



FLORIDA'S CAPITAL CITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022



CITY OF TALLAHASSEE, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For The Fiscal Year Ended
September 30, 2022**



**CITY OF
TALLAHASSEE**

PREPARED BY:

**Financial Reporting Division
Financial Services Department**

CITY OF TALLAHASSEE, FLORIDA

CITY COMMISSION

JOHN E. DAILEY, Mayor

CURTIS RICHARDSON, Pro Tem **JEREMY MATLOW, Commissioner**
DIANNE WILLIAMS-COX, Commissioner **JACQUELINE PORTER, Commissioner**

REESE GOAD, City Manager

CYNTHIA BARBER, Deputy City Manager

CHRISTIAN DOOLIN
Assistant City Manager

WAYNE TEDDER
Assistant City Manager

KAREN JUMONVILLE
Assistant City Manager

ABENA OJETAYO
Assistant City Manager

DENNIS R. SUTTON
Inspector General

JIM COOKE
City Treasurer-Clerk

CASSANDRA JACKSON
City Attorney

**CITY OF TALLAHASSEE, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2022
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**CITY OF
TALLAHASSEE**

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INTRODUCTORY SECTION

Letter of Transmittal

Government Finance Officers Association Certificate of Achievement Organizational Chart

List of Elected and Appointed Officials and Directors

List of Financial Reporting Staff



April 28, 2023

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

The Annual Comprehensive Financial Report of the City of Tallahassee, Florida, for the fiscal year ended September 30, 2022, is hereby submitted pursuant to Section 11.45, Florida Statutes and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. This report represents the official report of the City's financial operations and condition to the citizens, City Commission, City management, rating agencies, and other interested persons.

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

The certified public accounting firm of MSL, P.A. has issued an unmodified opinion on the City's financial statements for the year ended September 30, 2022. The independent auditors' report is located at the front of the financial section of this report.

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

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

PROFILE OF THE CITY

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

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

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

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

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

JOHN E. DAILEY
Mayor

REESE GOAD
City Manager

CURTIS RICHARDSON
Mayor Pro Tem

CASSANDRA K. JACKSON
City Attorney

JACQUELINE "JACK" PORTER
Commissioner

JAMES O. COOKE, IV
City Treasurer-Clerk

JEREMY MATLOW
Commissioner

DENNIS R. SUTTON
Inspector General

DIANNE WILLIAMS-COX
Commissioner

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Leon County is a racially diverse community. Minorities account for 39.0% of the population, with African- Americans comprising 32.4%.

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

The 2017-2021 American Community Survey 5-year estimates report median family income in Leon County is \$57,359, which is comparable to the national median.

The level of governmental employment has a stabilizing effect on the economy and helps to minimize unemployment. In November 2022, the unemployment rate was 2.7% in the City as compared to the State's unemployment rate of 2.6%. The percentage of employees employed by local, state, and federal government is approximately 32.46% of the work force. The unemployment rate is one of many economic indicators utilized to evaluate the condition of the economy.

POPULATION GROWTH

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

| Year | Tallahassee | Unincorporated | Leon |
|------|-------------|----------------|---------|
| 1960 | 48,174 | 26,051 | 74,225 |
| 1970 | 71,897 | 31,150 | 103,047 |
| 1980 | 81,548 | 67,107 | 148,655 |
| 1990 | 124,773 | 67,720 | 192,493 |
| 2000 | 150,624 | 88,828 | 239,452 |
| 2010 | 181,736 | 94,111 | 275,487 |
| 2020 | 196,169 | 96,029 | 292,198 |
| 2025 | 207,100 | 97,800 | 304,900 |
| 2030 | 215,200 | 99,000 | 314,200 |
| 2035 | 221,200 | 100,000 | 321,200 |
| 2040 | 226,500 | 100,800 | 327,300 |
| 2045 | 231,200 | 101,600 | 332,800 |
| 2050 | 235,400 | 102,200 | 337,600 |

CONSTRUCTION TRENDS

Residential Construction

Single-family residential building permits in Leon County were down 30% in fiscal year 2022, following a 22% increase in fiscal year 2021. Permits for multi-family units were up 46% in fiscal year 2022 following a 16% increase in fiscal year 2021. Year-over-year new multi-family construction can be volatile given the number of units included in each development.

Commercial Development

In fiscal year 2022, more than \$270 million in new commercial construction was permitted in Leon County, above the approximately \$63 million permitted in fiscal year 2021. By far, the largest new commercial permit in fiscal year 2022 was the estimated \$165 million, 634,812 square foot Amazon Fulfillment Center. Other large new commercial construction permits include a \$39 million, 140,000 square foot Danfoss Turbocor expansion and a \$19.5 million, 18,645 square foot North Florida Innovation Labs high tech business incubator.

MILLAGE RATES

As indicated below, the City enjoys the lowest millage rate of the comparable largest cities in Florida for 2022 and 2021. Tallahassee's low and stable millage rate should act as an incentive to economic growth and stability.

| Comparable City | Millage Rate | |
|--------------------|--------------|------------|
| | 2022 | 2021 |
| Clearwater | 5.96 | 5.96 |
| Daytona | 5.53 | 5.53 |
| Fort Lauderdale | 4.38 | 4.34 |
| Gainesville | 5.5 | 5.29 |
| Hollywood | 7.47 | 7.47 |
| Lakeland | 5.43 | 5.56 |
| Largo | 5.58 | 5.63 |
| Orlando | 6.65 | 6.65 |
| Pensacola | 4.29 | 4.29 |
| Tallahassee | 4.1 | 4.1 |
| West Palm Beach | 8.35 | 8.35 |

LONG-TERM FINANCIAL PLANNING

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

The Plan resulted in an approved fiscal year 2022 operating budget of \$774.2 million and an approved capital budget of \$262.4 million. The Plan for the ensuing five years (including 2022) results in projected capital expenditures of approximately \$1 billion.

AWARDS AND ACKNOWLEDGEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tallahassee, Florida for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, the City must publish an annual comprehensive financial report, whose contents satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for a new certificate.

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

Respectfully submitted,



Christian Doolin
Assistant City Manager



Patrick Twyman
Director of Financial Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Tallahassee
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

