,163	\$ 2,356,572	\$ 2,195,741	\$ 2,171,756	\$ 2,332,718
From Excess State Money Reserve	-	-	-	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	(2,971,067)	(2,585,915)	(2,665,487)	(2,556,052)	(2,354,956)	(2,115,304)	(2,253,809)	(2,332,718)
Contribution deficiency (excess)	\$ (23,073)	\$ 11,337	\$ 12,184	\$ (62,889)	\$ 1,616	\$ -	\$ -	\$ -
Actuarially computed - covered payroll	\$ 9,498,262	\$ 8,133,762	\$ 7,874,027	\$ 7,648,804	N/A	N/A	\$ 6,841,804	\$ 6,877,781
Contributions as a percentage of covered payroll	31.28%	31.79%	33.85%	33.42%	N/A	N/A	31.74%	33.92%

Notes to Schedule

Valuation Date 10/1/2020 (AIS 11/30/2021)

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

Methods and assumptions used to determine contribution rate:

Actuarial cost method	Frozen Entry Age Cost Method
Amortization method	
Remaining amortization period	30 years
Asset valuation method	
Inflation	2.70%
Salary Increase	Varies by age
Investment Rate of Return	7.50%
Retirement age	52-55
Mortality - Healthy Active & Retiree	PubS.H-2010
- Beneficiary	PubG.H-2010
	Improvement Scale MP-2018

The Covered Payroll numbers shown are in compliance with GASB 82. For fiscal years 2017 & 2018, the information was not available.

The mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The rates are outlined in Milliman’s July 1, 2021, FRS valuation report for non-special-risk employees.

Note: This is the ninth year of implementation for GASBC P20: *Pension Activities*. GASB requires information for 10 years. The City has presented information for those years for which information is available.

**CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
September 30, 2022**

	Fire							
	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 3,729,269	\$ 3,333,608	\$ 3,225,212	\$ 3,049,270	\$ 2,970,532	\$ 2,852,731	\$ 2,625,745	\$ 2,566,532
Contribution from Reserve	-	-	-	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	(3,731,251)	(3,385,659)	(3,225,212)	(3,033,164)	(2,986,638)	(2,852,731)	(2,625,745)	(2,566,532)
Contribution deficiency (excess)	\$ (1,982)	\$ (52,051)	\$ -	\$ 16,106	\$ (16,106)	\$ -	\$ -	\$ -
Actuarially computed - covered payroll	\$ 7,293,480	\$ 6,253,060	\$ 6,338,780	\$ 6,093,853	N/A	N/A	\$ 4,871,735	\$ 4,871,735
Contributions as a percentage of covered payroll	51.16%	54.14%	50.88%	49.77%	N/A	N/A	N/A	52.68%

Notes to Schedule

Valuation Date 10/1/2020 (AIS 01/11/2022)

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

Methods and assumptions used to determine contribution rate:

Actuarial cost method	Entry age normal cost method
Amortization method	
Remaining amortization period	30 years
Asset valuation method	
Inflation	2.70%
Salary Increase	Varies by age
Investment Rate of Return	7.50%
Retirement age	52-55
Mortality - Healthy Active & Retiree	PubS.H-2010
- Beneficiary	PubG.H-2010
	Improvement Scale MP-2018

The Covered Payroll numbers shown are in compliance with GASB 82. For fiscal years 2015 to 2018, the information was not available.

The mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The rates are outlined in Milliman’s July 1, 2021, FRS valuation report for non-special-risk employees.

Note: This is the ninth year of implementation for GASBC P20: *Pension Activities*. GASB requires information for 10 years. The City has presented information for those years for which information is available.

**CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
September 30, 2022**

	General								
	2022	2021	2020	2019	2018	2017	2016	2015	
Actuarially determined contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Actuarially computed - covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation Date 10/1/2020
Actuarially determined contributions rates are calculated as of October 1, two years prior to the

the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rate:

Actuarial cost method	Aggregate Actuarial Cost Method.
Amortization method	
Asset valuation method	
Inflation	2.70%
Investment Rate of Return	7.65%
Mortality	PubG.H-2010 Improvement Scale MP-2018

The mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. The law mandates the use of the assumptions used in either of the two recent valuations of the Florida Retirement System (FRS). The rates are outlined in Milliman's July 1, 2021, FRS valuation report for non-special-risk employees.

Note: This is the ninth year of implementation for GASBC P20: *Pension Activities*. GASB requires information for 10 years. The City has presented information for those years for which information is available.

**CITY OF PALM BAY FLORIDA RETIREMENT SYSTEM (FRS)
SCHEDULE OF CONTRIBUTIONS
September 30, 2022**

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 20,516	\$ 22,827	\$ 26,966	\$ 26,380	\$ 23,949	\$ 16,158	\$ 7,671	\$ 8,561
Contributions in relation to the contractually required contribution	\$ (20,516)	\$ (22,827)	\$ (26,966)	\$ (26,380)	\$ (23,949)	\$ (16,158)	\$ (7,671)	\$ (8,561)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 91,628	\$ 80,324	\$ 80,894	\$ 79,507	\$ 75,838	\$ 66,722	\$ 30,877	\$ 30,885
Contributions as a percentage of covered payroll	22.39%	28.42%	33.33%	33.18%	31.58%	24.22%	24.84%	27.72%

Note: This is the ninth year of implementation for GASBC P20: *Pension Activities*. GASB requires information for 10 years. The city has presented information for those years for which information is available.

**CITY OF PALM BAY HEALTH INSURANCE SUBSIDY (HIS)
SCHEDULE OF CONTRIBUTIONS
September 30, 2022**

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,070	\$ 1,158	\$ 1,148	\$ 1,127	\$ 1,100	\$ 807	\$ 398	\$ 302
Contributions in relation to the contractually required contribution	\$ (1,070)	\$ (1,158)	\$ (1,148)	\$ (1,127)	\$ (1,100)	\$ (807)	\$ (398)	\$ (302)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 91,628	\$ 80,324	\$ 80,894	\$ 79,507	\$ 75,838	\$ 66,772	\$ 30,877	\$ 30,885
Contributions as a percentage of covered payroll	1.17%	1.44%	1.42%	1.42%	1.45%	1.21%	1.29%	0.98%

Note: This is the ninth year of implementation for GASBC P20: *Pension Activities*. GASB requires information for 10 years. The City has presented information for those years for which information is available.

**CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
 SCHEDULE OF INVESTMENT RETURNS
 September 30, 2022**

Annual money-weighted rate of return, net of investment expense	Police	Fire	General
2022	-19.98%	-18.62%	-15.61%
2021	20.09%	20.31%	19.52%
2020	12.29%	11.37%	11.19%
2019	4.47%	4.03%	5.39%
2018	9.41%	8.38%	10.06%
2017	11.25%	11.25%	11.76%
2016	9.81%	8.44%	10.02%
2015	-0.47%	-0.34%	1.02%
2014	10.82%	11.04%	11.43%

Note: This is the ninth year of implementation for GASBC P20: *Pension Activities*. GASB requires information for 10 years. The City has presented information for those years for which information is available.

**CITY OF PALM BAY OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS**

September 30, 2022

Reporting Period Ending Measurement Date	9/30/2022 <u>10/1/2021</u>	9/30/2021 <u>10/1/2020</u>	9/30/2020 <u>10/1/2019</u>	9/30/2019 <u>10/1/2018</u>	9/30/2018 <u>10/1/2017</u>
Total OPEB Liability					
Service Cost	\$ 543,281	\$ 391,754	\$ 427,206	\$ 496,906	\$ 256,771
Interest for 1 years	455,707	527,858	437,473	662,485	300,970
Differences Between Expected & Actual Experiences	-	(320,127)	-	2,179,786	-
Changes of Assumptions	-	(245,354)	-	1,198,439	274,884
Benefits Payments	(327,577)	(419,481)	(298,609)	(556,419)	(233,756)
Net Change in Total OPEB Liability	671,411	(65,350)	566,070	3,981,197	598,869
Total OPEB Liability - Beginning	<u>12,315,964</u>	<u>12,381,314</u>	<u>11,815,244</u>	<u>7,834,047</u>	<u>7,559,163</u>
Total OPEB Liability - Ending	<u>\$ 12,987,375</u>	<u>\$ 12,315,964</u>	<u>\$ 12,381,314</u>	<u>\$ 11,815,244</u>	<u>\$ 8,158,032</u>
Covered-Employee Payroll	\$ 34,774,162	\$ 33,436,695	\$ 31,948,733	\$ 31,948,733	\$ 33,060,253
Total OPEB Liability as a Percentage of Covered-Employee Payroll	37.35%	36.83%	38.75%	36.98%	24.68%

Notes to Schedule:

The following are the discount rates used in each period:

FY2022	3.75%
FY2021	3.75%
FY2020	3.75%
FY2019	3.75%
FY2018	3.90%

Plan Assets:

The City's OPEB obligations are funded on a pay-as-you-go basis. Assets are not accumulated in a trust that meet the criteria set forth in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Note: This is the fifth year of implementation for GASB 75. GASB requires information for 10 years. The City has presented information for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 – BUDGETARY REQUIREMENTS

A. Budgetary Information

The following procedures are used to establish the budgetary data reflected in the financial statements:

- 1) No later than August 10th of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1.
- 2) Public hearings are held to obtain taxpayer comments.
- 3) Prior to October 1, the budget is legally enacted through the passage of an ordinance.
- 4) Budgets are legally adopted, and formal budgetary integration is employed as a management control device during the year for the general fund, all special revenue funds (except for the miscellaneous donations fund), all capital projects fund, and all debt service funds. The budgets adopted for the enterprise fund and internal service funds are for managerial control purposes.
- 5) Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- 6) The City Manager is authorized to transfer part or all unencumbered appropriation balance between activities of a department within a fund; however, any revisions that alter the total appropriations of any department or fund must be approved by the City Council. The classification detail at which expenditures may not legally exceed appropriations is at the fund level. During the fiscal year ended, various appropriations were approved in accordance with this policy. Budgeted amounts shown in the financial statements are as originally adopted and as further amended.
- 7) Appropriations lapse at the close of the fiscal year.



THIS PAGE INTENTIONALLY LEFT BLANK.

OTHER SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule:

- Debt Service Fund
- GO Road Program Fund

Nonmajor Governmental Funds:

Combining Financial Statements for All Nonmajor Governmental Funds and Individual Budgetary Comparison Schedules for All Budgeted Nonmajor Governmental Funds

Nonmajor Enterprise Funds:

Combining Financial Statements for All Nonmajor Enterprise Funds

Nonmajor Enterprise Funds:

Combining Financial Statements for All Nonmajor Enterprise Funds

Fiduciary Funds:

Combining Statements for Fiduciary Funds



THIS PAGE INTENTIONALLY LEFT BLANK

**BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 7,001,719	\$ 7,044,483	\$ 42,764
Investment Income	10,850	47,547	36,697
Total Revenues	7,012,569	7,092,030	79,461
EXPENDITURES			
Current:			
General Government	1,525	1,473	52
Debt Service:			
Principal Retirement	7,293,950	7,293,950	-
Interest and Fiscal Charges	7,024,663	7,024,663	-
Total Expenditures	14,320,138	14,320,086	52
Deficiency of Revenues Under Expenditures	(7,307,569)	(7,228,056)	79,513
OTHER FINANCING SOURCES			
Transfers In	10,896,040	10,878,976	(17,064)
Transfers Out	(3,476,969)	(3,479,098)	(2,129)
Total Other Financing Sources	7,419,071	7,399,878	(19,193)
Net Change in Fund Balance	\$ 111,502	171,822	\$ 60,320
Fund Balance - Beginning		5,598,994	
Fund Balance - Ending		\$ 5,770,816	

**BUDGET AND ACTUAL
GO ROAD PROGRAM FUND
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Investment Income	\$ 100,000	\$ 334,102	\$ 234,102
Contributions		83,659	83,659
Total Revenues	100,000	417,761	317,761
EXPENDITURES			
Current:			
Physical Environment			
Transportation	9,025	-	9,025
Capital Outlay	57,360,780	7,089,832	50,270,948
Total Expenditures	57,369,805	7,089,832	50,279,973
Excess of Revenues			
Over Expenditures	(57,269,805)	(6,672,071)	50,514,075
OTHER FINANCING SOURCES (USES)			
Transfer (Out)	(11,306)	(11,306)	-
Total Other Financing Sources	(11,306)	(11,306)	-
Net Change in Fund Balance	\$ (57,281,111)	(6,683,377)	\$ 50,514,075
Fund Balance - Beginning		62,535,284	
Fund Balance - Ending		\$ 55,851,907	



THIS PAGE INTENTIONALLY LEFT BLANK.

NONMAJOR GOVERNMENTAL FUNDS**SPECIAL REVENUE FUNDS**

Special Revenue Funds account for revenues from specific taxes or other earmarked revenue sources which, by law are designated to finance functions or activities of government. The City has the following nonmajor special revenue funds:

Law Enforcement Trust – This fund is used to account for proceeds obtained through the sale of confiscated and unclaimed property turned over to the City through court judgments. The proceeds are to be used solely for crime fighting purposes.

Palm Bay Municipal Foundation Fund – Established under Section 501(c)(3). This component unit was established to raise funds for charitable, educational, scientific, and literary pursuits. It avails contributors to tax write-offs; and is the beneficiary of revenues generated from Red Light Camera violations.

Code Nuisance Fund – This fund is used to account for transactions related to properties with code violations where the owners are unwilling to abate the problems.

SHIP Program – This fund is used to account for proceeds received from the State for the City's State Housing Initiative Partnership (SHIP) program.

Community Development Block Grant – This fund is used to account for proceeds received from a Housing and Community Development Grant program for common residential improvements.

HOME Grant – This fund is used to account for the proceeds received from the State for the City's HOME Grant.

Neighborhood Stabilization Program – This fund accounts for Neighborhood Stabilization Program (NSP) transactions which is a federally funded initiative. NSP 1 authorized funding of \$5.2M to acquire and or rehabilitate up to 45 residential properties, NSP 3 authorized \$1.7M in funding for the purchase of foreclosed or abandoned homes and to rehabilitate, resell or redevelop these homes to promote equipoise in local areas.

Coronavirus Relief Fund – This account is used to account for grant funds designated for citizen assistance due to COVID-19.

CDBG CV - Coronavirus Fund – This account is used to account for federal funding related to Community Development Block Grant (CDBG) to assist eligible residents to prepare, prevent and respond to the impact of Coronavirus.

Miscellaneous Donations – This fund is used to account for proceeds received as donations to the Police, Fire and Parks Departments.

Environmental Fee Fund – This fund is used to account for transactions related to the City's Incidental Take Permit issued by the United States Fish and Wildlife Service.



THIS PAGE INTENTIONALLY LEFT BLANK.

CAPITAL PROJECTS FUNDS

Community Investment Fund - This fund is used to account for financial resources earmarked for the acquisition or construction of major capital facilities or other project-oriented activities.

I-95 Interchange Fund - This fund is used to account for financial resources earmarked for the construction of an interchange between St. John's Heritage Parkway (Palm Bay Parkway) and Mico Road.

Road Maintenance CIP Fund - This fund is used to account for financial resources earmarked for the maintenance and repair of existing roadways.

Connector Road I-95 – This fund is used to account for resources earmarked for the acquisition and construction of a connector road at the intersection of Babcock Road and the newly constructed I-95 interchange.



THIS PAGE INTENTIONALLY LEFT BLANK.

**COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022**

Special Revenue Funds									
	Law Enforcement Trust	PB Municipal Foundation Fund	Code Nuisance Fund	SHIP Program	Community Development Block Grant	HOME Grant	Neighborhood Stabilization Program	Coronavirus Relief	CDBG Coronavirus Fund
ASSETS									
Cash and Cash Equivalents	\$ -	\$ 67,583	\$ 361,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	307,968	-	-	-	-	-	-
Restricted Cash and Equivalents	223,834	-	-	1,491,594	-	403,158	624,025	-	-
Restricted Investments	126,266	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	68,749	-	184,243	-	159,582
Due from Other Funds	-	-	-	184,243	-	-	-	-	-
Total Assets	\$ 350,100	\$ 67,583	\$ 669,858	\$ 1,675,837	\$ 68,749	\$ 403,158	\$ 808,268	\$ -	\$ 159,582
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable	\$ -	\$ 5,970	\$ 4,073	\$ 43,032	\$ 12,731	\$ 409	\$ -	\$ -	\$ 9,180
Due to Other Funds	-	-	-	-	49,346	-	184,243	-	150,402
Advances from Other Funds	-	-	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-	-	-
Unearned Revenue	62,320	-	-	1,134,039	-	307,825	162,390	-	-
Total Liabilities	62,320	5,970	4,073	1,177,071	62,077	308,234	346,633	-	159,582
Fund Balances:									
Restricted	287,780	-	-	498,766	6,672	94,924	461,635	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	61,613	665,785	-	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	287,780	61,613	665,785	498,766	6,672	94,924	461,635	-	-
Total Liabilities and Fund Balances	\$ 350,100	\$ 67,583	\$ 669,858	\$ 1,675,837	\$ 68,749	\$ 403,158	\$ 808,268	\$ -	\$ 159,582

**COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
September 30, 2022**

	Special Revenue Funds			Capital Project Funds			Total Nonmajor Governmental Funds
	Misc. Donations	Environmental Fee Fund	Community Investment Fund	I-95 Interchange Fund	Road Maintenance Fund	Connector Road I-95 Fund	
ASSETS							
Cash and Cash Equivalents	\$ 92,024	\$ 253,756	\$ 962,381	\$ 204,702	\$ 1,955,829	\$ -	\$ 3,898,165
Investments	-	-	1,567,936	-	4,094,927	171,819	6,142,650
Restricted Cash and Equivalents	-	-	-	-	-	-	2,742,611
Restricted Investments	-	-	-	-	-	-	126,266
Due from Other Governments	-	-	-	-	-	-	412,574
Due from Other Funds	-	-	-	-	-	-	184,243
Total Assets	\$ 92,024	\$ 253,756	\$ 2,530,317	\$ 204,702	\$ 6,050,756	\$ 171,819	\$ 13,506,509
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 20	\$ -	\$ 110,875	\$ 6,301	\$ -	\$ 135,854	\$ 328,445
Due to Other Funds	-	-	-	-	-	8,995	392,986
Advances from Other Funds	-	342,240	-	-	-	-	342,240
Due to Other Governments	-	96,750	-	-	-	-	96,750
Unearned Revenue	-	-	-	-	-	-	1,666,574
Total Liabilities	20	438,990	110,875	6,301	-	144,849	2,826,995
Fund Balances:							
Restricted	-	-	-	198,401	-	-	1,548,178
Committed	-	-	567,528	-	6,050,756	26,970	6,645,254
Assigned	92,004	-	1,851,914	-	-	-	2,671,316
Unassigned (Deficit)	-	(185,234)	-	-	-	-	(185,234)
Total Fund Balances (Deficit)	92,004	(185,234)	2,419,442	198,401	6,050,756	26,970	10,679,514
Total Liabilities and Fund Balances	\$ 92,024	\$ 253,756	\$ 2,530,317	\$ 204,702	\$ 6,050,756	\$ 171,819	\$ 13,506,509

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2022**

Special Revenue Funds						
	Law Enforcement Trust	PB Municipal Foundation Fund	Code Nuisance Fund	SHIP Program	Community Development Block Grant	HOME Grant
REVENUES						
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ 231,409	\$ 314,426	\$ 5,156
Charges for Services	-	-	209,521	113,768	(217)	-
Fines and Forfeitures	255,994	-	-	-	-	-
Investment Income	1,104	5	3,972	6,116	490	-
Miscellaneous Revenues	-	83,812	-	-	-	-
Total Revenues	257,098	83,817	213,493	351,293	314,699	5,156
EXPENDITURES						
Current:						
Public Safety	112,083	-	135,274	-	-	-
Economic Environment	-	52,997	-	360,310	208,932	76,275
Capital Outlay	-	-	-	-	106,743	-
Total Expenditures	112,083	52,997	135,274	360,310	315,675	76,275
Excess (Deficiency) of Revenues Over (Under) Expenditures	145,015	30,820	78,219	(9,017)	(976)	(71,119)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	9,017	7,648	58,110
Transfers Out	-	-	-	-	(9,753)	(16,665)
Total Other Financing Sources (Uses)	-	-	-	9,017	(2,105)	41,445
Net Change in Fund Balances	145,015	30,820	78,219	-	(3,081)	(29,674)
Fund Balances (Deficit) - Beginning	142,765	30,793	587,566	498,766	9,753	124,598
Fund Balances (Deficit) - Ending	\$ 287,780	\$ 61,613	\$ 665,785	\$ 498,766	\$ 6,672	\$ 94,924

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For the Year Ended September 30, 2022**

	Special Revenue Funds				
	Neighborhood Stabilization Program	Coronavirus Relief Fund	CDBG Coronavirus Fund	Misc. Donations	Environmental Fee Fund
REVENUES					
Intergovernmental Revenues	\$ -	\$ 4,277	\$ 408,344	\$ -	\$ -
Charges for Services	-	-	-	-	98,412
Fines and Forfeitures	-	-	-	-	-
Investment Income	-	-	-	-	-
Miscellaneous Revenues	-	-	-	29,154	-
Total Revenues	-	4,277	408,344	29,154	98,412
EXPENDITURES					
Current:					
Public Safety	-	-	-	25,535	-
Transportation	-	-	-	-	-
Economic Environment	-	-	408,344	-	7,000
Culture/Recreation	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	-	-	408,344	25,535	7,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	4,277	-	3,619	91,412
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	50,000
Transfers Out	(1,533)	(4,277)	-	-	-
Total Other Financing Sources (Uses)	(1,533)	(4,277)	-	-	50,000
Net Change in Fund Balances	(1,533)	-	-	3,619	141,412
Fund Balances (Deficit) - Beginning	463,168	-	-	88,385	(326,646)
Fund Balances (Deficit) - Ending	\$ 461,635	\$ -	\$ -	\$ 92,004	\$ (185,234)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For the Year Ended September 30, 2022

	Capital Project Funds				
	Community Investment Fund	I-95 Interchange Fund	Road Maintenance Fund	Connector Road I-95 Fund	Total Nonmajor Governmental Funds
REVENUES					
Intergovernmental Revenues	123,779	-	-	-	1,087,391
Charges for Services	-	-	-	-	421,484
Fines and Forfeitures	-	-	-	-	255,994
Investment Income	16,167	-	35,865	1,379	65,098
Miscellaneous Revenues	-	-	-	-	112,966
Total Revenues	139,946	-	35,865	1,379	1,942,933
EXPENDITURES					
Current:					
Public Safety	-	-	-	-	272,892
Physical Environment	86,578	-	-	-	86,578
Transportation	1,136	-	944	-	2,080
Economic Environment	-	-	-	-	1,113,858
Capital Outlay	118,539	-	1,008,847	8,999	1,243,128
Total Expenditures	206,253	-	1,009,791	8,999	2,718,536
Excess (Deficiency) of Revenues Over (Under) Expenditures	(66,307)	-	(973,926)	(7,620)	(775,603)
OTHER FINANCING SOURCES (USES)					
Transfers In	413,409	-	2,447,200	-	2,985,384
Transfers Out	-	-	-	-	(32,228)
Total Other Financing Sources (Uses)	413,409	-	2,447,200	-	2,953,156
Net Change in Fund Balances	347,102	-	1,473,274	(7,620)	2,177,553
Fund Balances (Deficit) - Beginning	2,072,340	198,401	4,577,482	34,590	8,501,961
Fund Balances (Deficit) - Ending	\$ 2,419,442	\$ 198,401	\$ 6,050,756	\$ 26,970	\$ 10,679,514



THIS PAGE INTENTIONALLY LEFT BLANK.

**BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT TRUST
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Fines and Forfeitures	\$ 9,000	\$ 255,994	\$ 246,994
Investment Income	500	1,104	604
Total Revenues	<u>9,500</u>	<u>257,098</u>	<u>247,598</u>
EXPENDITURES			
Current:			
Public Safety	133,320	112,083	21,237
Total Expenditures	<u>133,320</u>	<u>112,083</u>	<u>21,237</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(123,820)</u>	145,015	268,835
Net Change in Fund Balance	<u>\$ (123,820)</u>	145,015	<u>\$ 268,835</u>
Fund Balance - Beginning		<u>142,765</u>	
Fund Balance - Ending		<u>\$ 287,780</u>	

**BUDGETARY COMPARISON SCHEDULE
PALM BAY MUNICIPAL FOUNDATION
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Investment Income	\$ -	\$ 5	\$ 5
Miscellaneous Revenues	74,039	83,812	9,773
Total Revenues	<u>74,039</u>	<u>83,817</u>	<u>9,778</u>
EXPENDITURES			
Current:			
Economic Environment	59,273	52,997	6,276
Total Expenditures	<u>59,273</u>	<u>52,997</u>	<u>6,276</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,766</u>	<u>30,820</u>	<u>16,054</u>
Net Change in Fund Balance	<u>\$ 14,766</u>	<u>30,820</u>	<u>\$ 16,054</u>
Fund Balance - Beginning		<u>30,793</u>	
Fund Balance - Ending		<u>\$ 61,613</u>	

**BUDGETARY COMPARISON SCHEDULE
CODE NUISANCE FUND
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 327,500	\$ 209,521	\$ (117,979)
Investment Income	1,000	3,972	2,972
Total Revenues	328,500	213,493	(115,007)
EXPENDITURES			
Current:			
Public Safety	328,500	135,274	193,226
Total Expenditures	328,500	135,274	193,226
Excess of Revenues Over Expenditures	-	78,219	78,219
Net Change in Fund Balance	\$ -	78,219	\$ 78,219
Fund Balance - Beginning		587,566	
Fund Balance - Ending		\$ 665,785	

**BUDGETARY COMPARISON SCHEDULE
SHIP PROGRAM
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ -	\$ 231,409	\$ 231,409
Charges for Services	-	113,768	113,768
Investment Income	4,500	6,116	1,616
Total Revenues	4,500	351,293	346,793
EXPENDITURES			
Current:			
Economic Environment	1,498,327	360,310	1,138,017
Capital Outlay	11,900	-	11,900
Total Expenditures	1,510,227	360,310	1,149,917
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,505,727)	(9,017)	1,496,710
OTHER FINANCING USES			
Transfers In	9,017	9,017	-
Total Other Financing Sources	9,017	9,017	-
Net Change in Fund Balance	\$ (1,496,710)	-	\$ 1,496,710
Fund Balance - Beginning		498,766	
Fund Balance - Ending		\$ 498,766	

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 391,222	\$ 314,426	\$ (76,796)
Charges for Services	-	(217)	(217)
Investment Income	-	490	490
Total Revenues	391,222	314,699	(76,523)
EXPENDITURES			
Current:			
Economic Environment	394,860	208,932	185,928
Capital Outlay	1,646,259	106,743	1,539,516
Total Expenditures	2,041,119	315,675	1,725,444
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,649,897)	(976)	1,648,921
OTHER FINANCING SOURCES			
Transfers In	7,647	7,648	(1)
Transfers Out	(9,753)	(9,753)	-
Total Other Financing Sources and (Uses)	(2,106)	(2,105)	(1)
Net Change in Fund Balance	\$ (1,652,003)	(3,081)	\$ 1,648,920
Fund Balance (Deficit) - Beginning		9,753	
Fund Balance (Deficit) - Ending		\$ 6,672	

**BUDGETARY COMPARISON SCHEDULE
HOME GRANT
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ -	\$ 5,156	\$ 5,156
Charges for Services	299,213	-	(299,213)
Total Revenues	299,213	5,156	(294,057)
EXPENDITURES			
Current:			
Economic Environment	856,364	76,275	780,089
Capital Outlay	98,721	-	98,721
Total Expenditures	955,085	76,275	878,810
Excess (Deficiency) of Revenues Over (Under) Expenditures	(655,872)	(71,119)	584,753
OTHER FINANCING SOURCES			
Transfers In	58,111	58,110	(1)
Transfers (Out)	(16,664)	(16,665)	1
Total Other Financing Sources	41,447	41,445	-
Net Change in Fund Balance	\$ (614,425)	(29,674)	\$ 584,753
Fund Balance - Beginning		124,598	
Fund Balance - Ending		\$ 94,924	

**BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD STABILIZATION PROGRAM
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
OTHER FINANCING SOURCES			
Transfers Out	1,533	(1,533)	3,066
Total Other Financing Sources	1,533	(1,533)	3,066
Net Change in Fund Balance	\$ (1,257)	(1,533)	\$ 5,856
Fund Balance - Beginning		463,168	
Fund Balance - Ending		\$ 461,635	

**BUDGETARY COMPARISON SCHEDULE
CORONAVIRUS RELIEF
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ -	\$ 4,277	\$ 4,277
Total Revenues	<u>-</u>	<u>4,277</u>	<u>4,277</u>
EXPENDITURES			
Current:			
Economic Environment	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>4,277</u>	<u>4,277</u>
OTHER FINANCING SOURCES			
Transfers Out	(4,277)	(4,277)	-
Total Other Financing Sources	<u>(4,277)</u>	<u>(4,277)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (4,277)</u>	<u>-</u>	<u>\$ 4,277</u>
Fund Balance - Beginning		<u>-</u>	
Fund Balance - Ending		<u>\$ -</u>	

**BUDGETARY COMPARISON SCHEDULE
CDBG - CV CORONAVIRUS FUND
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ -	\$ 408,344	\$ 408,344
Total Revenues	-	408,344	408,344
EXPENDITURES			
Current:			
Economic Environment	1,053,986	408,344	645,642
Total Expenditures	1,053,986	408,344	645,642
Excess of Revenues Over Expenditures	(1,053,986)	-	1,053,986
Net Change in Fund Balance	\$ (1,053,986)	-	\$ 1,053,986
Fund Balance - Beginning		-	
Fund Balance - Ending		\$ -	

**BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS DONATIONS
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Miscellaneous Revenues	\$ 27,827	\$ 29,154	\$ 1,327
Total Revenues	<u>27,827</u>	<u>29,154</u>	<u>1,327</u>
EXPENDITURES			
Public Safety	27,827	25,535	2,292
Total Expenditures	<u>27,827</u>	<u>25,535</u>	<u>2,292</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>3,619</u>	<u>3,619</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>3,619</u>	<u>\$ 3,619</u>
Fund Balance - Beginning		<u>88,385</u>	
Fund Balance - Ending		<u>\$ 92,004</u>	

**BUDGETARY COMPARISON SCHEDULE
ENVIRONMENTAL FEE
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 50,000	\$ 98,412	\$ 48,412
Total Revenues	50,000	98,412	48,412
EXPENDITURES			
Current:			
Physical Environment	7,000	7,000	-
Total Expenditures	7,000	7,000	-
Excess of Revenues Over Expenditures	43,000	91,412	48,412
OTHER FINANCING (USES)			
Transfers In	50,000	50,000	-
Total Other Financing Sources	50,000	50,000	-
Net Change in Fund Balance	\$ 93,000	141,412	\$ 48,412
Fund Balance (Deficit) - Beginning		(326,646)	
Fund Balance (Deficit) - Ending		\$ (185,234)	