THE CITIZENS OF TALLAHASSEE



THE CITY COMMISSION



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



ORGANIZATIONAL VALUES

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

JIM COOKE
 CITY TREASURER-CLERK

CASSANDRA K. JACKSON
 CITY ATTORNEY

DENNIS R. SUTTON
 INSPECTOR GENERAL

REESE GOAD
 CITY MANAGER

CHRISTIAN DOOLIN
 ASSISTANT CITY MANAGER

ANGELA HENDRIETH
 CHIEF DIVERSITY OFFICER
 OFFICE OF DIVERSITY & INCLUSION

TIM DAVIS
 DIRECTOR
 TECHNOLOGY & INNOVATION

THOMAS WHITLEY
 DIRECTOR
 PUBLIC WORKS/UTD

ROBERT WIGEN
 DIRECTOR
 RESOURCE MANAGEMENT

ABENA OJETAYO
 ASSISTANT CITY MANAGER

KIMBALL THOMAS
 DIRECTOR
 RESILIENCE COMMUNITY

ANGELA BALDWIN
 DIRECTOR
 PARKS/RECREATION

JEFF SHEPARD
 DIRECTOR
 FLEET

TONY GUILLEN
 GENERAL MANAGER
 ELECTRIC & GAS UTILITY

ASHLEY EDWARDS
 DIRECTOR
 PUBLIC UTILITIES & WILDFIRE SERVICES

LAWRENCE BEVELL
 CHIEF OF POLICE

JOHN POWELL
 DIRECTOR
 CITY CONTRACTOR

CYNTHIA BARBER
 DEPUTY CITY MANAGER

ALISON FARIS
 DIRECTOR
 COMMUNICATIONS

DAVID ODOM
 DIRECTOR
 C&A

JEROME GAINES
 CHIEF OF FIRE

REGINALD OFUANI
 DIRECTOR
 CONTRACT ADMINISTRATION & PROJECT MANAGEMENT

WAYNE TEDDER
 ASSISTANT CITY MANAGER

JAMES BARNES
 CHIEF CUSTOMER OFFICER
 CUSTOMER OPERATIONS

DAVID POLLARD
 DIRECTOR
 PLANNING

UJIE BRANTLEY
 DIRECTOR
 FACILITIES

JAN AUGER
 GENERAL MANAGER
 SOLI SERVICES

KAREN JUMONVILLE
 ASSISTANT CITY MANAGER

STEVE SHARER
 DIRECTOR
 PUBLIC UTILITIES & PUBLIC INFRASTRUCTURE

ALISA MEYERS
 DIRECTOR
 ECONOMIC DEVELOPMENT SERVICES

ALISON FARIS
 DIRECTOR
 COMMUNICATIONS

DAVID POLLARD
 DIRECTOR
 PLANNING

UJIE BRANTLEY
 DIRECTOR
 FACILITIES

JAN AUGER
 GENERAL MANAGER
 SOLI SERVICES

ALISA MEYERS
 DIRECTOR
 ECONOMIC DEVELOPMENT SERVICES

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ALISA MEYERS
 DIRECTOR
 ECONOMIC DEVELOPMENT SERVICES

ALISA MEYERS
 DIRECTOR
 ECONOMIC DEVELOPMENT SERVICES

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

Elected Officials

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

Appointed Officials

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

Deputy City Manager and Assistant City Managers

Deputy City Manager Cynthia Barber
Assistant City Manager Christian Doolin
Assistant City Manager Karen Jumonville
Assistant City Manager Abena Ojetayo
Assistant City Manager Wayne Tedder

Department Directors

Aviation - Director David Pollard
City Construction..... John Powell
Communications - Director Alison Faris
Community Beautification & Waste Management..... Reginald Ofuani
Community Redevelopment Agency Stephen Cox
Customer Operations - Chief Customer Officer James Barnes
Diversity & Inclusion - Chief Diversity Officer..... Angela Hendrieth
Electric & Gas Utility - General Manager Tony Guillen
Environmental Services and Facilities Alissa Meyers
Financial Services - Director Patrick Twyman
Facilities – Director Ubie Brantley
Fire Chief Jerome Gaines
Fleet – Director Jeff Shepard
Golf Courses - General Manager Jan Auger
Grants & Enterprise Resources - Director Roberta Mcmanus
Growth Management - Directory John Reddick
Housing and Community Resilience - Director Kimball Thomas
Human Resources – Interim Director. Rob McGarrah
Parks, Recreation & Neighborhood Affairs Ashley Edwards
Planning - Director Benjamin Pingree
Police Chief..... Lawrence Revell
Procurement -Director Veronica McCrackin
Resource Management - Director Robert Wigen
StarMetro - Director..... Angela Baldwin
Strategic Innovation - Director Thomas Whitley
Technology & Innovation - Director Tim Davis
Underground Utilities & Public Infrastructure - Director Steve Shafer

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

Assistant City Manager
Christian Doolin

Director of Financial Services
Patrick Twyman

Director of Grants & Enterprise Resources
Roberta McManus, CPA

Manager, Financial Reporting
Rita Stevens, CPA

Manager, Fixed Assets and Accounts Receivable
Robert Bechtol, CPA

Financial Reporting Staff

| | | | |
|--------------------|-------------------|-------------------|---------------------|
| Linda Caines, CGFM | Mazie Crumbie | Julie Paniucki | Angela Roberts |
| Shea Tillmon | Latrenda Johnson | Kereen Jones | Lajja Patel, CGFM |
| Emerson Thompson | Keith Srinivasan | Vernessa McMillon | Ben Halvorsen, CPA* |
| Shenika McNear^ | Kristina Seymour^ | Kravien White | |

* Tallahassee International Airport Staff
^Grants Management Staff



**CITY OF
TALLAHASSEE**

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FINANCIAL SECTION

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining Financial Statements

Supplementary Information



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, 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.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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.

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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.

Emphasis-of-Matter

As discussed in Note I.D.3 to the financial statements, in the year ended September 30, 2022, the City adopted the provisions of Government Accounting Standards Board Statement ("GASBS") Number 87, *Leases*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

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 as a whole. The combining financial statements and the supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules and the other supplemental information are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and the supplementary information are fairly stated, in all material respects, in relation to the 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 section, as listed in the table of contents, 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 April 28, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
April 28, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Tallahassee (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year that ended September 30, 2022. Management's Discussion and Analysis is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activities, (c) identify changes in the City's financial position, and (d) identify individual fund concerns or issues. It should be read in conjunction with the Transmittal Letter at the front of this report and the City's financial statements, which follow this section. Notes mentioned below are Notes to the Financial Statements, which follow the statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of September 30, 2022 by \$1.9 billion. After accounting for net position reserved for Investment in Capital Assets and for other restrictions, the unrestricted net position is \$34.6 million.
- The City's total net position decreased by \$0.1 million as a result of fiscal year 2022 operations.
- As of September 30, 2022, the City's governmental funds reported combined ending fund balances of \$94.9 million, a decrease of \$13.3 million from the prior year. This decrease is the result of the current year operating loss. There was no governmental funds fund balance available for spending at the City's discretion.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$2.0 million, or 1.3% of general fund expenditures.
- As of September 30, 2022, the City's enterprise funds reported combined net position of \$1.20 billion, an increase of \$2.1 million from the prior year. This increase is the net result from current year operations. Approximately \$111.0 million of the net position is unrestricted.
- Capital assets, net of accumulated depreciation, as of September 30, 2022, totaled \$2.53 billion, a decrease of \$19.7 million in comparison with prior year (Note IV.D.).
- The City's outstanding long-term debt (Note IV.G.) decreased from \$1.42 billion to \$1.07 billion, or 24.6%.

AN OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The focus is on major funds, which provides detailed information about the most significant funds. The City, like other governmental entities, uses funds to ensure and demonstrate compliance with financial requirements imposed by law, bond covenants, and local administrative and legislative actions. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains thirteen (13) individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund. The data for the other twelve funds are combined into a single, aggregate presentation.

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

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

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

FIDUCIARY FUNDS — Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's programs and activities. The City reports four fiduciary funds, three of which are combined into a single, aggregate presentation in the fiduciary fund statements.

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table is a summary of the fiscal year 2022 Statement of Net Position with comparative information for fiscal year 2021.

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

| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Assets | | | | | | |
| Current and Other Assets | \$ 184.1 | \$ 157.6 | \$ 691.1 | \$ 646.2 | \$ 875.2 | \$ 803.8 |
| Capital Assets | <u>789.3</u> | <u>786.1</u> | <u>1,743.1</u> | <u>1,766.0</u> | <u>2,532.4</u> | <u>2,552.1</u> |
| Total Assets | <u>973.4</u> | <u>943.7</u> | <u>2,434.2</u> | <u>2,412.2</u> | <u>3,407.6</u> | <u>3,355.9</u> |
| Deferred Outflow of Resources | <u>71.4</u> | <u>115.6</u> | <u>34.1</u> | <u>48.7</u> | <u>105.5</u> | <u>164.3</u> |
| Total Assets and Deferred Outflows | <u><u>1,044.8</u></u> | <u><u>1,059.3</u></u> | <u><u>2,468.3</u></u> | <u><u>2,460.9</u></u> | <u><u>3,513.1</u></u> | <u><u>3,520.2</u></u> |
| Liabilities | | | | | | |
| Current and Other Liabilities | 123.9 | 343.9 | 210.5 | 235.6 | 334.4 | 579.5 |
| Long-term Debt Outstanding | <u>85.8</u> | <u>90.4</u> | <u>828.9</u> | <u>881.1</u> | <u>914.7</u> | <u>971.5</u> |
| Total Liabilities | <u>209.7</u> | <u>434.3</u> | <u>1,039.4</u> | <u>1,116.7</u> | <u>1,249.1</u> | <u>1,551.0</u> |
| Deferred Inflows of Resources | <u>212.5</u> | <u>12.7</u> | <u>177.3</u> | <u>82.1</u> | <u>389.8</u> | <u>94.8</u> |
| Total Liabilities and Deferred Inflows | <u>422.2</u> | <u>447.0</u> | <u>1,216.7</u> | <u>1,198.8</u> | <u>1,638.9</u> | <u>1,645.8</u> |
| Net Investment in Capital Assets | 653.0 | 683.8 | 829.3 | 866.3 | 1,482.3 | 1,550.1 |
| Restricted | 94.2 | 93.3 | 263.1 | 233.1 | 357.3 | 326.4 |
| Unrestricted | <u>(124.6)</u> | <u>(164.8)</u> | <u>159.2</u> | <u>162.6</u> | <u>34.6</u> | <u>(2.2)</u> |
| Total Net Position | <u>622.6</u> | <u>612.3</u> | <u>1,251.6</u> | <u>1,262.0</u> | <u>1,874.2</u> | <u>1,874.3</u> |
| Total Liabilities, Deferred Inflows and Net Position | <u>\$ 1,044.8</u> | <u>\$ 1,059.3</u> | <u>\$ 2,468.3</u> | <u>\$ 2,460.9</u> | <u>\$ 3,513.1</u> | <u>\$ 3,520.1</u> |

Changes in net position over time can be one of the best and most useful indicators of financial position. Total net position of the City decreased from \$1,874.3 million in 2021 to \$1,874.2 million in 2022, a decrease of \$0.1 million or 0.01%.

The largest portion of the City's net position, \$1.48 billion or 79.1%, reflects its substantial investment in capital assets (e.g., land, buildings, equipment, etc.), less the related outstanding debt used to acquire or construct those assets. The City uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In addition, a portion of the City's net position, \$357.3 million or 19.1%, represents resources that are subject to external restrictions or restrictions imposed by formal action of the City Commission on how they may be used.

After accounting for net position related to Investments in Capital Assets and other restrictions and commitments on net position, the City has unrestricted net position of \$34.6 million.

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

The following table is a summary of the fiscal year 2022 Statement of Activities with comparative information for fiscal year 2021.

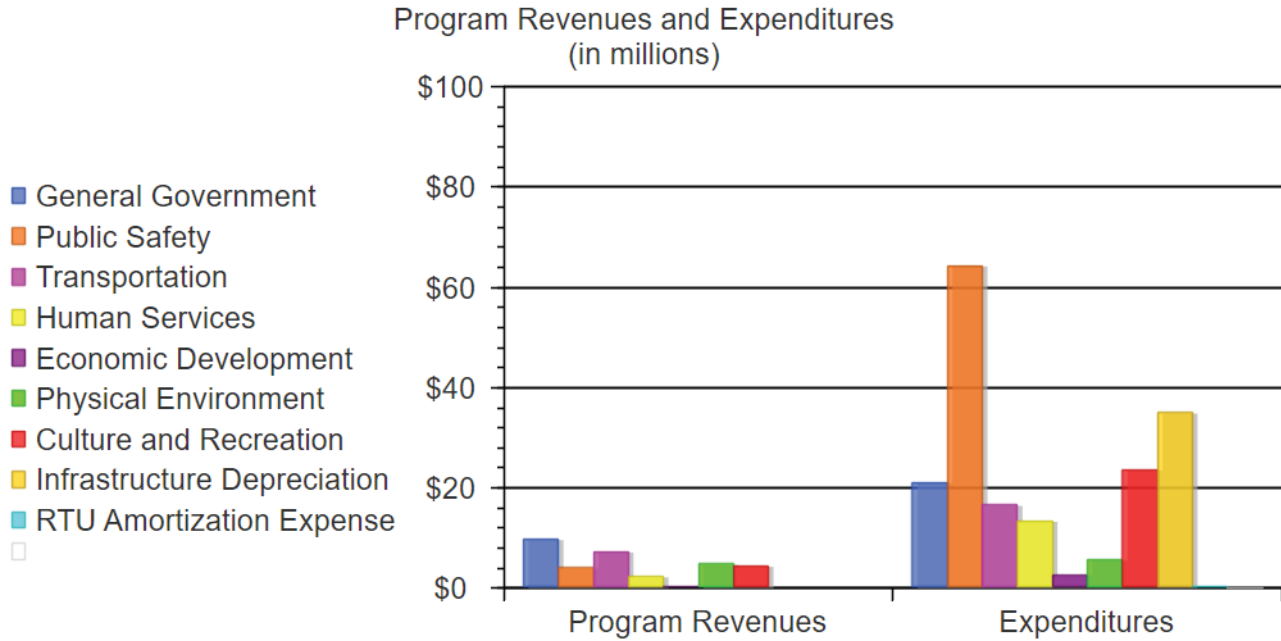
Table 2
Statement of Activities
For the Year Ended September 30
(in millions)

| | Governmental Activities | | Business-type Activities | | Total | |
|-------------------------------------|-------------------------|----------|--------------------------|------------|------------|------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for Services | \$ 16.0 | \$ 13.3 | \$ 607.4 | \$ 531.7 | \$ 623.4 | \$ 545.0 |
| Operating Grants and Contributions | 13.5 | 20.2 | 9.3 | 8.4 | 22.8 | 28.6 |
| Capital Grants and Contributions | 3.6 | 5.1 | 37.1 | 15.2 | 40.7 | 20.3 |
| General revenues | | | | | | |
| Property Taxes | 51.4 | 50.2 | - | - | 51.4 | 50.2 |
| Public Service Taxes | 24.8 | 24.4 | - | - | 24.8 | 24.4 |
| Grants and Contributions | 40.3 | 35.1 | 2.0 | 2.0 | 42.3 | 37.1 |
| Net Investment Revenue | (2.0) | 1.4 | (44.6) | (0.1) | (46.6) | 1.3 |
| Other Revenues | 8.2 | 11.4 | 2.9 | 0.6 | 11.1 | 12.0 |
| Total Revenues | 155.8 | 161.1 | 614.1 | 557.8 | 769.9 | 718.9 |
| Expenses | | | | | | |
| General Government | 21.1 | 37.4 | - | - | 21.1 | 37.4 |
| Public Safety | 64.4 | 92.5 | - | - | 64.4 | 92.5 |
| Transportation | 16.6 | 18.7 | - | - | 16.6 | 18.7 |
| Cultural and Recreation | 23.6 | 21.2 | - | - | 23.6 | 21.2 |
| Depreciation on Infrastructure | 35.0 | 34.2 | - | - | 35.0 | 34.2 |
| Other Primary Government | 21.8 | 32.8 | - | - | 21.8 | 32.8 |
| RTU Amortization Expense | 0.3 | - | - | - | 0.3 | - |
| Interest on Long-Term Debt | 3.6 | 3.5 | - | - | 3.6 | (3.5) |
| Electric | - | - | 292.3 | 252.3 | 292.3 | 252.3 |
| Gas | - | - | 24.6 | 21.7 | 24.6 | 21.7 |
| Sewer | - | - | 74.2 | 77.4 | 74.2 | 77.4 |
| Water | - | - | 40.5 | 40.5 | 40.5 | 40.5 |
| Airport | - | - | 21.2 | 20.7 | 21.2 | 20.7 |
| StarMetro | - | - | 30.0 | 27.1 | 30.0 | 27.1 |
| Solid Waste | - | - | 28.9 | 29.8 | 28.9 | 29.8 |
| Golf | - | - | 1.3 | 1.0 | 1.3 | 1.0 |
| Stormwater Management | - | - | 20.2 | 21.0 | 20.2 | 21.0 |
| Fire Services | - | - | 50.5 | 48.1 | 50.5 | 48.1 |
| Total Expenses | 186.4 | 240.3 | 583.7 | 539.6 | 770.1 | 779.9 |
| Increase (Decrease) in Net Position | | | | | | |
| Before Transfers | (30.6) | (79.2) | 30.4 | 18.2 | (0.2) | (61.0) |
| Transfers | 40.9 | 41.1 | (40.9) | (41.1) | - | - |
| Increase (Decrease) in Net Position | | | | | | |
| From Operations | 10.3 | (38.1) | (10.5) | (22.9) | (0.2) | (61.0) |
| Net Position - October 1 | 612.3 | 650.4 | 1,262.1 | 1,284.9 | 1,874.4 | 1,935.3 |
| Net Position - September 30 | \$ 622.6 | \$ 612.3 | \$ 1,251.6 | \$ 1,262.0 | \$ 1,874.2 | \$ 1,874.3 |