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY INVESTMENT FUND
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 2,879,061	\$ 123,779	\$ (2,755,282)
Investment Income	1,000	16,167	15,167
Total Revenues	2,880,061	139,946	(2,740,115)
EXPENDITURES			
Current:			
Physical Environment	142,406	86,578	55,828
Transportation	569	1,136	(567)
Capital Outlay	3,877,407	118,539	3,758,868
Total Expenditures	4,020,382	206,253	3,814,129
Excess of Revenues Over Expenditures	(1,140,321)	(66,307)	1,074,014
OTHER FINANCING SOURCES (USES)			
Transfers In	413,409	413,409	-
Total Other Financing Sources (Uses)	413,409	413,409	-
Net Change in Fund Balance	\$ (726,912)	347,102	\$ 1,074,014
Fund Balance - Beginning		2,072,340	
Fund Balance - Ending		\$ 2,419,442	

**BUDDGETARY COMPARISON SCHEDULE
I-95 INTERCHANGE FUND
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Investment Income	\$ 100	\$ -	\$ (100)
Total Revenues	<u>100</u>	<u>-</u>	<u>(100)</u>
EXPENDITURES			
Current:			
Transportation	31	-	31
Capital Outlay	180,645	-	180,645
Total Expenditures	<u>180,676</u>	<u>-</u>	<u>180,676</u>
Excess of Revenues Over Expenditures	<u>(180,576)</u>	<u>-</u>	<u>180,576</u>
 Net Change in Fund Balance	 <u>\$ (180,576)</u>	 <u>-</u>	 <u>\$ 180,576</u>
 Fund Balance - Beginning		 <u>198,401</u>	
 Fund Balance - Ending		 <u>\$ 198,401</u>	

**BUDGETARY COMPARISON SCHEDULE
ROAD MAINTENANCE CIP FUND
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Investment Income	\$ 5,000	\$ 35,865	\$ 30,865
Total Revenues	5,000	35,865	30,865
EXPENDITURES			
Current:			
Transportation	43	944	(901)
Capital Outlay	1,008,848	1,008,847	1
Total Expenditures	1,008,891	1,009,791	(900)
(Deficiency) of Revenues (Under) Expenditures	(1,003,891)	(973,926)	29,965
OTHER FINANCING SOURCES (USES)			
Transfers In	2,447,170	2,447,200	30
Total Other Financing Sources (Uses)	2,447,170	2,447,200	30
Net Change in Fund Balance	\$ 1,443,279	1,473,274	\$ 29,995
Fund Balance - Beginning		4,577,482	
Fund Balance - Ending		\$ 6,050,756	

**BUDGETARY COMPARISON SCHEDULE
CONNECTOR ROAD I-95 CIP FUND
For the Year Ended September 30, 2022**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Investment Income	\$ 500	\$ 1,379	\$ 879
Total Revenues	<u>500</u>	<u>1,379</u>	<u>879</u>
EXPENDITURES			
Current:			
Capital Outlay	309,608	8,999	300,609
Total Expenditures	<u>309,608</u>	<u>8,999</u>	<u>300,609</u>
Excess of Revenues Over Expenditures	<u>(309,108)</u>	<u>(7,620)</u>	<u>301,488</u>
Net Change in Fund Balance	<u>\$ (309,108)</u>	<u>(7,620)</u>	<u>\$ 301,488</u>
Fund Balance - Beginning		<u>34,590</u>	
Fund Balance - Ending		<u>\$ 26,970</u>	



THIS PAGE INTENTIONALLY LEFT BLANK

NONMAJOR ENTERPRISE FUNDS

Enterprise Funds are used to account for the acquisition, operation and maintenance of government facilities and services, which are entirely or predominantly self-supported, by user fee and charges. The operations of Enterprise Funds are accounted for in such a manner as to show a profit or loss like comparable private enterprises.

The City maintains the following Nonmajor Enterprise Fund:

Building Inspection Fund – This fund is used to account for building-related activities within the City. Revenues are primarily generated by user licenses and permits.

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
September 30, 2021**

	<u>Nonmajor Enterprise Fund</u>
	<u>Building Inspection Fund</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 3,839,355
Investments	9,391,885
Accounts Receivable - (Net)	63
Advances to Other Funds	342,240
Prepaid Items	26,235
Total Current Assets	<u>13,599,778</u>
Noncurrent Assets:	
Capital Assets:	
Construction in Progress	399,850
Right to use asset - Building	561,503
Less: Accumulated Depreciation	(80,215)
Machinery, Equipment and Vehicles	520,802
Less: Accumulated Depreciation	(211,150)
Total Capital Assets (Net)	<u>1,190,790</u>
Total Noncurrent Assets	<u>1,190,790</u>
Total Assets	<u>14,790,568</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to OPEB	40,714
Total Deferred Outflows of Resources	<u>40,714</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	87,921
Accrued Liabilities	44,781
Unearned Revenues	20,100
Compensated Absences	26,796
Total Current Liabilities	<u>179,598</u>
Noncurrent Liabilities:	
Total OPEB Liability	259,748
Compensated Absences	140,681
Leases	500,678
Total Noncurrent Liabilities	<u>901,107</u>
Total Liabilities	<u>1,080,705</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to OPEB	22,844
Total Deferred Outflows of Resources	<u>22,844</u>
NET POSITION	
Net Investment in Capital Assets	770,327
Restricted:	
Building Fund	12,957,406
Total Net Position	<u>\$ 13,727,733</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For Fiscal Year Ended September 30, 2022**

	<u>Nonmajor Enterprise Fund</u>
	<u>Building Inspection Fund</u>
Operating Revenues:	
Charges for Services:	
User Fees	396,268
Licenses and Permits	7,283,622
Miscellaneous Income	79,289
Total Operating Revenues	<u>7,759,179</u>
Operating Expenses:	
Personal Services	2,840,905
Material, Supplies, and Operating expenses	1,258,712
Depreciation	84,664
Amortization	80,215
Total Operating Expenses	<u>4,264,496</u>
Operating Income (Loss)	<u>3,494,683</u>
Nonoperating Revenues (Expenses):	
Interest Income	71,782
Interest Expense and Fiscal Charges	(26,331)
Intergovernmental Revenues	1,699
Sale of Capital Assets	1,375
Gain (Loss) on Disposal	-
Total Nonoperating Revenues	<u>48,525</u>
Income Before Contributions and Transfers	3,543,208
Transfers In	6,440
Change in Net Position	<u>3,549,648</u>
Total Net Position - Beginning	<u>10,178,085</u>
Total Net Position - Ending	<u><u>\$ 13,727,733</u></u>

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For Fiscal Year Ended September 30, 2022**

	<u>Nonmajor Enterprise Funds</u>
	<u>Building Inspection Fund</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 7,759,242
Payments to Suppliers	(1,272,456)
Payments to Employees	(3,012,371)
Net Cash Provided (Used) by Operating Activities	<u>3,474,415</u>
Cash Flows from Noncapital Financing Activities	
Interfund Advances	94,837
Intergovernmental Revenues	1,699
Transfers from Other Funds	6,440
Net Cash Provided (Used) by Noncapital Financing Activities	<u>102,976</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition/Construction of Capital Assets	52,894
Principal Paid on Lease Debt	(60,825)
Interest Paid on Lease	(26,331)
Proceeds from Lease	(493,074)
Proceeds from Sale of Capital Assets	1,375
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(525,961)</u>
Cash Flows from Investing Activities	
Invest Purchases	(960,497)
Interest Income on Investments	71,782
Net Cash Used by Investing Activities	<u>(888,715)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,162,715
Cash and Cash Equivalents at Beginning of Year	<u>1,676,640</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,839,355</u>
Cash and Cash Equivalents Classified As:	
Current Assets	\$ 3,839,355
Restricted Assets	-
Total Cash and Cash Equivalents	<u>\$ 3,839,355</u>

Continued on the next page

STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
For Fiscal Year Ended September 30, 2022

	<u>Nonmajor Enterprise Funds</u>	
	<u>Building Inspection Fund</u>	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$	3,494,683
Depreciation		84,664
Amortization		80,215
Change in Assets and Liabilities:		
Decrease in Accounts Receivable		63
Decrease in Deferred Outflows - OPEB		11,569
(Increase) in Prepaid Expenses		(7,994)
Increase in Accounts Payable		(134,440)
Increase in Accrued Liabilities		(70,460)
(Decrease) in Total OPEB Liability		13,428
Increase in Compensated Absences		38,918
(Decrease) Unearned Revenue		(33,718)
(Decrease) Deferred Inflow - OPEB		(2,513)
Total Adjustments		<u>(20,268)</u>
Net Cash Provided (Used) by Operating Activities	\$	<u>3,474,415</u>
Noncash Investing, Capital, Noncapital and Finance Activities:		



THIS PAGE INTENTIONALLY LEFT BLANK

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis.

Risk Management – This fund is used to account for the expenses incurred for workers' compensation claims, general and auto liability claims and property damage claims and the related administrative expenses to operate the City's risk management program. Revenues are generated by charges to the various departments and funds based on experience and actuarial estimates.

Employee Benefit – This fund is used to account for expenses incurred for insured and self-insured benefits under the City's Section 125 "cafeteria" benefits plan maintained for City employees.

Fleet Services – This fund is used to account for the fiscal activity related to meeting the automotive and other vehicular needs of the City. This fund purchase vehicles, maintains them and charges user departments for the vehicular usage.

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2022**

	Risk Management	Employee Benefit	Fleet Services	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 2,008,384	\$ 6,076,129	\$ 1,484,945	\$ 9,569,458
Investments	6,873,186	9,702,308	3,395,639	19,971,133
Accounts Receivable (Net)	3,686	101,558	-	105,244
Due From Other Government	-	-	-	-
Inventory	-	-	345,716	345,716
Prepaid Items	243,289	35,101	820	279,210
Total Current Assets	9,128,545	15,915,096	5,227,120	30,270,761
Capital Assets:				
Machinery, Equipment and Vehicles	-	-	13,506,473	13,506,473
Less Accumulated Depreciation	-	-	(9,028,275)	(9,028,275)
Total Capital Assets (Net)	-	-	4,478,198	4,478,198
Total Assets	9,128,545	15,915,096	9,705,318	34,748,959
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to OPEB	-	-	40,714	40,714
Total Deferred Outflows of Resources	-	-	40,714	40,714
LIABILITIES				
Current Liabilities:				
Accounts Payable	80,874	205,733	146,846	433,453
Accrued Liabilities	14,095	130,363	16,711	161,169
Compensated Absences	-	-	9,922	9,922
Claims Payable	499,840	637,552	-	1,137,392
Total Current Liabilities	594,809	973,648	173,479	1,741,936
Noncurrent Liabilities:				
Total OPEB Liability	-	-	259,747	259,747
Compensated Absences	-	-	52,093	52,093
Claims Payable	2,624,160	-	-	2,624,160
Total Noncurrent Liabilities	2,624,160	-	311,840	2,936,000
Total Liabilities	3,218,969	973,648	485,319	4,677,936
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows related to OPEB	-	-	22,844	22,844
Total Deferred Outflows of Resources	-	-	22,844	22,844
NET POSITION				
Net Investment in Capital Assets	-	-	4,440,604	4,440,604
Restricted:				
Employee Benefits	-	1,800,000	-	1,800,000
Unrestricted	5,909,576	13,141,448	4,797,265	23,848,289
Total Net Position	\$ 5,909,576	\$ 14,941,448	\$ 9,237,869	\$ 30,088,893

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For Fiscal Year Ended September 30, 2022

	Risk Management	Employee Benefit	Fleet Services	Total
Operating Revenues:				
Charges for Services	\$ 4,889,526	\$ 19,902,476	\$ 4,302,740	\$ 29,094,742
Miscellaneous Income	45,002	285,853	65,238	396,093
Total Operating Revenues	4,934,528	20,188,329	4,367,978	29,490,835
Operating Expenses:				
Personal Services	1,057,946	1,983,904	1,117,697	4,159,547
Contracted Services	63,808	1,978,834	-	2,042,642
Supplies and Materials	12,383	80,225	1,974,194	2,066,802
Repairs and Maintenance	-	-	312,798	312,798
Other Services and Charges	186,319	21,075	585,784	793,178
Claims/Premium Expense	1,861,741	11,637,604	-	13,499,345
Depreciation	-	-	825,245	825,245
Total Operating Expenses	3,182,197	15,701,642	4,815,718	23,699,557
Operating Income (Loss)	1,752,331	4,486,687	(447,740)	5,791,278
Nonoperating Revenues (Expenses)				
Interest Income	(67,104)	90,168	41,351	64,415
Intergovernmental Revenues	90	-	25,716	25,806
Gain (Loss) on Disposal of Capital Assets	-	-	3,217	3,217
Total Nonoperating Revenues (Expenses)	(67,014)	90,168	70,284	93,438
Income (Loss) Before Transfers	1,685,317	4,576,855	(377,456)	5,884,716
Transfers In	2,277	4,797	3,119,941	3,127,015
Transfers Out	-	(995,203)	(60,000)	(1,055,203)
Change in Net Position	1,687,594	3,586,449	2,682,485	7,956,528
Total Net Position - Beginning	4,221,982	11,354,999	6,555,384	22,132,365
Total Net Position - Ending	\$ 5,909,576	\$ 14,941,448	\$ 9,237,869	\$ 30,088,893

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For Fiscal Year Ended September 30, 2022**

	Risk Management	Employee Benefit	Fleet Services	Total
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 4,933,841	\$ 20,172,587	\$ 4,478,602	\$ 29,585,030
Payments to Suppliers	(2,273,980)	(13,514,440)	(3,039,379)	(18,827,799)
Payments to Employees	(1,134,946)	(1,983,904)	(1,107,265)	(4,226,115)
Net Cash Provided (Used) by Operating Activities	1,524,915	4,674,243	331,958	6,531,116
Cash Flows from Noncapital Financing Activities				
Intergovernmental Revenues	-	-	25,716	25,716
Transfers from Other Funds	-	4,797	3,119,941	3,124,738
Transfers to Other Funds	-	(995,203)	(60,000)	(1,055,203)
Net Cash Provided (Used) by Noncapital Financing Activities	-	(990,406)	3,085,657	2,095,251
Cash Flows from Capital and Related Financing Activities				
Acquisition/Construction of Capital Assets	-	-	(2,753,121)	(2,753,121)
Proceeds from Sales of Capital Assets	-	-	3,217	3,217
Net Cash Used by Capital and Related Financing Activities	-	-	(2,749,904)	(2,749,904)
Cash Flows from Investing Activities				
Investment purchases	(916,586)	(182,960)	(27,901)	(1,127,447)
Interest Income on Investments	(67,104)	90,168	41,351	64,415
Net Cash Provided (Used) by Investing Activities	(983,690)	(92,792)	13,450	(1,063,032)
Net Increase (Decrease) in Cash and Cash Equivalents	541,225	3,591,045	681,161	4,813,431
Cash and Cash Equivalents at Beginning of Year	1,467,159	2,485,084	803,803	4,756,046
Cash and Cash Equivalents at End of Year	\$ 2,008,384	\$ 6,076,129	\$ 1,484,964	\$ 9,569,477

Continued on the next page

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
For Fiscal Year Ended September 30, 2022

	Risk Management	Employee Benefit	Fleet Services	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 1,752,331	\$ 4,486,687	\$ (447,740)	\$ 5,791,278
Depreciation	-	-	(825,245)	(825,245)
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(687)	(15,742)	73,537	57,108
Decrease in Deferred Outflows - OPEB	-	-	11,569	11,569
(Increase) in Inventory	-	-	(42,104)	(42,104)
(Increase) in Prepaid Expenses	(2,939)	-	37,088	34,149
Increase (Decrease) in Accounts Payable	(110,935)	64,597	(104,697)	(151,035)
Increase (Decrease) in Accrued Liabilities	(35,855)	47,567	(31,372)	(19,660)
(Decrease) in Total OPEB Liability	-	-	13,428	13,428
(Decrease) in Compensated Absences	-	-	(483)	(483)
Increase (Decrease) in Claims Payable	(77,000)	91,134	-	14,134
(Decrease) in Deferred Inflows - OPEB	-	-	(2,513)	(2,513)
Total Adjustments	(227,416)	187,556	(870,792)	(910,652)
Net Cash Provided by (Used) in Operating Activities	\$ 1,524,915	\$ 4,674,243	\$ (1,318,532)	\$ 4,880,626

There are no noncash investing, capital, and financing activities.