GOVERNMENTAL ACTIVITIES

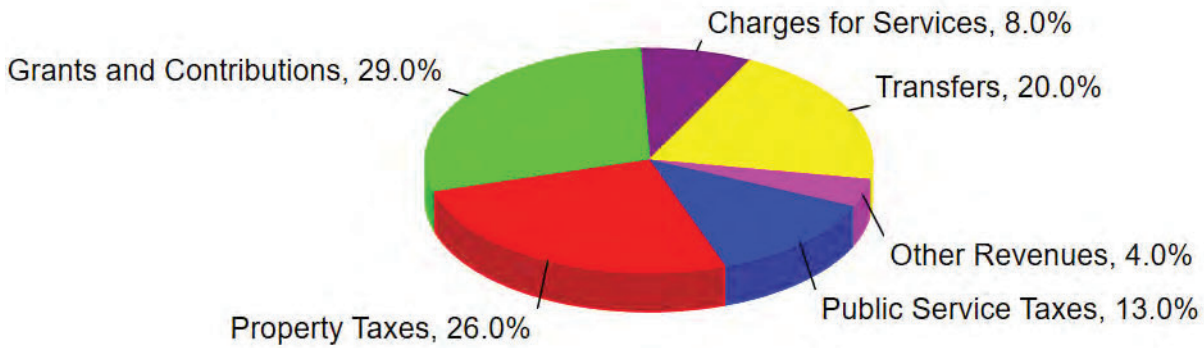
During the fiscal year, net position for governmental activities increased \$10.3 million for current year operations resulting in an ending balance of \$622.6 million.

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



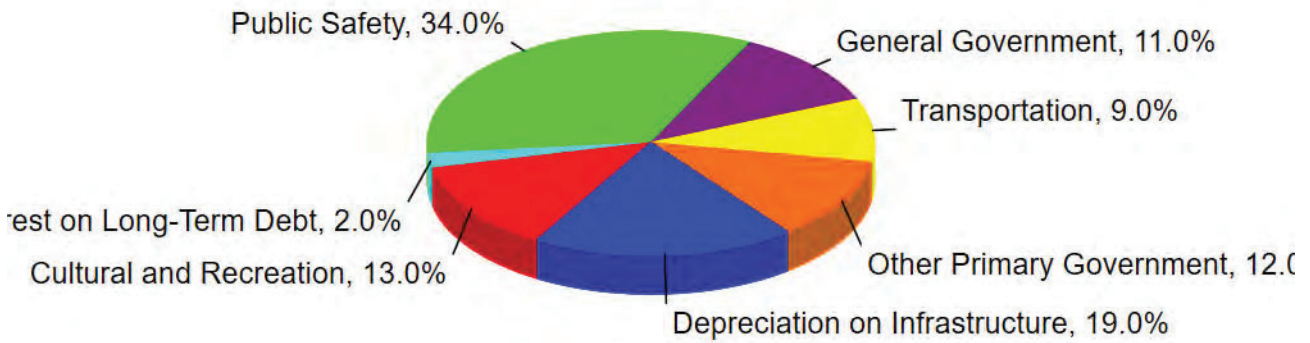
The following chart illustrates the City's revenues by source for the City's governmental activities.

Revenues by Source



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

Expenditures by Function

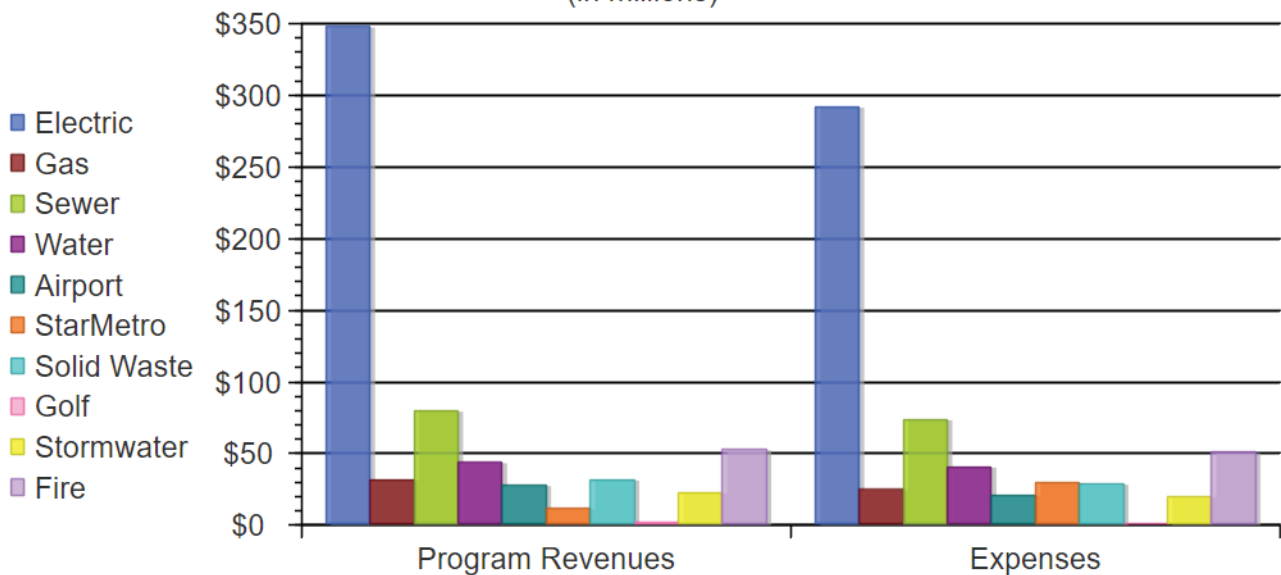


BUSINESS-TYPE ACTIVITIES

For the City's Business-type activities, the results for the current fiscal year were negative resulting in an ending net position of \$1.25 billion. The decrease of \$10.4 million is the result of current year operations.

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

Program Revenues and Expenses
(in millions)



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. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2022, the City's governmental funds reported combined ending fund balances of \$94.9 million, a decrease of \$13.3 million in comparison with the prior year. This a decrease is the result of current year operations. Of this amount \$2.1 million is considered non-spendable; \$48.7 million is restricted for purposes which are externally imposed by providers; \$48.8 million is committed for specific purposes that are internally imposed by the City Commission; \$0.3 million is assigned to projects under the control of the department budgeted to receive the funds. These restrictions, commitments and assignments result in a negative unassigned fund balance of \$4.9 million.