PENSION TRUST FUNDS

Pension Trust Funds hold assets to be used to pay pension benefits to participants of the City's Police and Firefighters Retirement System.

Police Officers – This trust fund holds, invests, and disburses funds to participants in the Plan who are Police Officers.

Fire Fighters – This trust fund holds, invests, and disburses funds to participants in the Plan who are Fire Fighters.

General Employees – This trust fund holds, invests, and disburses funds to participants in the Plan who are General Employees.

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2022

ASSETS	Police Officers	Fire Fighters	General Employees	Total
Cash and Cash Equivalents	\$ 3,715,379	\$ 3,688,331	\$ 21,488	\$ 7,425,198
Investments, at fair value:				
Common Stock	34,836,329	21,675,082	-	56,511,411
Domestic Equity Funds	11,009,131	8,517,415	131,093	19,657,639
U.S. Government securities	12,732,246	8,431,887	-	21,164,133
Corporate Bonds	11,505,762	7,752,684	-	19,258,446
Bond Funds	-	-	53,469	53,469
International Equity Funds	14,684,077	14,222,483	-	28,906,560
Real Estate Funds	11,491,844	11,491,844	-	22,983,688
Convertible Securities	10,180,702	9,936,918	-	20,117,620
Master Limited Partnership	3,266,751	3,038,703	-	6,305,454
Total investments	109,706,842	85,067,016	184,562	194,958,420
Receivables:				
Accrued Interest and Dividends	207,239	144,453	-	351,692
Due from Broker	117,507	86,799	-	204,306
Other	30,197	33,201	-	63,398
Due to/from Other Funds	280	573	(853)	-
Total Receivables	355,223	265,026	(853)	619,396
Other assets:	20,562	16,045	65	36,672
Total Assets	113,798,006	89,036,418	205,262	203,039,686
LIABILITIES				
Accounts Payable	151,754	118,825	51	270,630
Defered City Contributions	62,441	54,033	-	116,474
Due to broker	343,075	218,219	-	561,294
Total Liabilities	557,270	391,077	51	948,398
NET POSITION				
Restricted for Pension Benefits	\$ 113,240,736	\$ 88,645,341	\$ 205,211	\$ 202,091,288

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For Fiscal Year Ended September 30, 2022**

	Police Officers	Fire Fighters	General Employees	Total
ADDITIONS				
Contributions:				
Employer	\$ 2,177,617	\$ 3,149,095	\$ -	\$ 5,326,712
Employee	832,048	638,908	-	1,470,956
State	1,020,019	580,174	-	1,600,193
Employee Buybacks	25,096	34,001	-	59,097
Total Contributions	4,054,780	4,402,178	-	8,456,958
Investment Earnings:				
Net Appreciation in Fair Value of Investments	(31,095,351)	(22,527,838)	(41,845)	(53,665,034)
Interest and Dividends	3,061,605	2,486,132	3,619	5,551,356
Miscellaneous	11,849	9,708	16	21,573
Total Investment Earnings	(28,021,897)	(20,031,998)	(38,210)	(48,092,105)
Less: Investment Expenses	655,450	506,467	207	1,162,124
Net investment Income	(28,677,347)	(20,538,465)	(38,417)	(49,254,229)
Total Additions	(24,622,567)	(16,136,287)	(38,417)	(40,797,271)
DEDUCTIONS				
Benefits	6,912,118	6,340,073	2,532	13,254,723
Refunds	-	-	-	-
Administrative Expense	288,792	231,236	2,532	522,560
Total Deductions	7,200,910	6,571,309	5,064	13,777,283
Change in Net Position	(31,823,477)	(22,707,596)	(43,481)	(54,574,554)
Net Position - Beginning of Year	145,064,213	111,352,937	248,692	256,665,842
Net Position - End of Year	113,240,736	88,645,341	205,211	202,091,288



THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION**FINANCIAL TRENDS**

These schedules contain tend information to help the reader understand how the City's financial performance and condition have changed over time.

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balances, Governmental Funds

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

5. Assessed and Estimated Actual Value of Taxable Property
6. Direct and Overlapping Property Tax Rates
7. Principal Property Taxpayers
8. Property Tax Levies and Collections

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the ability to issue additional debt in the future.

9. Ratios of Outstanding Debt by Type
10. Direct and Overlapping Bonded Debt – General Obligation Bonds
11. Pledged Revenue Coverage

DEMOGRAPHIC, ECONOMIC AND OPERATING INFORMATION

These schedules offer demographic and economic indicators in addition to service and infrastructure data to help the reader understand the environment within which the City's financial activities take place and how the information in the report relates to services provided and activities performed.

12. Demographic and Economic Statistics
13. Principal Employers in the City of Palm Bay
14. FTEs of City Government Employees by Function/Program
15. Capital Asset Statistics
16. Operating Indicators by Function/Program

OTHER

These schedules offer additional financial information and the data required to be disclosed for the City's outstanding debt.

17. Impact Fee Revenues Collections and Balances
18. Utilities Debt Service Applicable to Transportation Projects
19. Historical Public Service Tax Collections by Category
20. Gallons of Taxable Fuel Sold Brevard County
21. Certified LOGT Revenues
22. Utility Debt Service Coverage
23. Utility Rate Comparison with Neighboring Utilities
24. Ten Largest Water and Wastewater System Customers

ADDITIONAL NOTES

The following schedules were omitted because they do not apply to the City:

- Ratios of General Bonded Debt Outstanding
- Legal Debt Margin Information

The City has not issued General Bonded Debt for the last (10) years. Neither the City Charter or Code, nor the Florida Statutes limit the amount of debt the City can issue, therefore tables showing the legal debt limit and debt margins are not applicable.



THIS PAGE INTENTIONALLY LEFT BLANK

NET POSITION BY COMPONENT
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 66,933,138	\$ 71,988,153	\$ 70,258,921	\$ 84,756,657	\$ 78,676,964	\$ 87,256,566	\$ 84,229,260	\$ 83,302,221	\$ 83,057,349	\$ 85,387,851
Restricted	7,587,515	5,964,416	5,746,759	5,763,641	7,966,761	11,792,213	19,981,407	33,155,823	78,615,720	110,318,147
Unrestricted	(3,145,670)	(6,747,290)	(53,586,502)	(57,691,625)	(55,471,045)	(64,588,210)	(59,297,467)	(56,506,834)	(63,515,371)	(73,597,770)
Total Governmental Activities Net Position	\$ 71,374,983	\$ 71,205,279	\$ 22,419,178	\$ 32,828,673	\$ 31,172,680	\$ 34,460,569	\$ 44,913,200	\$ 59,951,210	\$ 98,157,698	\$ 122,108,228
Business-Type Activities										
Net Investment in Capital Assets	\$ 62,299,381	\$ 61,749,179	\$ 58,896,518	\$ 67,665,318	\$ 74,985,257	\$ 83,110,556	\$ 99,514,931	\$ 113,663,888	\$ 122,653,307	\$ 152,640,741
Restricted	14,614,847	16,204,682	17,373,682	17,669,639	19,153,725	20,540,196	26,023,818	30,300,551	46,995,758	57,427,721
Unrestricted	8,798,590	8,693,892	13,934,194	11,060,046	9,705,692	14,962,808	15,738,652	18,967,116	21,592,032	16,560,084
Total Business-Type Activities Net Position	\$ 85,712,818	\$ 86,647,753	\$ 90,204,394	\$ 96,395,003	\$ 103,844,674	\$ 118,613,560	\$ 141,277,401	\$ 162,931,555	\$ 191,241,097	\$ 226,628,546
Primary Government										
Net Investment in Capital Assets	\$ 129,232,519	\$ 133,737,332	\$ 129,155,439	\$ 152,421,975	\$ 153,662,221	\$ 170,367,122	\$ 183,744,191	\$ 196,966,109	\$ 205,710,656	\$ 238,028,592
Restricted	22,202,362	22,169,098	23,120,441	23,433,280	27,120,486	32,332,409	46,005,225	63,456,374	125,611,478	167,745,868
Unrestricted	5,652,920	1,946,602	(39,652,308)	(46,631,579)	(45,765,353)	(49,625,402)	(43,558,815)	(37,539,718)	(41,923,339)	(57,037,686)
Total Primary Government Net Position	\$ 157,087,801	\$ 157,853,032	\$ 112,623,572	\$ 129,223,676	\$ 135,017,354	\$ 153,074,129	\$ 186,190,601	\$ 222,882,765	\$ 289,398,795	\$ 348,736,774

Note: In FY2015, the City implemented the provisions of GASB 68 Accounting and Financial Reporting for Pensions. Additionally, in FY2018 the City implemented the provision of GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pension. The impact of these Statements caused a negative balance in the City's unrestricted Net Position

Source: City of Palm Bay Finance Department

**CHANGES IN NET POSITION
Last Ten Fiscal Years
(Accrual Basis of Accounting)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
General Government	\$ 15,899,479	\$ 11,320,574	\$ 12,492,364	\$ 18,278,547	\$ 18,030,253	\$ 18,031,358	\$ 24,380,488	\$ 18,919,703	\$ 17,519,522	\$ 22,356,726
Public Safety	33,939,602	34,103,180	32,769,687	31,933,038	33,513,185	30,947,636	34,160,050	34,253,417	31,171,376	47,613,049
Physical Environment	769,669	677,359	585,508	570,447	536,267	545,462	510,564	492,951	517,059	657,311
Transportation	9,036,843	8,442,089	8,363,210	9,065,890	10,938,430	11,737,057	9,226,210	9,611,992	10,429,829	11,731,563
Economic Environment	2,337,960	1,154,870	1,313,271	1,181,876	1,406,369	1,751,250	748,663	1,421,940	1,662,294	3,152,205
Culture/Recreation	3,899,965	4,098,455	4,873,978	3,988,802	5,392,682	4,804,488	4,865,004	5,293,102	5,428,966	2,480,305
Interest on Long-Term Debt	3,149,007	5,263,276	5,017,788	5,102,968	4,321,154	5,208,624	1,916,027	5,998,985	5,895,736	6,919,093
Total Governmental Activities Expenses	69,032,525	65,059,803	65,415,806	70,121,568	74,138,340	73,025,875	75,807,006	75,992,090	72,624,782	94,910,252
Business-Type Activities:										
Water and Wastewater	22,726,306	22,780,534	22,319,745	21,842,674	22,352,343	23,474,356	23,687,045	23,662,920	24,839,990	25,086,246
Building Inspections & Permitting	703,220	694,894	761,991	948,470	1,203,472	1,723,865	2,059,136	2,612,624	4,380,403	4,290,827
Stormwater Utility	3,408,174	3,547,693	3,684,940	3,635,942	4,087,303	5,562,055	5,744,908	5,814,390	4,572,429	5,216,563
Solid Waste	5,050,744	5,107,458	5,332,128	5,367,656	5,378,107	5,042,519	5,919,240	6,207,723	12,141,781	13,007,692
Total Business-Type Activities Expenses	31,888,444	32,130,579	32,098,804	31,794,742	33,021,225	35,802,795	37,410,329	38,297,657	45,934,603	47,601,328
Total Primary Government Expenses	\$ 100,920,969	\$ 97,190,382	\$ 97,514,610	\$ 101,916,310	\$ 107,159,565	\$ 108,828,670	\$ 113,217,335	\$ 114,289,747	\$ 118,559,385	\$ 142,511,580
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 2,927,501	\$ 3,196,240	\$ 3,014,113	\$ 3,024,578	\$ 3,107,163	\$ 3,510,018	\$ 4,074,433	\$ 4,376,161	\$ 5,297,015	\$ 6,068,618
Public Safety	1,269,430	2,050,531	764,000	824,263	1,015,504	1,074,778	1,050,036	1,649,367	3,619,819	3,738,398
Physical Environment	223,441	226,297	232,242	281,573	314,000	421,054	434,255	525,415	684,835	771,397
Transportation	952,387	597,809	1,710,317	1,871,355	2,511,864	3,420,947	4,575,752	5,839,498	12,248,174	11,781,420
Economic Environment	72,764	139,089	103,081	109,255	299,757	272,945	57,055	158,824	1,006,626	113,551
Culture/Recreation	336,261	383,348	460,205	870,841	1,776,798	1,746,744	1,733,944	2,194,690	4,057,172	3,556,320
Operating Grants and Contributions	1,938,613	1,095,233	780,996	1,713,078	1,797,091	3,238,810	3,586,892	1,285,813	2,463,249	2,493,759
Capital Grants and Contributions	10,132,184	6,137,400	3,187,506	14,539,432	156,824	383,046	132,180	950,180	2,181,200	123,779
Total Governmental Activities Program Revenues	17,852,581	13,825,947	10,252,460	23,234,375	10,979,001	14,068,342	15,644,547	16,979,948	31,558,090	28,647,242
Business-Type Activities:										
Charges for Services	33,812,755	34,289,146	35,731,792	37,513,330	39,583,404	49,570,994	50,058,912	51,886,498	59,109,616	65,262,953
Operating Grant and Contributions	-	19,965	-	-	264,422	924,986	177,515	384,333	2,931,607	341,092
Capital Grants and Contributions	259,698	562,976	1,211,678	1,690,644	2,072,222	2,679,813	10,365,135	7,592,339	13,273,957	18,805,325
Total Business-Type Activities Program Revenues	34,072,453	34,872,087	36,943,470	39,203,974	41,920,048	53,175,793	60,601,562	59,863,170	75,315,180	84,409,370
Total Primary Government Program Revenues	\$ 51,925,034	\$ 48,698,034	\$ 47,195,930	\$ 62,438,349	\$ 52,899,049	\$ 67,244,135	\$ 76,246,109	\$ 76,843,118	\$ 106,873,270	\$ 113,056,612
Net (Expense)/Revenue										
Governmental Activities	\$ (51,179,944)	\$ (51,233,856)	\$ (55,163,346)	\$ (46,887,193)	\$ (63,159,339)	\$ (58,957,533)	\$ (60,162,459)	\$ (59,012,142)	\$ (41,066,692)	\$ (66,263,010)
Business-Type Activities	2,184,009	2,741,508	4,844,666	7,409,232	8,898,823	17,372,998	23,191,233	21,565,513	29,380,577	36,808,042
Total Primary Government Net Expense	\$ (48,995,935)	\$ (48,492,348)	\$ (50,318,680)	\$ (39,477,961)	\$ (54,260,516)	\$ (41,584,535)	\$ (36,971,226)	\$ (37,446,629)	\$ (11,686,115)	\$ (29,454,968)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 22,247,692	\$ 22,257,795	\$ 23,657,324	\$ 24,728,117	\$ 27,050,557	\$ 29,893,290	\$ 33,081,759	\$ 38,668,807	\$ 40,709,084	\$ 47,027,598
Franchise Fees	4,958,135	5,330,303	5,414,637	5,367,504	5,440,630	5,588,373	5,811,170	5,691,227	6,186,091	7,203,233
Utility Service Taxes	7,304,617	7,883,592	7,978,611	8,288,194	8,529,879	8,878,776	9,111,670	9,347,939	9,814,779	10,429,242
Communication Service Taxes	3,313,753	3,014,756	2,953,713	2,756,084	2,569,293	2,638,032	2,540,717	2,613,856	2,559,292	2,686,205
Gas Tax	3,284,506	3,287,172	3,490,076	3,854,156	4,089,629	3,744,098	4,147,267	3,706,202	3,817,012	4,165,133
State Revenue Sharing	8,282,875	8,848,921	9,691,968	10,074,949	10,910,021	11,579,482	11,702,036	10,987,149	13,090,384	15,569,918
Investment Earnings	33,628	72,435	108,870	129,394	283,435	675,851	1,311,729	1,591,414	203,078	681,557
Miscellaneous	1,146,588	783,037	560,143	548,241	840,762	653,012	1,117,075	547,059	1,505,852	1,122,959
Transfers	903,994	1,170,069	1,607,411	1,549,049	1,789,140	2,087,287	1,791,667	896,499	1,387,608	1,327,695
Total Governmental Activities	51,475,788	52,648,080	55,462,754	57,295,688	61,503,346	65,738,201	70,615,090	74,050,152	79,273,180	90,213,540
Business-Type Activities:										
Investment Earnings	399,973	246,593	287,353	318,936	316,365	454,585	1,253,244	956,975	137,227	(142,740)
Miscellaneous	34,085	21,271	32,033	11,490	23,623	31,314	11,031	28,165	179,345	49,842
Transfers	(903,994)	(1,170,069)	(1,607,411)	(1,549,049)	(1,789,140)	(2,087,287)	(1,791,667)	(896,499)	(1,387,608)	(1,327,695)
Total Business-Type Activities	(469,936)	(902,205)	(1,288,025)	(1,218,623)	(1,449,152)	(1,601,388)	(527,392)	88,641	(1,071,036)	(1,420,593)
Total Primary Government	\$ 51,005,852	\$ 51,745,875	\$ 54,174,729	\$ 56,077,065	\$ 60,054,194	\$ 64,136,813	\$ 70,087,698	\$ 74,138,793	\$ 78,202,144	\$ 88,792,947
Change in Net Position										
Governmental Activities	\$ 295,844	\$ 1,414,224	\$ 299,407	\$ 10,409,495	\$ (1,655,993)	\$ 6,780,668	\$ 10,452,631	\$ 15,038,010	\$ 38,206,488	\$ 23,950,530
Business-Type Activities	1,714,073	1,839,303	3,556,641	6,190,609	7,449,671	15,771,610	22,663,841	21,654,154	28,309,541	35,387,449
Total Primary Government	\$ 2,009,917	\$ 3,253,527	\$ 3,856,048	\$ 16,600,104	\$ 5,793,678	\$ 22,552,278	\$ 33,116,472	\$ 36,692,164	\$ 66,516,029	\$ 59,337,979

FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 1,647,185	\$ 61,938	\$ 46,334	\$ 39,002	\$ 21,112	\$ 32,134	\$ 92,969	\$ 81,503	\$ 100,302	\$ 124,145
Restricted	-	-	-	-	-	-	800,000	800,000	800,000	800,000
Committed	-	227,109	184,176	184,628	193,358	3,032,788	255,356	2,793,774	1,815,813	2,341,618
Assigned	525,456	82,644	152,211	50,883	149,855	154,098	302,040	342,873	574,580	802,276
Unassigned	9,833,161	9,668,623	7,899,629	8,900,069	8,267,662	11,753,606	17,648,421	20,521,877	27,323,087	32,900,669
Total General Fund	\$ 12,005,802	\$ 10,040,314	\$ 8,282,350	\$ 9,174,582	\$ 8,631,987	\$ 14,972,626	\$ 19,098,786	\$ 24,540,027	\$ 30,613,782	\$ 36,968,708
All Other Governmental Funds										
Nonspendable	\$ -	\$ 1,048,796	\$ 15,980	\$ 17,289	\$ 870	\$ 4,979	\$ 3,595	\$ -	\$ -	\$ -
Restricted	10,664,652	9,875,846	14,941,367	9,604,137	11,745,717	13,495,777	73,692,646	50,349,857	101,987,429	109,954,083
Committed	-	22,320	2,717,649	2,991,029	3,193,172	11,568,282	2,251,588	3,093,642	4,708,861	6,645,254
Assigned	-	82,497	144,627	647,747	692,699	659,468	797,146	1,434,447	2,647,705	2,671,316
Unassigned	(1,849,913)	(883,982)	(1,109,237)	(831,310)	(639,711)	(640,598)	(573,794)	(842,840)	(326,646)	(185,234)
Total All Other Governmental Funds	\$ 8,814,739	\$ 10,145,477	\$ 16,710,386	\$ 12,428,892	\$ 14,992,747	\$ 25,087,908	\$ 76,171,181	\$ 54,035,106	\$ 109,017,349	\$ 119,085,419

The City implemented the provisions of GASBC 1800: *Classification and terminology* in fiscal year 2011. Prior fiscal years have not been retroactively restated.

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 36,679,583	\$ 36,976,223	\$ 38,618,035	\$ 40,176,777	\$ 42,789,546	\$ 45,720,435	\$ 49,444,711	\$ 54,890,449	\$ 57,425,638	\$ 64,833,375
Impact Fees	720,155	639,943	1,877,655	2,176,573	2,963,444	3,849,450	5,261,719	7,880,081	18,384,411	17,148,790
Licenses and Permits	4,970,086	5,335,605	5,423,766	5,376,631	5,449,708	5,605,873	5,829,324	5,747,984	6,319,285	7,727,302
Intergovernmental Revenues	20,481,781	16,274,115	13,756,149	14,579,032	13,694,884	15,871,102	16,138,666	14,014,090	18,317,291	18,353,232
Charges for Services	3,975,672	3,555,264	3,060,208	3,381,246	3,897,960	4,613,847	4,651,704	4,885,233	7,195,395	7,125,287
Fines and Forfeitures	791,871	1,553,992	527,797	553,825	580,173	604,150	574,090	509,531	514,531	827,841
Investment Income	32,488	72,233	105,157	120,831	240,902	597,276	1,081,119	1,383,384	176,809	500,687
Miscellaneous Revenues	1,213,985	1,050,804	674,725	669,186	970,787	700,513	969,610	490,782	863,900	422,589
Total Revenues	68,865,621	65,458,179	64,043,492	67,034,101	70,587,404	77,562,646	83,950,943	89,801,534	109,197,260	117,022,762
Expenditures										
General Government	7,753,501	10,628,283	10,823,743	14,493,101	15,234,453	18,191,610	20,061,644	17,694,839	18,265,433	23,651,796
Public Safety	33,402,862	33,218,144	32,918,077	31,307,440	32,606,478	33,194,023	35,878,114	36,453,290	38,405,746	41,502,021
Physical Environment	990	12,711	-	-	-	-	-	-	-	86,578
Transportation	5,282,387	4,580,076	4,624,274	4,599,336	6,509,086	7,901,067	5,100,262	5,610,373	6,485,591	6,226,032
Economic Environment	1,096,703	988,309	1,001,717	691,830	491,654	802,224	748,663	1,421,940	1,543,515	3,034,668
Culture/Recreation	3,510,980	3,791,612	4,550,190	3,610,577	4,519,649	4,293,661	4,235,530	4,771,475	4,922,815	1,810,794
Debt Service:										
Principal Retirement	2,217,335	2,460,197	1,967,805	2,344,046	2,564,622	2,506,898	4,398,095	5,645,088	6,334,540	7,635,950
Interest and Fiscal Charges	3,219,159	3,959,193	4,505,412	4,431,182	4,387,618	4,261,115	5,451,823	5,697,114	5,062,106	7,031,830
Capital Outlay	14,120,928	8,360,630	4,788,835	11,238,697	3,175,468	4,361,160	9,263,528	31,252,195	25,488,845	9,678,921
Total Expenditures	70,604,845	67,999,155	65,180,053	72,716,209	69,489,028	75,511,758	85,137,659	108,546,314	106,508,591	100,658,590
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,739,224)	(2,540,976)	(1,136,561)	(5,682,108)	1,098,376	2,050,888	(1,186,816)	(18,744,780)	2,688,669	16,364,172
Other Financing Sources (Uses)										
Transfers In	9,253,219	11,746,077	10,416,938	11,192,306	10,210,916	10,230,312	12,616,664	14,210,874	12,219,371	16,322,101
Transfers Out	(7,915,475)	(10,484,089)	(9,217,429)	(10,262,545)	(9,669,517)	(9,753,116)	(11,742,301)	(13,953,980)	(12,012,641)	(17,185,648)
Proceeds From Sale of Capital Assets	-	-	-	409,500	330,390	566,866	713,075	134,185	1,723,365	534,795
Issuance of Debt	-	-	4,744,000	-	-	9,000,000	50,000,000	-	50,000,000	-
Bond Premium	-	-	-	-	-	-	4,808,811	-	6,437,163	-
Bond Discount	-	-	-	-	-	(22,500)	-	-	-	-
Issuance of Refunding Debt	2,268,000	54,740,000	-	15,922,652	3,983,000	-	-	51,670,000	4,258,000	-
Proceeds From Capital Leases	506,890	-	-	754,000	-	4,363,350	-	6,419,119	-	-
Payment to Refunded Bond Escrow Agent	(2,215,000)	(54,095,765)	-	(15,723,067)	(3,931,905)	-	-	(56,430,252)	(4,258,000)	-
Total Other Financing Sources (Uses)	1,897,634	1,906,223	5,943,509	2,292,846	922,884	14,384,912	56,396,249	2,049,946	58,367,258	(328,752)
Net Change in Fund Balances	\$ 158,410	\$ (634,753)	\$ 4,806,948	\$ (3,389,262)	\$ 2,021,260	\$ 16,435,800	\$ 55,209,433	\$ (16,694,834)	\$ 61,055,927	\$ 16,035,420
Debt Service as a Percentage of Noncapital Expenditures	9.73%	10.79%	10.76%	11.08%	10.61%	9.82%	13.61%	15.00%	14.23%	16.37%

Bond principal retirement in fiscal year 2011 includes the prepayment of the Palm Bay Road Loan fund.

Source: City of Palm Bay Finance Department

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years**

Fiscal Year Ended September 30	Centrally Assessed	Real Property	Personal Property	Total Estimated Actual Value	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2022	\$ 4,477,825	\$ 9,585,586,520	\$ 389,560,748	\$ 9,979,625,093	\$ 4,620,981,302	\$ 5,358,643,791	8.9419
2021	4,381,074	8,710,327,220	356,690,043	9,071,398,337	4,227,618,210	4,843,780,127	8.5894
2020	4,432,723	8,101,501,430	319,025,182	8,424,959,335	4,039,242,345	4,385,716,990	8.9675
2019	4,439,296	7,351,414,300	307,274,133	7,663,127,729	3,675,352,667	3,987,775,062	8.4500
2018	4,286,855	6,557,914,630	292,093,163	6,854,294,648	3,257,123,697	3,597,170,951	8.4500
2017	4,043,730	5,826,201,100	302,075,674	6,132,320,504	2,864,512,704	3,267,807,800	8.4500
2016	3,680,327	5,004,843,870	285,414,593	5,293,938,790	2,325,206,127	2,968,732,663	8.5000
2015	2,770,508	4,482,050,210	305,316,609	4,790,137,327	1,994,187,604	2,794,652,213	8.6326
2014	2,339,055	3,974,742,930	302,825,423	4,279,907,408	1,640,796,077	2,639,111,331	8.6326
2013	2,845,608	3,742,718,710	299,963,912	4,045,528,230	1,531,359,937	2,514,168,293	9.0000

Source: Brevard County Property Appraiser

**PROPERTY TAX RATES – DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years**

Fiscal Year	City of Palm Bay Direct Rates			Overlapping Rates Brevard County			Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total Direct Rates	Operating Millage	School District	Special Districts	
2022	7.5995	1.3424	8.9419	4.7864	5.8500	0.3274	19.9057
2021	7.8378	0.7516	8.5894	4.9681	5.9420	0.3403	19.8398
2020	8.1379	0.8296	8.9675	5.1891	6.0860	0.3565	20.5991
2019	8.4500	-	8.4500	5.3540	6.2990	0.3759	20.4789
2018	8.4500	-	8.4500	5.6025	6.5680	0.3981	21.0186
2017	8.4500	-	8.4500	5.8548	6.9160	0.4212	21.6420
2016	8.5000	-	8.5000	6.0692	7.2750	0.4412	22.2854
2015	8.6326	-	8.6326	6.2310	7.3390	0.4633	22.6659
2014	8.6326	-	8.6326	6.3979	7.6060	0.4752	23.1117
2013	9.0000	-	9.0000	6.5199	8.0960	0.4782	24.0941

Source: Brevard County Tax Collector

PRINCIPAL PROPERTY TAXPAYERS
September 30, 2022

Taxpayers	2022			2013		
	Taxes Assessed	Rank	Percentage of Total Taxes Levied	Taxes Assessed	Rank	Percentage of Total Taxes Levied
L3Harris Corporation	\$ 331,386	1	0.7%	\$ 280,314	1	1.2%
Braxton AL LP	260,724	2	0.5%	82,170	5	0.4%
FKH SFR Propco	184,274	3	0.4%	-	-	-
IH Borrow LP	156,796	4	0.3%	-	-	-
BAF Assets LLC	151,235	5	0.3%	-	-	-
AD1 URBAN	146,358	6	0.3%	-	-	-
WE Lighthouse Pointe Owner LLC	143,015	7	0.3%	62,100	10	0.3%
WRH Madalyn Landing LLLP	139,071	8	0.3%	-	-	-
Pavilions Property Ownere LLC	132,224	9	0.3%	-	0	-
Renasas Electronics America Inc	131,994	10	0.3%	117,000	3	0.5%
Palm Bay City Investments FH LLC	117,792	11	0.2%	-	-	-
Palm Bay West LLC	108,375	12	0.2%	99,000	4	0.4%
Rivera Terrace Properties LLC	105,011	13	0.2%	58,410	13	0.3%
H F Partnership LLP	100,972	14	0.2%	57,600	14	0.3%
Wal-Mart Stores East LP	100,719	15	0.2%	73,575	6	0.3%
Sutton Properties of Palm Bay	100,364	16	0.2%	65,198	8	0.3%
CAPE, LLC	93,498	17	0.2%	-	-	-
WSL Glenbrooke Investors V LLC	85,606	18	0.2%	122,851	2	0.5%
Mogra Circle LLC	77,885	19	0.2%	59,400	12	0.3%
Malabar Associates, Ltd	74,762	20	0.2%	60,633	11	0.3%
Bayside Lakes LLP	-	-	-	66,240	7	0.3%
Palm Bay Improvements LLC	-	-	-	62,381	9	0.3%
Palm Bay Partners LLC	-	-	-	54,900	15	0.2%
5200 Professional Center LLC	-	-	-	49,500	16	0.2%
Portfolio Real Estate Palm Bay	-	-	-	49,281	17	0.2%
Southern Malabar Cove	-	-	-	44,500	18	0.2%
2501 LLC	-	-	-	47,700	19	0.2%
Lpwes Home Centers Inc	-	-	-	46,890	20	0.2%
Total	\$ 2,742,061		5.9%	\$ 1,559,643		6.6%

Source: Brevard County Tax Collector

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2022	\$ 48,006,978	\$ 46,898,514	97.7%	\$ 29,085	\$ 46,927,599	97.8%
2021	41,659,836	40,592,718	97.4%	116,366	40,709,084	97.7%
2020	39,385,383	38,517,192	97.8%	151,615	38,668,807	98.2%
2019	33,696,699	32,987,945	97.9%	93,814	33,081,759	98.2%
2018	30,396,095	29,713,617	97.8%	179,673	29,893,290	98.3%
2017	27,612,976	26,938,819	97.6%	111,738	27,050,557	98.0%
2016	25,234,228	24,629,466	97.6%	99,651	24,729,117	98.0%
2015	24,125,115	23,528,650	97.5%	128,673	23,657,323	98.1%
2014	22,782,392	22,130,096	97.1%	127,699	22,257,795	97.7%
2013	22,627,515	21,817,153	96.4%	430,539	22,247,692	98.3%