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

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

| Fund | Fund Balances 9/30/2021 | Sources | Uses | Sources Over (Under) Uses | Fund Balances 9/30/2022 |
|------------------|----------------------------|-----------------|-----------------|------------------------------|----------------------------|
| General Fund | \$ 26.8 | \$ 171.6 | \$ 173.6 | \$ (2.0) | \$ 24.8 |
| Other Funds | 81.4 | 57.4 | 68.7 | (11.3) | 70.1 |
| Total City Funds | <u>\$ 108.2</u> | <u>\$ 229.0</u> | <u>\$ 242.3</u> | <u>\$ (13.3)</u> | <u>\$ 94.9</u> |

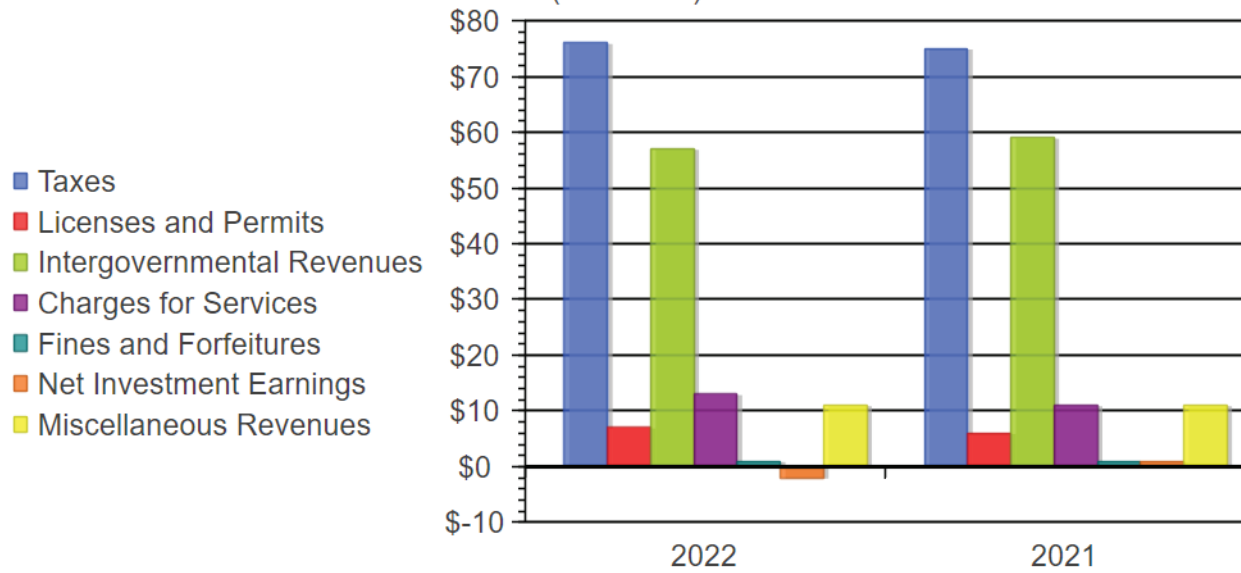
The General Fund is the chief operating fund of the City. At the end of the fiscal year, fund balance for the general fund was \$24.8 million, or 14.3% of general fund expenditures and other financing uses. Of this amount, \$1.6 million is non-spendable and \$2.0 million is unassigned.

The fund balance for the City's General Fund decreased \$2.0 million during fiscal year 2022. This decrease is due to current year operations.

The fund balance in the City's other nonmajor governmental funds decreased \$11.3 million from the prior year. This decrease was the result of current year operating losses primarily caused by large expenditures in the bond construction funds in an attempt to spend down existing bond proceeds from prior years.

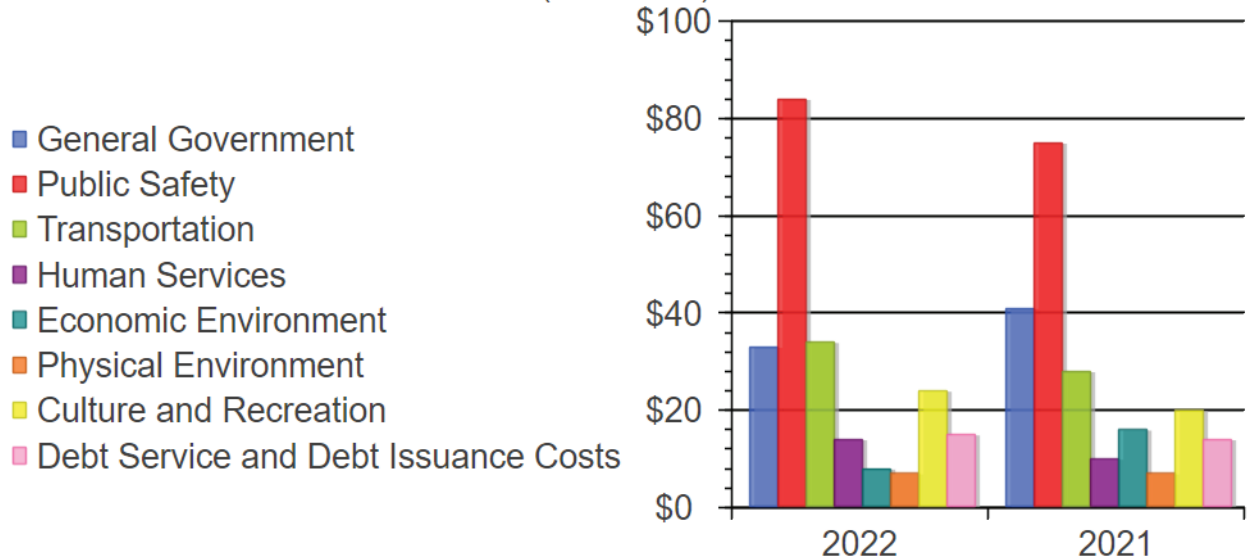
The following chart compares revenue by source for the governmental funds.

Revenues by Source-FYs 2022 and 2021
(in millions)



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

Expenditures by Program-FYs 2022 and 2021
(in millions)



PROPRIETARY FUNDS

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

GENERAL FUND BUDGETARY HIGHLIGHTS

A schedule comparing the original to the final budget and the variance from the final budget to the actual results is included on page 122 of the financial statements.

There was a net increase to the original budget for \$806,000 across several categories for various adjustments throughout the fiscal year.

The City's general fund generated a positive variance of approximately \$124,000 between the final amended budget and actual results of operation. Actual revenues for the year were in line with the budget overall but the revenues by category varied from the budget in all cases. Overall expenses were under budget by \$124,000. These variances were spread across all expense categories.

CAPITAL ASSETS

The City's capital assets for its governmental and business-type activities, net of depreciation, as of September 30, 2022, were approximately \$2.5 billion. This represents a net decrease of approximately \$19.7 million, or 0.8%, under last year. See Note IV.D. for more information about the City's capital assets.

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|-------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Land | \$ 371,259 | \$ 368,567 | \$ 154,415 | \$ 154,043 | \$ 525,674 | \$ 522,610 |
| Buildings | 46,533 | 38,988 | 127,062 | 124,162 | 173,595 | 163,150 |
| Equipment | 40,992 | 18,682 | 355,335 | 392,157 | 396,327 | 410,839 |
| Improvements (Other than Buildings) | 5,922 | 6,359 | 20,663 | 32,654 | 26,585 | 39,013 |
| Infrastructure | 299,288 | 323,248 | 823,521 | 793,627 | 1,122,809 | 1,116,875 |
| Intangibles | 1,897 | 181 | 166,884 | 179,011 | 168,781 | 179,192 |
| Right to Use Assets | 5,218 | - | 3,286 | - | 8,504 | - |
| Construction in Progress | 18,174 | 30,056 | 91,938 | 90,311 | 110,112 | 120,367 |
| Total | <u>\$ 789,283</u> | <u>\$ 786,081</u> | <u>\$ 1,743,104</u> | <u>\$ 1,765,965</u> | <u>\$ 2,532,387</u> | <u>\$ 2,552,046</u> |

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

- Aviation infrastructure - \$12.8 million
- Electric generation, transmission and distribution infrastructure - \$15.7 million
- Gas transmission and distribution infrastructure - \$3.3 million
- Sewer collection, treatment, and disposal infrastructure - \$12.7 million
- StarMetro acquisition of buses and system improvements - \$.6 million
- Stormwater infrastructure - \$3.4 million
- Street construction, widening and expansion projects improvements, park improvements, and vehicles and equipment for public safety purposes, - \$13.3 million
- Water transmission and distribution infrastructure - \$11.8 million
- Technology and Innovation - \$17.6 million

LONG-TERM DEBT

As shown in the following table, as of September 30, 2022, the City had \$877.2 million in total debt outstanding. This amount represents bonds and loans secured by specified revenue sources and excludes issuance premium and discounts.

Table 5
Outstanding Debt at September 30
(in thousands)

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|---------------------------|--------------------------------|---------------|---------------------------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| General Revenue Bonds | 75,205 | 78,585 | - | - | 75,205 | 78,585 |
| Proprietary Revenue Bonds | - | - | 784,513 | 812,966 | 784,513 | 812,966 |
| Other Loans/Notes | 10,984 | 11,785 | 6,473 | 9,589 | 17,457 | 21,374 |
| Total | <u>86,189</u> | <u>90,370</u> | <u>790,986</u> | <u>822,555</u> | <u>877,175</u> | <u>912,925</u> |

The City's total debt decreased by \$35.8 million, or 3.92%, during the current fiscal year. This is due to the net effect of principal paydowns of approximately \$137.3 million netted with the execution of a new general obligation bond of \$6 million for the purchase of new police radios and two new Revenues Notes for bond refundings totalling \$95.5 million.

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

Table 6
Bond Ratings

| | <u>Moody's</u> <u>Investors Service, Inc</u> | <u>Standard & Poor's</u> <u>Rating Services</u> | <u>Fitch Ratings, Inc</u> |
|------------------------------------|---|--|---------------------------|
| Capital Bonds | Aa2 | NA | AA+ |
| Consolidated Utility Systems Bonds | NA | AA | AA+ |
| Energy System Bonds | Aa3 | AA | AA |

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Significant Revenue Factors

Funding for the City's governmental activities comes from property taxes and a limited number of other taxes as authorized by the State Legislature (sales, gasoline, utility services, and telecommunications) and other fees to recover the costs of services provided. Revenue is also received from state-shared revenues and grants from state and federal governments. Revenues for the business-type activities and certain governmental activities (permitting, recreational programs, etc.) come from user fees or service charges. The consumption of the City's utilities is impacted by local weather patterns and the growth of new homes and businesses in the market. Beginning in March 2020, it has also been impacted by the COVID-19 pandemic. In recent years, there has been a decreasing consumption trend per capita in all of the utilities due mainly to the City's demand side management programs. The resulting slower growth in demand has allowed the City to defer adding generating capacity for its electric utility. The cost of fuel is recovered from customers through cost recovery adjustments that are not part of base rates to customers. The Electric Fund maintains a reserve account that has been used in the past to reduce the impact to electric customers of steep increases in the market price of fuel. The balance in this fund as of September 30, 2022 was approximately \$95 million.

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

The presence of two state universities, a community college and the state government provide a stabilizing influence on the City of Tallahassee's financial position. Leon County's unemployment has consistently been lower than both the state and national levels, and that was the case again in 2022.

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

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

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

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

Tallahassee Memorial Hospital (TMH) is the largest general hospital in the Big Bend area of Florida. TMH has historically served an area including the Florida counties of Leon, Gadsden, Wakulla, and Jefferson with a secondary service area comprised of six other adjacent Florida counties. TMH will expand its service footprint with the 2023 announcement of a health care campus in Panama City Beach in Bay County; TMH is partnering with Florida State University and the St. Joe Company on this project which will include an 80,000-square-foot medical office building slated to open in 2024 and a 100-bed hospital to be completed in 2027. FSU and TMH are also partnering to build an academic health center of the future in Tallahassee. The State Legislator and Governor Ron Desantis awarded Florida State University \$125 million in 2022. FSU has accepted TMH's offer of a parcel of land on the TMH campus to house the new center and plans to break ground later in 2023. The new facility will provide about 130,000 gross square feet of medical and research-related space. It will accommodate an estimated 30 principal investigators and is expected to produce an estimated \$40 million of additional annual grant funding.

These indicators, as well as others, were taken into account when adopting the City's budget for fiscal year 2023. The total fiscal year 2023 Citywide operating budget totals \$826.8 million, an increase of \$52.6 million from fiscal year 2022. Personnel expenditures account for approximately 36.2% of the City's operating budget. The City's fiscal year 2023 operating budget has a net increase of 4 positions bringing total positions to 2,954.5.

The capital budget for fiscal year 2023 totals \$205.4 million, a decrease of \$57 million from fiscal year 2022. The City's utilities account for \$136.0 million or 66.2% of the capital budget; other major uses include transportation, general government, public safety, technology, and culture and recreation. Bond proceeds (new and existing) will fund approximately 17.4% of these capital projects with the balance of funding coming primarily from capital improvement funds reserved for projects, federal funds, state funds, and general government resources. The City has a five year plan for capital improvements for all projects planned through fiscal year 2027 which totals \$917.4 million with appropriations of funding made on an annual basis.

FINANCIAL CONTACT

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



**CITY OF
TALLAHASSEE**

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BASIC FINANCIAL STATEMENTS

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

Government-wide Financial Statements

Governmental Funds Financial Statements

Proprietary Funds Financial Statements

Fiduciary Funds Financial Statements

Notes to Financial Statements

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF NET POSITION
September 30, 2022
(in thousands)

| | Primary Government | | | Component Unit |
|--|----------------------------|-----------------------------|---------------------|--------------------------------------|
| | Governmental Activities | Business-Type Activities | Total | Downtown Improvement Authority |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Current Assets | | | | |
| Cash and Cash Equivalents | \$ 90,724 | \$ 149,642 | \$ 240,366 | \$ 167 |
| Securities Lending Collateral | 488 | 887 | 1,375 | 1 |
| Receivables: | | | | |
| Accrued Interest | 189 | 529 | 718 | 1 |
| Customers and Other | 1,235 | 78,658 | 79,893 | - |
| Notes | 100 | 6,262 | 6,362 | - |
| Leases | 907 | 561 | 1,468 | - |
| Special Assessments | 59 | - | 59 | - |
| Less: Allowance for Doubtful Accounts | (6) | (2,340) | (2,340) | - |
| Due From Other Governments | 17,513 | 18,918 | 36,431 | - |
| Prepaid Expenses | - | 3,412 | 3,412 | - |
| Inventory | 740 | 50,832 | 51,572 | - |
| Cash and Cash Equivalents - Restricted | 24,664 | 261,467 | 286,131 | - |
| Securities Lending Collateral - Restricted | 160 | 1,465 | 1,625 | - |
| Receivables - Restricted: | | | | |
| Accrued Interest | 82 | 835 | 917 | - |
| Other | 5 | - | 5 | - |
| Notes | 486 | - | 486 | - |
| Leases | 2,338 | 1,035 | 3,373 | - |
| Due From Other Governments | 2,537 | 2,250 | 4,787 | - |
| Total Current Assets | <u>142,221</u> | <u>574,413</u> | <u>716,634</u> | <u>169</u> |
| Noncurrent Assets | | | | |
| Internal Balances | 10,338 | (10,338) | - | - |
| Deposits | - | 5,658 | 5,658 | - |
| Derivative Instrument Asset | - | 93,862 | 93,862 | - |
| Net Pension Asset | 31,486 | 27,503 | 58,989 | 56 |
| Capital Assets | | | | |
| Land and Construction in Progress | 389,433 | 246,353 | 635,786 | - |
| Other, Net of Accumulated Depreciation | 399,850 | 1,496,751 | 1,896,601 | - |
| Total Noncurrent Assets | <u>831,107</u> | <u>1,859,789</u> | <u>2,690,896</u> | <u>56</u> |
| Total Assets | <u>973,328</u> | <u>2,434,202</u> | <u>3,407,530</u> | <u>225</u> |
| Deferred Outflows of Resources | | | | |
| Deferred Outflows on Bond Refundings | 681 | 95 | 776 | - |
| Pension related deferred outflows | 61,688 | 26,793 | 88,481 | 60 |
| OPEB related deferred outflows | 9,069 | 7,245 | 16,314 | 15 |
| Total Deferred Outflows of Resources | <u>71,438</u> | <u>34,133</u> | <u>105,571</u> | <u>75</u> |
| Assets and Deferred Outflows of Resources | <u>\$ 1,044,766</u> | <u>\$ 2,468,335</u> | <u>\$ 3,513,101</u> | <u>\$ 300</u> |