Source: City of Palm Bay Finance Department

**RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities										Business-Type Activities							% of Personal Income	Per Capita	
	Municipal Service Tax Bonds	Local Option Gas Tax Bonds	Taxable Special Obligation Bonds	Sales Tax Revenue Bonds	2013 TSO Refunding Bonds	Sales Tax Refunding Bonds*	General Obligation Bonds**	2019 TSO Refunding Bonds	Capital Leases	BCRA Notes Payable	PST Loan Payable	LOGT Refunding Notes	Franchise Fee Revenue Notes	2020 Special Revenue Refunding Notes	Utility Revenue Bonds	Utility Notes	Capital Leases			Total Primary Government
2022	\$ -	\$ -	\$ 275,035	\$ -	\$ 3,945,000	\$ 12,440,099	\$ 103,430,494	\$ 50,770,000	\$ 5,133,570	\$ -	\$ -	\$ 7,221,000	\$ 5,233,000	\$ 4,010,000	\$ 4,007,963	\$ 16,073,000	\$ 500,678	\$ 213,039,839	5.74%	1,681
2021	-	-	340,936	-	5,195,000	13,061,178	106,870,853	51,385,000	5,531,622	342,000	-	7,778,000	5,904,000	4,258,000	4,597,582	22,007,000	-	227,271,171	7.54%	1,851
2020	4,850,000	-	402,345	-	5,760,000	13,657,257	52,672,929	51,670,000	5,913,753	752,000	-	8,944,000	6,547,000	-	5,728,475	16,807,000	-	173,704,759	5.85%	1,455
2019	5,015,000	-	462,065	-	50,320,000	14,233,336	54,568,370	-	4,231,728	1,142,000	-	10,086,000	7,165,000	-	6,580,885	21,932,000	273,247	176,009,631	6.47%	1,526
2018	5,175,000	-	519,121	-	50,855,000	14,789,415	-	-	4,624,767	2,505,000	-	10,846,000	3,873,000	-	7,459,667	26,957,000	561,614	128,165,584	5.16%	1,137
2017	5,330,000	-	573,305	-	50,855,000	15,330,494	-	-	793,941	2,865,000	-	2,446,000	4,313,000	-	8,373,342	31,935,000	840,174	123,655,256	5.34%	1,118
2016	5,485,000	-	4,652,695	-	50,855,000	15,896,573	-	-	1,382,836	3,210,000	-	3,041,000	4,744,000	-	9,953,729	37,200,000	1,109,260	137,530,093	6.04%	1,260
2015	5,485,000	-	4,784,387	15,853,121	50,855,000	-	-	-	965,385	3,545,000	761,000	3,625,000	4,744,000	-	26,940,143	28,000,000	1,369,194	146,927,230	6.46%	1,367
2014	5,485,000	-	4,917,880	15,890,000	50,855,000	-	-	-	379,686	3,865,000	1,519,000	3,885,000	-	-	29,197,731	31,590,000	1,620,288	149,204,585	7.03%	1,410
2013	5,485,000	4,455,000	42,999,258	16,285,000	-	-	-	-	606,146	4,170,000	2,268,000	-	-	-	63,561,079	-	-	139,829,483	6.56%	1,336

Debt Limitation: The City does not have a legal debt limit.

*Includes unamortized premium

**Includes unamortized premium/discount

Source: City of Palm Bay Finance Department

DIRECT AND OVERLAPPING BONDED DEBT – GENERAL OBLIGATION BONDS
September 30, 2022

Taxing District	Assessed Valuation	Net Debt Outstanding	Overlapping	City's Share of Debt
Brevard County	\$ 46,975,130,599	\$ 23,174,475	11.41%	\$ 2,643,606
City of Palm Bay Governmental Activities Direct Debt				
Bonds Payable		\$ 170,861,628		
Notes Payable		16,464,000		
Capital Leases		5,133,570		<u>192,459,198</u>
Total Direct and Overlapping Governmental Activities Debt				<u>\$ 195,102,804</u>

Notes: Based on 2022 estimated taxable assessed valuation.
The percentage of overlapping debt is estimated using taxable property values.
The calculation was derived by dividing the City's total taxable value by the total outstanding debt for Brevard County

Sources: City of Palm Bay Finance Department
Brevard County Finance Department

PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

Fiscal Year	Operating Revenue (1)	Operating Expenses (2)	Water and Sewer System Revenue Bonds Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2022	\$ 35,184,129	\$ 17,594,346	\$ 17,589,783	\$ 6,258,620	\$ 1,741,255	2.20
2021	32,962,002	16,548,056	16,413,946	6,189,560	1,809,518	2.05
2020	31,768,978	16,616,785	15,152,193	5,544,082	1,690,235	2.09
2019	29,993,764	16,310,408	13,683,356	5,485,672	1,750,593	1.89
2018	28,248,280	15,678,734	12,569,546	5,420,748	1,809,119	1.74
2017	28,099,716	14,188,214	13,911,502	5,367,565	1,862,622	1.92
2016	26,930,542	13,565,725	13,364,817	4,622,371	2,072,108	2.00
2015	25,606,702	13,713,299	11,893,403	5,365,152	2,282,307	1.56
2014	24,556,798	13,261,955	11,294,843	4,608,347	2,937,545	1.50
2013	23,869,662	12,972,795	10,896,867	4,874,933	3,679,346	1.27

Notes:

(1) Operating Revenue includes interest income.

(2) Direct Operating Expenses are operating expenses excluding depreciation and amortization.

Calculations for item (1) and (2) exclude construction and assessment fund activities; therefore, it will not tie directly to the Statement of Revenues, Expenses and Change in Fund Positions Proprietary Funds

This table does not include the full provisions of the bond covenants.

Source: City of Palm Bay Finance Department

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Years

Year	Population	Personal Income (thousands)	Per Capita Income	Median Age	Education Level in Years of Schooling	School Enrollment	Unemployment Rate
2022	126,748	\$ 3,710,294	\$ 29,273	41.2	14.3	14,376	2.8%
2021	122,765	\$ 33,012,800	\$ 25,011	41.6	14.2	13,731	3.9%
2020	119,530	2,968,746	24,954	41.2	14.3	14,595	5.7%
2019	115,322	2,718,947	23,577	41.2	14.1	14,587	3.1%
2018	112,703	2,483,072	22,032	40.8	14.1	14,587	3.1%
2017	110,623	2,316,335	20,939	43.0	14.1	14,711	3.8%
2016	109,162	2,277,447	20,863	40.7	14.1	14,661	5.4%
2015	107,481	2,276,018	21,176	40.6	14.0	14,896	5.9%
2014	105,815	2,121,273	20,047	40.3	14.0	14,618	6.5%
2013	104,693	2,130,607	20,351	39.9	14.0	14,386	7.4%

Sources:
 Florida Department of Education
 Bureau of Economics and Business Research, University of Florida
 US Department of Labor
 City of Palm Bay Growth Management Department

PRINCIPAL EMPLOYERS IN THE CITY OF PALM BAY
Current Year and Nine Years Ago

Employer	2022			2013		
	Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% Total Employment
3LHarris Corporation	3,450	1	6.00%	3,596	1	7.26%
Brevard County School Board	1,334	2	2.32%	1,611	2	3.25%
City of Palm Bay	859	3	1.49%	785	3	1.59%
Palm Bay Hospital	610	4	1.06%	575	5	1.16%
Publix (3 of 3 locations reported)	532	5	0.93%	410	8	0.83%
Wal*Mart	400	6	0.70%	377	7	0.76%
Renesas (Formerly Intersil)	370	7	0.64%	412	6	0.83%
Winn Dixie (2 locations)	200	8	0.35%	234	10	0.47%
Home Depot	196	9	0.34%			0.00%
Eastern Florida State College	175	10	0.30%	256	9	0.52%
MC Assembly			0.00%	598	4	1.21%
Totals	8,126		14.13%	8,854		17.88%

Note:
Number of employees listed is employed within the City of Palm Bay

Sources:
US Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics
City of Palm Bay Growth Management Department
City of Palm Bay Budget Division

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government										
Legislative	5	4	4	4	4	4	4	4	4	4
Management	10	6	9	5	5	5	5	6	6	7
Finance	15	19	19	16	16	16	22	20	19	18
Procurement	7	7	7	7	6	6				
Community Planning	0	0	2	2	2	2	2	2	2	2
Parks & Facilities	69	0	0	0	0	0	0	0	0	0
Other	46	58	57	61	61	59	58	38	36	32
Public Safety										
Police	262	257	251	243	236	236	243	249	249	251
Fire	137	132	132	137	137	136	136	134	133	133
Code Enforcement	9	9	11	11	9	9				
Building	36	9	38	33	30	23	17	15	14	13
Physical Environment										
Utilities	164	152	149	145	141	132	135	135	134	133
Economic Environment										
Economic /Neighborhood Development	21	13	5	7	7	8	7	4	4	5
Transportation										
Public Works	123	124	131	132	128	128	126	120	120	121
Culture/Recreation										
Recreation	20	55	55	54	54	55	52	52	50	50
Total	924	845	870	857	836	819	807	768	771	769

Note: The methodology for full-time equivalents changed in fiscal year 2006/2007 to include part-time employees.
In FY22 Parks and Recreation split into two separate divisions: Part & Facilities which oversees maintenance and repairs & Recreation which manages activities and events

CAPITAL ASSETS STATISTICS
Last Ten Fiscal Years

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol Units	113	110	123	122	118	125	125	125	127	127
Policemen and Officers	176	172	172	166	160	159	160	160	160	152
Fire										
Stations	6	6	6	6	6	6	6	6	6	5
Firefighters and Officers	123	114	112	122	122	125	123	135	123	122
Public Works										
Streets (miles)	864,423	864,423	863.31	865.37	865.37	865	865	865	865	862
Street lights	4,061	4,061	5109	5108	5108	5108	5108	3968	3960	3960
Parks and Recreation										
Community Centers	3	3	3	3	3	2	2	1	1	1
Developed Parks	33	33	32	32	32	32	32	31	31	31
Acreage of developed parks	520	520	515	515	515	515	515	315	314	314
Acreage of all park land	2,225	2,225	2225	2225	2225	2225	2225	2025	2025	2025
Water System										
Water mains (miles)	676	629	623	622	618	619	617	614	614	604
Fire hydrants	3,129	3,047	2978	2960	2908	2913	2899	2888	2888	2886
Treatment plants	3	3	3	3	3	3	3	3	3	3
Service connections	39,854	38,186	36262	35158	34439	33840	33221	32812	32495	32232
Capacity (mgd)	14	16	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5
Wastewater System										
Sanitary sewer lines (miles)	342	306	300	300	296	307	301	295	295	295
Treatment plants	2	2	2	2	2	2	2	2	2	2
Service connections - sewer	19,676	18,269	17841	17377	17075	16858	16484	16221	16023	15323
Service connections - reclaimed water	548	533	486	455	427	427	427	425	425	424
Treatment capacity (mgd)	5	5	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2

Source: Various City Department

**OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years**

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Police										
Physical Arrests	1,665	1,669	2,278	2,799	3,273	3,770	2,530	3,076	3,612	3,295
Parking Violations	-	-	-	-	-	1	-	11	11	5
Traffic Tickets	4,891	4,273	3,541	4,520	4,577	4,185	3,842	4,847	5,765	6,361
Total Traffic Stops	16,466	15,497	15,280	17,493	17,760	14,524	11,075	10,568	12,731	12,009
Calls for Service	92,384	81,326	93,335	95,862	100,309	98,155	87,635	143,882	159,576	148,938
Fire										
Number of calls for service	18,130	16,894	15,138	15,066	14,713	14,761	14,443	13,408	12,285	11,683
Number of fires extinguished	342	365	301	472	430	465	405	280	275	275
Public Works										
Canal Clearing (2)	12,325	-	1,458,312	1,081,080	986,836	498,088	716,105	16,888	4,820	34,071
New Street (1)	-	-	1	-	-	-	-	-	1	-
Potholes repaired	539	739	1,164	1,329	1,245	1,294	1,275	1,441	1,286	1,108
Parks and Recreation (3)										
Community Center Attendance	68,174	34,914	4,264	23,191	19,000	17,340	12,989	18,690	20,341	18,827
Camp Programs	2,946	4,381	78	1,404	960	877	1,160	790	566	457
Program Membership	5,501	1,008	2,027	24,565	6,000	5,157	6,764	4,363	4,344	2,031
Water System										
New Connections	1,793	1,530	1,104	719	668	559	409	317	263	421
Water main breaks	38	19	6	5	4	-	-	1	1	1
Average daily consumption (millions of gallons)	7	7	7	7	7	7	7	6	6	6
Active accounts	39,854	37,792	36,262	35,158	34,439	33,840	33,221	32,812	32,495	32,232
Wastewater System										
Average daily sewage treatment (millions of gallons)	3	4	4	4	4	3	3	3	3	3
Active Accounts	19,676	18,632	17,841	17,377	17,075	16,858	16,484	16,221	16,023	15,323
Building										
Total Inspections	37,330	17,394	24,068	22,077	26,035	16,455	12,874	10,461	9,783	8,006
Permits Issued	13,955	12,955	10,845	9,320	11,415	7,696	6,328	5,468	4,823	4,131

Source: Various City Departments

(1) Information could not be retrieved for years prior to 2020

(2) Started tracking in 2012 - decrease in 2014 due to concentration on drainage cleaning.

In 2016, canal clearing transitioned to a more accurate GIS information tracking system.

This accounts for the large variance.

In 2021, the City did not have a canal cleaning contract.

(3) Parks & Recreation activities decreased in 2020 due to COVID-19

Source: Various City Departments

IMPACT FEE COLLECTIONS AND BALANCES
Last Ten Fiscal Years

Collections					
Fiscal Year	Police Impact Fees	Fire Impact Fees	Parks Impact Fees	Transportation Impact Fees	Total Collections
2022	\$ 1,030,763	\$ 1,606,431	\$ 3,219,112	\$ 11,520,980	\$ 17,377,286
2021	1,169,860	1,825,074	3,749,856	11,671,949	18,416,739
2020	360,552	684,556	1,474,498	5,449,526	7,969,132
2019	44,516	295,657	661,635	4,402,272	5,404,080
2018	30,022	217,586	508,618	3,147,058	3,903,284
2017	28,369	193,301	437,373	2,326,002	2,985,045
2016	21,970	145,907	325,258	1,688,950	2,182,085
2015	19,636	121,065	189,269	1,574,917	1,904,887
2014	10,714	61,972	119,130	454,802	646,618
2013	7,621	54,444	128,377	529,713	720,155

Balances				
Type	Balance at beginning of Fiscal Year	Collections	Uses	Balance at end of Fiscal Year
Police Impact Fees	\$ 1,434,156	\$ 1,030,763	\$ 225,539	\$ 2,239,380
Fire Impact Fees	2,625,380	1,606,431	566,831	3,664,980
Parks Impact Fees	6,484,375	3,219,112	26,645	9,676,842
Transportation Impact Fees	19,863,054	11,520,980	1,654,741	29,729,293
Totals	\$ 30,406,965	\$ 17,377,286	\$ 2,473,756	\$ 45,310,495

Significant Usage	
Police vehicle purchases	\$ 90,160
Police Property & Evidence Room Expansions 22PD01	38,943
Fire Compressor	48,100
Transportation - Traffic Control Device - Project 20PW03	31,222
Land Acquisition for St. Johns' Pkwy- Project 21PW06	611,048
Transportation Transfers to Debt Service for Sales Tax Bonds, Series 2015	226,931
Transportation Transfers to Debt Service for LOGT Note, Series 2018	767,689

Note: Collections include interest earnings

Sources: City of Palm Bay Finance Department

**UTILITIES DEBT SERVICE APPLICABLE TO TRANSPORTATION PROJECTS
 Last Ten Fiscal Years**

Fiscal Year	Debt Service			Portion Related To Road Improvements
	Refunding Bonds Series 2005B	Refunding Notes Series 2016	Special Assessment Bonds Series 2003	
2022	\$ -	\$ 1,335,760	\$ 214,351	\$ 664,404
2021	-	1,531,010	531,038	881,370
2020	-	1,335,760	214,351	664,404
2019	-	1,285,000	271,068	666,399
2018	-	1,275,000	302,178	675,165
2017	-	1,363,250	870,250	951,703
2016	3,182,706	476,211	246,850	1,677,011
2015	1,777,681		248,250	868,668
2014	1,774,082		248,365	867,169
2013	1,818,251		248,053	886,030

Note:
 Portion of project costs related to roadway restoration and drainage improvements:
 43% for 1998 Utility Revenue Bonds
 42% for 2003 Utility Assessment Bonds

Portion of principal for Special Assessment Bonds was prepaid in fiscal year 2006.