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

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF NET POSITION
September 30, 2022
(in thousands)

| | Primary Government | | | Component Unit |
|--|----------------------------|-----------------------------|--------------|--------------------------------------|
| | Governmental Activities | Business-Type Activities | Total | Downtown Improvement Authority |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | | | | |
| Current Liabilities | | | | |
| Obligations Under Securities Lending | \$ 488 | \$ 887 | \$ 1,375 | \$ 1 |
| Accounts Payable | 9,731 | 49,741 | 59,472 | 24 |
| Deposits Payable | - | 45,187 | 45,187 | - |
| Unearned Revenue | 33,119 | 54 | 33,173 | 50 |
| Due to Other Governments | 2,171 | 207 | 2,378 | - |
| Lease Payable | 2,263 | 410 | 2,673 | - |
| Compensated Absences | 7,355 | 10,491 | 17,846 | 7 |
| Accounts Payable - Restricted | 4,112 | 4,858 | 8,970 | - |
| Obligations Under Securities Lending - Restricted | 160 | 1,465 | 1,625 | - |
| Unearned Revenue - Restricted | 2,708 | - | 2,708 | - |
| Bonds and Loans Payable | 9,129 | 35,485 | 44,614 | - |
| Total Current Liabilities | 71,236 | 148,785 | 220,021 | 82 |
| Noncurrent Liabilities | | | | |
| Compensated Absences | 4,092 | 4,719 | 8,811 | 2 |
| Customer Contracts Payable | - | 1,605 | 1,605 | - |
| Claims Payable | - | 19,715 | 19,715 | - |
| Lease Payable | 2,708 | 2,898 | 5,606 | - |
| Net OPEB Liability | 45,855 | 32,783 | 78,638 | 119 |
| Bonds and Loans Payable | 85,846 | 828,887 | 914,733 | - |
| Total Noncurrent Liabilities | 138,501 | 890,607 | 1,029,108 | 121 |
| Total Liabilities | 209,737 | 1,039,392 | 1,249,129 | 203 |
| Deferred Inflows of Resources | | | | |
| Deferred Inflows on Bond Refundings | - | 16,223 | 16,223 | - |
| Pension Related Deferred Inflows | 199,028 | 57,089 | 256,117 | 115 |
| OPEB Related Deferred Inflows | 10,224 | 8,496 | 18,720 | 9 |
| Lease Related Deferred Inflows | 3,213 | 1,642 | 4,855 | - |
| Fuel Hedging Related Deferred Inflows | - | 93,862 | 93,862 | - |
| Total Deferred Inflows of Resources | 212,465 | 177,312 | 389,777 | 124 |
| Total Liabilities and Deferred Inflows of Resources | 422,202 | 1,216,704 | 1,638,906 | 327 |
| Net Position | | | | |
| Net Investment in Capital Assets | 652,995 | 829,331 | 1,482,326 | - |
| Restricted for: | | | | |
| Capital Projects | 34,912 | 260,772 | 295,684 | - |
| Debt Service | 13,638 | 2,314 | 15,952 | - |
| Other Purposes | 45,671 | - | 45,671 | - |
| Unrestricted | (124,652) | 159,214 | 34,562 | (27) |
| Total Net Position | 622,564 | 1,251,631 | 1,874,195 | (27) |
| Total Liabilities, Deferred Inflows of Resources and Net Position | \$ 1,044,766 | \$ 2,468,335 | \$ 3,513,101 | \$ 300 |

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

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2022
(in thousands)

| FUNCTION/PROGRAMS | Program Revenue | | | |
|--|-------------------|----------------------|------------------------------------|----------------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General Government | \$ 21,134 | \$ 2,360 | \$ 7,426 | \$ - |
| Public Safety | 64,359 | 1,623 | 2,441 | - |
| Transportation | 16,628 | 4,082 | 1,784 | 1,484 |
| Human Services | 13,436 | 1,143 | 1,215 | - |
| Economic Development | 2,630 | 224 | 44 | - |
| Physical Environment | 5,691 | 2,642 | 75 | 2,125 |
| Culture and Recreation | 23,637 | 3,971 | 500 | - |
| Unallocated Depreciation on Infrastructure | 35,031 | - | - | - |
| RTU Amortization Expense | 284 | - | - | - |
| Interest on Long-Term Debt | 3,563 | - | - | - |
| Total governmental activities | <u>186,393</u> | <u>16,045</u> | <u>13,485</u> | <u>3,609</u> |
| Business-type Activities: | | | | |
| Electric | 292,336 | 322,217 | 2,334 | 23,187 |
| Gas | 24,611 | 32,228 | - | - |
| Sewer | 74,193 | 79,708 | - | - |
| Water | 40,512 | 44,303 | - | - |
| Airport | 21,163 | 15,164 | 2,287 | 10,371 |
| StarMetro | 30,007 | 6,075 | 2,728 | 3,541 |
| Solid Waste | 28,876 | 32,327 | - | - |
| Golf | 1,279 | 1,608 | - | - |
| Stormwater Management | 20,186 | 20,871 | 1,997 | - |
| Fire Services | 50,547 | 52,853 | - | - |
| Total business-type activities | <u>583,710</u> | <u>607,354</u> | <u>9,346</u> | <u>37,099</u> |
| Total primary government | <u>\$ 770,103</u> | <u>\$ 623,399</u> | <u>\$ 22,831</u> | <u>\$ 40,708</u> |
| Component Unit: | | | | |
| Downtown Improvement Authority | <u>\$ 334</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

GENERAL REVENUES AND NET TRANSFERS

| |
|---|
| Taxes: |
| Property Taxes, levied for general purposes |
| Public Service Taxes |
| Permits and Fees |
| Grants and Contributions, not restricted to specific programs |
| Net Unrestricted Investment Earnings |
| Net Securities Lending Income |
| Change in Fair Value of Investments |
| Miscellaneous |
| Net Transfers |
| Total General Revenues and Transfers |
| Change in Net Position |
| Net Position - October 1 |
| Net Position - September 30 |

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

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2022
(in thousands)

| Net (Expense) Revenue and Changes in Net Position | | | | |
|---|--------------------------|---------------------|----------------|--------------|
| Primary Government | | | | |
| Governmental Activities | Business-type Activities | Total | Component Unit | |
| \$ (11,348) | \$ - | \$ (11,348) | \$ - | - |
| (60,295) | - | (60,295) | - | - |
| (9,278) | - | (9,278) | - | - |
| (11,078) | - | (11,078) | - | - |
| (2,362) | - | (2,362) | - | - |
| (849) | - | (849) | - | - |
| (19,166) | - | (19,166) | - | - |
| (35,031) | - | (35,031) | - | - |
| (284) | - | (284) | - | - |
| (3,563) | - | (3,563) | - | - |
| <u>(153,254)</u> | <u>-</u> | <u>(153,254)</u> | <u>-</u> | <u>-</u> |
| - | 55,402 | 55,402 | - | - |
| - | 7,617 | 7,617 | - | - |
| - | 5,515 | 5,515 | - | - |
| - | 3,791 | 3,791 | - | - |
| - | 6,659 | 6,659 | - | - |
| - | (17,663) | (17,663) | - | - |
| - | 3,451 | 3,451 | - | - |
| - | 329 | 329 | - | - |
| - | 2,682 | 2,682 | - | - |
| - | 2,306 | 2,306 | - | - |
| - | <u>70,089</u> | <u>70,089</u> | - | - |
| <u>(153,254)</u> | <u>70,089</u> | <u>(83,165)</u> | - | - |
| | | | | <u>(334)</u> |
| 51,416 | - | 51,416 | 234 | - |
| 24,756 | - | 24,756 | - | - |
| 4,291 | - | 4,291 | - | - |
| 40,335 | 2,008 | 42,343 | - | - |
| 1,186 | 2,436 | 3,622 | 1 | - |
| 6 | 19 | 25 | - | - |
| (3,231) | (46,942) | (50,173) | (23) | - |
| 3,943 | 2,855 | 6,798 | 128 | - |
| 40,855 | (40,855) | - | - | - |
| <u>163,557</u> | <u>(80,479)</u> | <u>83,078</u> | <u>340</u> | - |
| 10,303 | (10,390) | (87) | 6 | - |
| 612,261 | 1,262,021 | 1,874,282 | (33) | - |
| <u>\$ 622,564</u> | <u>\$ 1,251,631</u> | <u>\$ 1,874,195</u> | <u>\$ (27)</u> | - |