Source: City of Palm Bay Utilities

Last Ten Fiscal Years						Last Ten Fiscal Years			
Fiscal Year	Electricity	Communication Services	Gas	Water	Total	Fiscal Year	Sales Tax Revenue	Max Annual Debt Service 2015 Bonds	Debt Service Coverage
2022	\$ 8,556,952	\$ 2,686,205	\$ 144,821	\$ 1,727,469	\$ 13,115,447	2022	\$ 8,577,966	\$ 1,054,406	8.14
2021	8,050,678	2,559,292	124,899	1,639,203	12,374,072	2021	7,563,292	1,054,406	7.17
2020	7,702,572	2,613,855	113,410	1,531,957	11,961,794	2020	6,599,351	1,054,406	6.26
2019	7,570,916	2,540,717	124,903	1,415,851	11,652,387	2019	6,751,673	1,054,406	6.40
2018	7,356,613	2,638,032	128,314	1,393,850	11,516,809	2018	6,822,769	1,054,406	6.47
2017	7,050,646	2,569,292	112,092	1,367,141	11,099,171	2017	6,311,425	1,054,406	5.99
2016	6,862,108	2,756,084	97,281	1,328,805	11,044,278	2016	5,900,650	1,054,406	5.60
2015	6,597,099	2,953,713	100,256	1,281,256	10,932,324	2015	5,627,552	1,162,250	4.84
2014	6,533,657	3,014,756	115,725	1,234,210	10,898,348	2014	5,245,081	1,162,250	4.51
2013	5,994,198	3,313,753	91,033	1,219,386	10,618,370	2013	5,012,444	1,162,250	4.31

Historical Pledged State Revenue Sharing Funds

Last Ten Fiscal Years	
Fiscal Year	State Revenue Sharing
2022	\$ 6,927,757
2021	5,466,964
2020	4,316,688
2019	4,885,364
2018	4,690,878
2017	4,525,840
2016	4,109,953
2015	3,997,325
2014	3,603,840
2013	3,270,431

Source: City of Palm Bay Finance Department

**CERTIFIED GALLONS OF TAXABLE FUEL SOLD IN BREVARD COUNTY, FLORIDA AND LOCAL
OPTION GAS TAX REVENUE
Last Ten Fiscal Years**

Fiscal Year	Motor Fuel	Diesel Fuel	Total	Annual Local Option Gas Tax Revenue
2022	\$ 177,248,615	\$ 68,416,276	\$ 245,664,891	\$ 4,165,133
2021	247,284,877	187,608,808	434,893,685	3,817,013
2020	250,055,588	194,640,059	444,695,647	3,706,201
2019	269,240,363	179,364,276	448,604,639	4,147,267
2018	263,674,585	136,285,660	399,960,245	3,744,098
2017	259,014,856	149,535,894	408,550,750	3,854,156
2016	251,459,738	149,535,894	400,995,632	3,854,156
2015	235,247,029	127,886,050	363,133,079	3,490,076
2014	132,380,145	19,992,183	152,372,328	3,287,172
2013	234,444,633	115,596,498	350,041,132	3,284,506

Sources:
Florida Department of Revenue
City of Palm Bay Finance Department

DISTRIBUTION OF BREVARD COUNTY LOCAL OPTION GAS TAX REVENUES
Fiscal Year Ended September 30,2022

Jurisdiction	Percent Share Total	Percent Share Municipalities	2022 Revenue Share
Brevard County	47.14	0.000%	\$ 9,283,092
Cape Canaveral	1.21	2.290%	238,628
Cocoa	2.20	4.170%	433,901
Cocoa Beach	1.38	2.620%	272,698
Grant-Valkaria	0.63	1.200%	124,554
Indialantic	0.55	1.030%	107,425
Indian Harbor Beach	1.40	2.640%	274,840
Malabar	0.51	0.960%	99,497
Melbourne	15.00	28.380%	2,953,951
Melbourne Beach	0.50	0.950%	98,931
Melbourne Village	0.08	0.140%	14,805
Palm Bay	16.35	30.930%	3,219,578
Palm Shores	0.12	0.220%	22,693
Rockledge	3.56	6.740%	701,724
Satellite Beach	1.89	3.580%	372,292
Titusville	4.08	7.740%	805,383
West Melbourne	3.40	6.410%	668,589
Total	100.00	100.000%	\$ 19,692,581

Source: Brevard County Board of County Commissioners

UTILITIES DEBT SERVICE COVERAGE
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Revenues	\$ 23,488,824	\$ 24,336,022	\$ 25,381,193	\$ 26,654,593	\$ 27,831,857	\$ 27,927,138	\$ 29,143,681	\$ 31,049,923	\$ 32,870,515	\$ 35,422,351
Interest Income	380,838	220,776	225,509	275,950	267,859	321,142	850,083	668,859	91,487	(238,222)
Operating Expenses (excl. depreciation/amortization)	(12,972,795)	(13,261,955)	(13,713,299)	(13,565,725)	(14,188,214)	(15,678,734)	(16,310,408)	(16,616,785)	(16,548,056)	(17,594,346)
Net Revenues	\$ 10,896,867	\$ 11,294,843	\$ 11,893,403	\$ 13,364,818	\$ 13,911,502	\$ 12,569,546	\$ 13,683,356	\$ 15,101,997	\$ 16,413,946	\$ 17,589,783
Restricted MLE Account Balance	1,683,700	1,683,700	1,771,681	1,768,801	1,363,250	1,364,490	1,345,180	1,335,760	1,531,010	1,531,420
MLE Portion Attributable to MLE Expansion %	1,773,251	1,774,082	1,777,681	342,706	1,363,250	-	1,345,180	1,335,760	1,531,010	1,531,420
Connection Fees Available for Debt Service	3,665,453	3,662,264	3,133,651	3,372,758	3,363,377	3,363,207	3,171,095	3,175,938	3,057,999	3,703,989
Parity Debt Service	\$ 8,205,614	\$ 7,545,892	\$ 7,647,459	\$ 6,694,479	\$ 7,230,186	\$ 7,229,866	\$ 7,236,265	\$ 7,234,317	\$ 7,999,077	\$ 7,999,873
2001 Revenue Bonds	1,920,000	1,920,000	1,920,000	1,920,000	1,917,135	1,917,675	1,916,926	1,920,000	1,919,539	1,915,630
2002 Refunding Bonds	535,175	72,658	-	-	-	-	-	-	-	-
2003 Refunding Bonds	3,784,500	3,298,600	-	-	-	-	-	-	-	-
2004 Revenue Bonds	192,688	28,744	-	-	-	-	-	-	-	-
2005 A Revenue Bonds	-	-	-	-	-	-	-	-	-	-
2005 B Refunding Bonds	1,773,251	1,774,082	1,777,681	342,706	-	-	-	-	-	-
2014 Refunding Note	-	451,808	3,949,778	3,955,562	3,949,801	3,947,701	3,974,159	3,978,557	3,786,307	3,786,426
2016 Refunding Note	-	-	-	476,211	1,363,250	1,364,490	1,345,180	1,335,760	1,531,010	1,531,420
2020 Revenue Note	-	-	-	-	-	-	-	-	762,221	766,397
Total Debt Service	8,205,614	7,545,892	7,647,459	6,694,479	7,230,186	7,229,866	7,236,265	7,234,317	7,999,077	7,999,873
DEBT SERVICE COVERAGE										
PART A: Parity Debt Service										
Test 1										
Net Revenues	10,896,867	11,294,843	11,893,403	13,364,818	13,911,502	12,569,546	13,683,356	15,101,997	16,413,946	17,589,783
Parity Debt Service Less Portion Attributable to MLE Expansion %	6,432,363	5,771,810	5,869,778	6,351,773	5,866,936	7,229,866	5,891,085	5,898,557	6,468,067	6,468,453
Actual	1.69	1.96	2.03	2.10	2.37	1.74	2.32	2.56	2.54	2.72
Required	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
and										
Test 2										
Net Revenues	\$ 10,896,867	\$ 11,294,843	\$ 11,893,403	\$ 13,364,818	\$ 13,911,502	\$ 12,569,546	\$ 13,683,356	\$ 15,101,997	\$ 16,413,946	\$ 17,589,783
Restricted MLE Account Balance	1,683,700	1,683,700	1,771,681	1,768,801	1,363,250	1,364,490	1,345,180	1,335,760	1,531,010	1,531,420
Total	\$ 12,580,567	\$ 12,978,543	\$ 13,665,084	\$ 15,133,619	\$ 15,274,752	\$ 13,934,036	\$ 15,028,536	\$ 16,437,757	\$ 17,944,956	\$ 19,121,203
Parity Debt Service	8,205,614	7,545,892	7,647,459	6,694,479	7,230,186	7,229,866	7,236,265	7,234,317	7,999,077	7,999,873
Actual	1.53	1.72	1.79	2.26	2.11	1.93	2.08	2.27	2.24	2.39
Required	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
or										
PART B: Parity Debt Service										
Test 1										
Net Revenues	\$ 10,896,867	\$ 11,294,843	\$ 11,893,403	\$ 13,364,818	\$ 13,911,502	\$ 12,569,546	\$ 13,683,356	\$ 15,101,997	\$ 16,413,946	\$ 17,589,783
Connection Fees Available for Debt Service	3,665,453	3,662,264	3,133,651	3,372,758	3,363,377	3,363,207	3,171,095	3,175,938	3,057,999	3,703,989
Total	\$ 14,562,320	\$ 14,957,107	\$ 15,027,054	\$ 16,737,576	\$ 17,274,879	\$ 15,932,753	\$ 16,854,451	\$ 18,277,935	\$ 19,471,945	\$ 21,293,772
Parity Debt Service Less Portion Attributable to MLE Expansion %	6,432,363	5,771,810	5,869,778	6,351,773	5,866,936	7,229,866	5,891,085	5,898,557	6,468,067	6,468,453
Actual	2.26	2.59	2.56	2.64	2.94	2.20	2.86	3.10	3.01	3.29
Required	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
and										
Test 2										
Net Revenues	\$ 10,896,867	\$ 11,294,843	\$ 11,893,403	\$ 13,364,818	\$ 13,911,502	\$ 12,569,546	\$ 13,683,356	\$ 15,101,997	\$ 16,413,946	\$ 17,589,783
Connection Fees Available for Debt Service	3,665,453	3,662,264	3,133,651	3,372,758	3,363,377	3,363,207	3,171,095	3,175,938	3,057,999	3,703,989
Restricted MLE Account Balance	1,683,700	1,683,700	1,771,681	1,768,801	1,363,250	1,364,490	1,345,180	1,335,760	1,531,010	1,531,420
Total	\$ 16,246,020	\$ 16,640,807	\$ 16,798,735	\$ 18,506,377	\$ 18,638,129	\$ 17,297,243	\$ 18,199,631	\$ 19,613,695	\$ 21,002,955	\$ 22,825,192
Parity Debt Service	8,205,614	7,545,892	7,647,459	6,694,479	7,230,186	7,229,866	7,236,265	7,234,317	7,999,077	7,999,873
Actual	1.98	2.21	2.20	2.76	2.58	2.39	2.52	2.71	2.63	2.85
Required	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
and										
Proviso										
Net Revenues	10,896,867	11,294,843	11,893,403	13,364,818	13,911,502	12,569,546	13,683,356	15,101,997	16,413,946	17,589,783
Parity Debt Service	\$ 8,205,614	\$ 7,545,892	\$ 7,647,459	\$ 6,694,479	\$ 7,230,186	\$ 7,229,866	\$ 7,236,265	\$ 7,234,317	\$ 7,999,077	\$ 7,999,873
Actual	1.33	1.50	1.56	2.00	1.92	1.74	1.89	2.09	2.05	2.20
Required	1.10	1.10	1.10	1.00	1.10	1.10	1.10	1.10	1.10	1.10

Note: The calculation of Net Revenue only includes utility water and sewer fund activities

UTILITY RATE COMPARISON WITH NEIGHBORING UTILITIES
September 30, 2022

<u>Neighboring Utilities</u>	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
City of West Melbourne	\$ 46.45	\$ 39.45	\$ 85.90
City of Daytona Beach	34.92	52.22	87.14
City of Port St. Lucie	33.17	57.28	90.45
City of Palm Bay	34.94	55.44	90.38
City of Melbourne	30.85	46.08	76.93
City of Cocoa	33.19	55.86	89.05
City of Edgewater	47.16	67.39	114.55
City of Holly Hill	44.73	51.48	96.21
Brevard County	30.11	49.13	79.24
Indian River County	21.04	31.27	52.31
City of Vero Beach	17.75	37.84	55.59
City of New Smyrna Bch	20.15	40.89	61.04
City of Ormond Beach	25.58	33.16	58.74
City of Port Orange	24.50	33.45	57.95
Average of Neighboring Utilities	\$ 31.51	\$ 45.81	\$ 77.32

Note:

Amounts shown are for 5,000 gallons monthly service and reflect standard residential single-family rates effective October 1, 2021, are exclusive of taxes.

TEN LARGEST WATER AND WASTEWATER SYSTEM CUSTOMERS
September 30, 2022

Water Customers	12-Month Usage (1)	Percent of Total	Revenue Generated	Percent of Total
Woodlake Village Apartments	31,275	1.41%	\$ 239,626	1.32%
3LHarris Corporation	30,921	1.39%	268,175	1.48%
Palm Bay Community Hospital	19,793	0.89%	159,600	0.88%
School Board of Brevard County	19,569	0.88%	94,074	0.52%
WE Lighthouse Point Owner LLC	17,034	0.77%	124,804	0.69%
The Park at Palm Bay	14,395	0.65%	93,076	0.51%
The Braxton AL LP	13,128	0.59%	47,254	0.26%
WRH Madalyn Landing	9,337	0.42%	67,830	0.37%
Vista Oaks West Association Inc	7,986	0.36%	50,507	0.28%
Aqua Property LLP	7,771	0.35%	49,753	0.27%
Total	171,209	7.72%	\$ 1,194,699	6.59%

Wastewater Customers	12-Month Usage (1)	Percent of Total	Revenue Generated	Percent of Total
Woodlake Village Apartments	31,275	2.73%	\$ 226,071	1.67%
3LHarris Corporation	30,921	2.70%	237,189	1.75%
School Board of Brevard County	18,277	1.60%	114,489	0.84%
WE Lighthouse Point Owner LLC	17,034	1.49%	130,590	0.96%
The Park at Palm Bay	14,395	1.26%	115,693	0.85%
The Braxton AL LP	13,128	1.15%	68,726	0.51%
Palm Bay Community Hospital	11,390	0.99%	83,056	0.61%
WRH Madalyn Landing	9,337	0.81%	82,850	0.61%
Vista Oaks West Associates Inc	7,986	0.70%	65,736	0.48%
Aqua Property LP	7,771	0.68%	70,778	0.52%
Total	161,514	14.10%	\$ 1,195,178	8.81%

(1) In thousands of gallons

Source: City of Palm Bay



THIS PAGE INTENTIONALLY LEFT BLANK

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2022**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Assistance Listing No.</u>	<u>Contract No. / Grant No.</u>	<u>Federal Expenditures</u>	<u>Pass Through to Subrecipients</u>
<u>U.S. Department of Housing & Urban Development</u>				
Community Development Block Grant / Entitlement Grant	14.218	B-16-MC-12-0032	18,186	
Community Development Block Grant / Entitlement Grant	14.218	B-20-MC-12-0032	131,456	99,608
Community Development Block Grant / Entitlement Grant	14.218	B-21-MC-12-0032	175,786	
Community Development Block Grant / Entitlement Grant CARES CV	14.218	B-20-MC-12-0032	408,344	385,357
Total Community Development Block Grant Cluster			733,772	484,965
Neighborhood Stabilization Program - NSP 1	14.256	B-08-MN-12-0021	1,533	-
Passed through Brevard County:				
HOME Grant	14.239	M-20-DC-12-0200	92,941	-
Total Passed through Brevard County:			94,474	-
Total Department of Housing & Urban Development			828,246	484,965
<u>U.S. Department of Justice</u>				
Passed through the Florida Office of the Attorney General:				
Victim Crime Assistance	16.575	D-00675	20,230	-
2018 Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0817	1,193	-
Total Passed through the Florida Office of the Attorney General:			21,423	-
Equitable Sharing Program	16.922	FL0051200	29,985	-
Total U.S. Department of Justice			51,408	-
<u>U.S. Department of the Treasury</u>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-5031	1,282,148	
Passed through the Florida Housing Finance Corporation :				
Coronavirus Relief Fund	21.019	133-2020	4,277	-
Total Passed through Florida Housing Finance Corporation:			4,277	-
Total U.S. Department of Treasury			1,286,425	-
<u>U.S. Department of Transportation</u>				
Passed through Florida Department of Transportation:				
Know Your Limits	20.205	G2346	32,828	-
P&D Study for Malabar Road Widening	20.205	G1F62	80,234	-
Total Passed through Florida Department of Transportation			113,062	-
Total U.S. Department of Transportation			113,062	-
<u>U.S. Department of Homeland Security - FEMA</u>				
Passed through Florida Division of Emergency Management				
Disaster Grants - Public Assistance				
(Presidentially Declared Disaster) - Hurricane Dorian	97.036	FEMA-4468-DR-FL	37,769	-
(Presidentially Declared Disaster) - Hurricane Matthew	97.036	FEMA-4283-DR-FL	77,387	-
Emergency Protective Measures COVID-19	97.036	FEMA-4486-DR-FL	52,382	-
Total U.S. Department of Homeland Security			167,538	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 2,446,679	\$ 484,965

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
 For the year ended September 30, 2022

STATE AWARDS				
<u>Agency/Program</u>	<u>Assistance Listing No.</u>	<u>Contract No. / Grant No.</u>	<u>State Expenditures</u>	<u>Pass Through to Subrecipients</u>
<u>Florida Department of Environmental Protection</u>				
Statewide Surface Water Restoration (Turkey Creek Restoration)	37.039	LPA0067	86,578	-
Wastewater Treatment Facility Construction	37.077	WW050720	8,288,868	-
Total Florida Department of Environmental Protection			8,375,446	-
<u>Florida Department of Transportation</u>				
P&D Study for Malabar Road Widening	55.026	G1F62	80,234	-
Total Florida Department of Transportation			80,234	-
<u>Florida Housing Finance Agency</u>				
State Housing Initiatives Partnership Program	40.901	N/A	360,310	-
Total Florida Housing Finance Agency			360,310	-
TOTAL STATE EXPENDITURES			\$ 8,815,990	\$ -
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			\$ 11,262,669	\$ 484,965

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND FINANCIAL STATE ASSISTANCE
For Fiscal Year Ended September 30, 2022**

NOTE 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented using the modified basis of accounting for grants accounted for in governmental funds and the accrual basis of accounting for grants accounted for in proprietary funds.

NOTE 2 - Indirect Cost Rate

The Uniform Guidance allows a City to elect a 10% de minimus indirect cost rate. For the year ended September 30, 2022, the City elected not to use this rate.

NOTE 3 - Non-cash Awards

The City did not receive any non-cash federal awards.



THIS PAGE INTENTIONALLY LEFT BLANK.

CITY OF PALM BAY, FLORIDA

COMPLIANCE SECTION

SEPTEMBER 30, 2022

**CITY OF PALM BAY, FLORIDA
COMPLIANCE SECTION
SEPTEMBER 30, 2022**

TABLE OF CONTENTS

	PAGE(S)
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 <i>Government Auditing Standards</i>	1-2
Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance; Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Projects Required by the Uniform Guidance and Chapter 10.550, <i>Rules of the Auditor General</i>	3-5
Schedule of Findings and Questioned Costs	6-7
Schedule of Expenditures of Federal Awards and State Financial Assistance Projects	8-9
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance Projects	10
Management Letter in Accordance with Rules of the Auditor General of the State of Florida	11-13
Independent Accountants' Report on Compliance with Section 218.415, Florida Statutes.....	14



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

**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***

To Honorable Mayor and Members of the City Council
City of Palm Bay, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Palm Bay, Florida, ("the City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise City's basic financial statements and have issued our report thereon dated June 19, 2023. Our report includes a reference to other auditors who audited the financial statements of the City of Palm Bay Police and Firefighters' Retirement System, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

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

203



Miramar Office

3350 SW 148th Ave. | Suite 110
Miramar, FL 33027
(954) 874-1721

CLIENT FOCUSED: SOLUTION DRIVEN

info@abcpasolutions.com

Miami Office

7300 Biscayne Blvd. | Suite 200
Miami, FL 33138
(786) 888-4534

Report on Compliance and Other Matters

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

Purpose of This Report

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



Miramar, Florida
June 19, 2023



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE; REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

To Honorable Mayor and Members of the City Council
City of Palm Bay, Florida

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

Opinion on Each Major Federal Program and State Financial Assistance Project

We have audited City of Palm Bay, Florida's compliance ("the City") with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of City's major federal programs and state financial assistance projects for the year ended September 30, 2022. The City's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program and State Financial Assistance Project

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

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

205



Miramar Office

3350 SW 148th Ave. | Suite 110
Miramar, FL 33027
(954) 874-1721

CLIENT FOCUSED: SOLUTION DRIVEN

info@abcpasolutions.com

Miami Office

7300 Biscayne Blvd. | Suite 200
Miami, FL 33138
(786) 888-4534

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General* we:

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

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

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Projects Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*

We have audited the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon June 19, 2023, which contained unmodified opinions on those financial statements. Our report on the basic financial statements also contained references to the reports of other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance Projects is presented for purposes of additional analysis, as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting, and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and State Financial Assistance Projects is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Miramar, Florida
June 19, 2023

**CITY OF PALM BAY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of Auditor's Report Issued	Unmodified Opinion	
Internal control over financial reporting:		
• Material weaknesses identified?	___ Yes	___X___ No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ Yes	___X___ None Reported
• Noncompliance material to financial statements noted?	___ Yes	___X___ No

Federal Awards and State Financial Assistance Projects

Internal control over Major Federal Programs and State Financial Assistance Projects:

• Material weaknesses identified?	___ Yes	___X___ No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ Yes	___X___ None Reported

Type of Auditor's Report issued on Compliance for Major Federal Programs and State Financial Assistance Projects:

	Unmodified Opinion	
• Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance or Chapter 10.557, Rules of the Auditor General?	___ Yes	___X___ No
• Material weaknesses identified?	___ Yes	___X___ No

Identification of Major Federal Program and Major State Financial Assistance Projects:

<u>AL Number(s)</u>	<u>Name of Federal Program(s)</u>
14.218	Community Development Block Grant/Entitlement Grant
21.027	Coronavirus State and Local Fiscal Recovery Funds
<u>CSFA Number(s)</u>	<u>Name of State Financial Assistance Project(s)</u>
37.077	Wastewater Treatment Facility Construction

Dollar threshold used to distinguish between Type A and Type B programs:

Federal	<u>\$750,000</u>
State	<u>\$750,000</u>

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance? ___ Yes ___X___ No

**CITY OF PALM BAY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Section II - Financial Statements - Current Year Recommendations

There were no findings noted during the current year.

Section IV - Financial Statements - Prior Year Findings

There were no findings during the prior year.

Section V – Federal Awards and State Financial Assistance Projects - Current Year Findings and Questioned Costs

There were no findings and questioned costs noted during the current year.

Section VI - Federal Awards and State Financial Assistance Projects - Prior Year Findings and Questioned Costs

There were no findings and questioned costs noted during the prior year.

CITY OF PALM BAY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Assistance Listing No.</u>	<u>Contract No. / Grant No.</u>	<u>Federal Expenditures</u>	<u>Pass Through to Subrecipients</u>
FEDERAL AWARDS				
<u>U.S. Department of Housing & Urban Development</u>				
Community Development Block Grant / Entitlement Grant	14.218	B-16-MC-12-0032	\$ 18,186	\$ -
Community Development Block Grant / Entitlement Grant	14.218	B-20-MC-12-0032	131,456	99,608
Community Development Block Grant / Entitlement Grant	14.218	B-21-MC-12-0033	175,786	-
Community Development Block Grant / Entitlement Grant CARES CV	14.218	B-20-MC-12-0032	<u>408,344</u>	<u>385,357</u>
Total Community Development Block Grant Cluster			<u>733,772</u>	<u>484,965</u>
Neighborhood Stabilization Program - NSP 1	14.256	B-08-MN-12-0021	1,533	-
<i>Passed through Brevard County</i>				
HOME Grant	14.239	M-20-DC-12-0200	<u>92,941</u>	<u>-</u>
Total Passed through Brevard County			<u>94,474</u>	<u>-</u>
Total Department of Housing & Urban Development			<u>828,246</u>	<u>484,965</u>
<u>U.S. Department of Justice</u>				
<i>Passed through the Florida Office of the Attorney General</i>				
Victim Crime Assistance	16.575	D-00675	20,230	-
2018 Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0817	<u>1,193</u>	<u>-</u>
Total Passed through the Florida Office of the Attorney General			<u>21,423</u>	<u>-</u>
Equitable Sharing Program	16.922	FL0051200	<u>29,985</u>	<u>-</u>
Total U.S. Department of Justice			<u>51,408</u>	<u>-</u>
<u>U.S. Department of the Treasury</u>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-5031	1,282,148	-
<i>Passed through the Florida Housing Finance Corporation</i>				
Coronavirus Relief Fund	21.019	133-2020	<u>4,277</u>	<u>-</u>
Total Passed through Florida Housing Finance Corporation			<u>4,277</u>	<u>-</u>
Total U.S. Department of Treasury			<u>1,286,425</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
<i>Passed through Florida Department of Transportation</i>				
Know Your Limits	20.205	G2346	32,828	-
P&D Study for Malabar Road Widening	20.205	G1F62	<u>80,234</u>	<u>-</u>
Total Passed through Florida Department of Transportation			<u>113,062</u>	<u>-</u>
Total U.S. Department of Transportation			<u>113,062</u>	<u>-</u>
<u>U.S. Department of Homeland Security - FEMA</u>				
<i>Passed through Florida Division of Emergency Management</i>				
Disaster Grants - Public Assistance				
(Presidentially Declared Disaster) - Hurricane Dorian	97.036	FEMA-4468-DR-FL	37,769	-
(Presidentially Declared Disaster) - Hurricane Matthew	97.036	FEMA-4283-DR-FL	77,387	-
Emergency Protective Measures COVID-19	97.036	FEMA-4486-DR-FL	<u>52,382</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>167,538</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,446,679</u>	<u>\$ 484,965</u>

**CITY OF PALM BAY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<u>Agency/ Program</u>	<u>CSFA No.</u>	<u>Contract No. / Grant No.</u>	<u>State Expenditures</u>	<u>Pass Through to Subrecipients</u>
STATE FINANCIAL ASSISTANCE PROJECTS				
<u>Florida Department of Environmental Protection</u>				
Statewide Surface Water Restoration (Turkey Creek Restoration)	37.039	LPA0067	\$ 86,578	\$ -
Wastewater Treatment Facility Construction	37.077	WW050720	<u>8,288,868</u>	<u>-</u>
Total Florida Department of Environmental Protection			<u>8,375,446</u>	<u>-</u>
<u>Florida Department of Transportation</u>				
P&D Study for Malabar Road Widening	55.026	G1F62	<u>80,234</u>	<u>-</u>
Total Florida Department of Transportation			<u>80,234</u>	<u>-</u>
<u>Florida Housing Finance Agency</u>				
State Housing Initiatives Partnership Program	40.901	N/A	<u>360,310</u>	<u>-</u>
Total Florida Housing Finance Agency			<u>360,310</u>	<u>-</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE PROJECTS			<u>\$ 8,815,990</u>	<u>\$ -</u>
 TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS			 <u>\$ 11,262,669</u>	 <u>\$ 484,965</u>

CITY OF PALM BAY, FLORIDA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Note 1 – General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance presents the activity of all federal awards programs and state financial assistance projects of City of Palm Bay, Florida, (“the City”) for the year ended September 30, 2022. All federal awards and state financial assistance projects expended from federal and state agencies are included in these Schedules.

Note 2 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance Projects include the federal and state grant activities of the City and is presented using the modified basis of accounting for grants accounted for in governmental funds and the accrual basis of accounting for grants accounted for in proprietary funds. The information in these Schedules is presented in accordance with the 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”), Audits of States, Local Governments, and Non-Profit Organizations and Chapter 10.650, *Rules of the Auditor General*. Therefore, some amounts presented in these Schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 3 - Indirect Cost Rate

The Uniform Guidance allows a City to elect a 10% de minimus indirect cost rate. For the year ended September 30, 2022, the City elected not to use this rate.

Note 4 - Non-Cash Awards

The City did not receive any non-cash federal awards.



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Honorable Mayor and
Members of the City Council
City of Palm Bay, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Palm Bay, Florida, (“the City”) as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 19, 2023. Our report includes a reference to other auditors who audited the financial statements of the City of Palm Bay Police and Firefighters’ Retirement System, as described in our report on the City’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and State Financial Assistance Project and Report on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Projects Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*; Schedule of Findings and Questioned Costs; and our Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 19, 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. There were no findings in the preceding audit report.

213



Miramar Office

3350 SW 148th Ave. | Suite 110
Miramar, FL 33027
(954) 874-1721

CLIENT FOCUSED: SOLUTION DRIVEN

info@abcpasolutions.com

Miami Office

7300 Biscayne Blvd. | Suite 200
Miami, FL 33138
(786) 888-4534

Official Title and Legal Authority

Section 10.554(1)(i)4, Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This disclosure has been made in the notes to the City's financial statements.

Financial Condition and Management

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

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

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

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes. The information below has not been subject to auditing procedures, therefore no assurance is given on the provided information.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, the Bayfront Community Redevelopment Agency reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as zero.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as zero.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as zero.
- 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 as zero.

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes. The budget variance detail of the CRA is disclosed in the financial Statements Required Supplementary Information.

Additional Matters

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

Purpose of this Letter

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



Miramar, Florida
June 19, 2023



ANTHONY BRUNSON P.A.

CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Honorable Mayor and
Members of the City Council
City of Palm Bay, Florida

We have examined the City of Palm Bay, Florida's ("the City") compliance with Section 218.415, *Florida Statutes, Local Government Investment Policies* for the year ended September 30, 2022. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

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

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

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

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

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

Miramar, Florida
June 19, 2023