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



**CITY OF
TALLAHASSEE**

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GOVERNMENTAL FUNDS

| | |
|---------------------------------|---|
| General | Accounts for all financial resources except those required to be accounted for in another fund. The functions paid for by the general fund include police, protective inspection, code enforcement, culture and recreation, general government, transportation, human services, economic development, and physical environment. |
| Other Governmental Funds | Detailed descriptions of these funds are provided on page 139. |

PROPRIETARY FUNDS

| | |
|-------------------------------|--|
| Electric | Accounts for the assets, operation and maintenance of the City-owned electric generation, transmission, and distribution system. |
| Gas | Accounts for the assets, operation and maintenance of the City-owned gas system. |
| Sewer | Accounts for the assets, operation and maintenance of the City's wastewater collection and treatment system. |
| Water | Accounts for the assets, operation and maintenance of the City's water production and distribution system. |
| Airport | Accounts for the assets, operation and maintenance of the City-owned international airport. |
| Stormwater Management | Accounts for the operation, maintenance, and expansion of the City-owned stormwater utility system. |
| Other Enterprise Funds | Detailed descriptions of these funds are provided on page 144. |
| Internal Service Funds | Detailed description of these funds are provided on page 149. |

FIDUCIARY FUNDS

| | |
|-------------------------------------|--|
| Pension and OPEB Trust Funds | Detailed descriptions of these funds are provided on page 157 |
| Custodial Fund | Reports Fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. |

CITY OF TALLAHASSEE, FLORIDA
BALANCE SHEET
Governmental Funds
September 30, 2022
(in thousands)

| | General | Other Governmental Funds | Total Governmental Funds |
|---|------------------|-----------------------------|-----------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 15,961 | \$ 67,214 | \$ 83,175 |
| Securities Lending Collateral | 94 | 378 | 472 |
| Receivables: | | | |
| Accrued Interest | 54 | 113 | 167 |
| Customers and Others | 1,132 | 1 | 1,133 |
| Leases | 2,088 | 1,158 | 3,246 |
| Notes | - | 101 | 101 |
| Special Assessments | - | 59 | 59 |
| Less: Allowance for Doubtful Accounts | (6) | - | (6) |
| Due From Other Governments | 12,879 | 4,470 | 17,349 |
| Advances To Other Funds | - | 13,638 | 13,638 |
| Inventory | 740 | - | 740 |
| Cash and Cash Equivalents | 798 | 28,459 | 29,257 |
| Securities Lending Collateral | - | 160 | 160 |
| Receivables - Restricted: | | | |
| Accrued Interest | - | 95 | 95 |
| Customers and Others | - | 17 | 17 |
| Notes | - | 486 | 486 |
| Due From Other Governments | - | 2,537 | 2,537 |
| Total Assets | <u>\$ 33,740</u> | <u>\$ 118,886</u> | <u>\$ 152,626</u> |
| LIABILITIES | | | |
| Obligations Under Securities Lending | \$ 94 | \$ 378 | \$ 472 |
| Accounts and Retainage Payable | 3,499 | 5,008 | 8,507 |
| Accounts and Retainage Payable - Restricted | 798 | 1,014 | 1,812 |
| Obligations Under Securities Lending - Restricted | - | 160 | 160 |
| Due To Other Funds | 53 | 2,254 | 2,307 |
| Due To Other Governments | 1,766 | 21 | 1,787 |
| Advances from Other Funds | 650 | 3,017 | 3,667 |
| Unearned Revenue | - | 33,118 | 33,118 |
| Unearned Revenue - Restricted | - | 2,707 | 2,707 |
| Total Liabilities | <u>6,860</u> | <u>47,677</u> | <u>54,537</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Lease Related Deferred Inflows | 2,071 | 1,142 | 3,213 |
| Total Liabilities and Deferred Inflows of Resources | <u>8,931</u> | <u>48,819</u> | <u>57,750</u> |
| FUND BALANCES | | | |
| Nonspendable | 1,553 | 503 | 2,056 |
| Spendable: | | | |
| Restricted | - | 48,743 | 48,743 |
| Committed | 21,033 | 27,737 | 48,770 |
| Assigned | 251 | - | 251 |
| Unassigned | 1,972 | (6,916) | (4,944) |
| Total Fund Balances | <u>24,809</u> | <u>70,067</u> | <u>94,876</u> |
| Total Liabilities and Fund Balances | <u>\$ 33,740</u> | <u>\$ 118,886</u> | <u>\$ 152,626</u> |

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

CITY OF TALLAHASSEE, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2022
(in thousands)

| | |
|--|------------------------------|
| Total Fund Balances - Governmental Funds | \$ 94,876 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital and right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 789,283 |
| Long-term receivables will not be collected in the current period and, therefore, are not reported in the funds. | 19,487 |
| Certain amounts related to Net Pension Asset will not be collected in the current period and, therefore, are not reported in the funds. | 65,313 |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the governmental-type internal service funds are included in the Statement of Net Position. | (17,731) |
| Certain amounts related to the Net Pension Liability and Net OPEB liability are deferred and amortized over time and are not reported in the funds. | (206) |
| Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the fund statements but must be deferred in the Statement of Net Position. | 34,327 |
| Long-term liabilities, including bonds payable, compensated absences, deferred outflows of resources, net pension liability, and net OPEB liability are not due and payable in the current period and therefore are not reported in the funds. | <u>(156,342)</u> |
| Net Position - Governmental Activities | <u>\$ 622,564</u> |

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

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
Governmental Funds
For the Fiscal Year Ended September 30, 2022
(in thousands)

| | General | Other Governmental Funds | Total Governmental Funds |
|--|------------------|--------------------------------|--------------------------------|
| REVENUES | | | |
| Taxes | \$ 72,896 | \$ 3,274 | \$ 76,170 |
| Licenses and Permits | 2,529 | 4,435 | 6,964 |
| Intergovernmental Revenues | 23,967 | 32,753 | 56,720 |
| Charges for Services | 11,815 | 825 | 12,640 |
| Fines and Forfeitures | 876 | 206 | 1,082 |
| Net Investment Earnings | 21 | 1,070 | 1,091 |
| Securities Lending Income | - | 15 | 15 |
| Change in Fair Value of Investments | - | (2,939) | (2,939) |
| Miscellaneous Revenues | 10,298 | 1,062 | 11,360 |
| Total Revenues | <u>122,402</u> | <u>40,701</u> | <u>163,103</u> |
| EXPENDITURES | | | |
| General Government | 27,456 | 5,060 | 32,516 |
| Public Safety | 69,909 | 13,839 | 83,748 |
| Transportation | 18,690 | 15,357 | 34,047 |
| Human Services | 10,970 | 3,035 | 14,005 |
| Economic Environment | 274 | 7,881 | 8,155 |
| Physical Environment | 5,846 | 744 | 6,590 |
| Culture and Recreation | 21,969 | 1,909 | 23,878 |
| Securities Lending Expense: | | | |
| Interest Expense | - | 7 | 7 |
| Agent Fees | - | 2 | 2 |
| Debt Service: | | | |
| Principal Retired | - | 10,215 | 10,215 |
| Interest and Fiscal Charges | 40 | 4,269 | 4,309 |
| Debt Issuance Costs | 40 | - | 40 |
| Total Expenditures | <u>155,194</u> | <u>62,318</u> | <u>217,512</u> |
| Excess of Revenues Over (Under) Expenses | <u>(32,792)</u> | <u>(21,617)</u> | <u>(54,409)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 49,229 | 16,680 | 65,909 |
| Transfers Out | (18,457) | (6,320) | (24,777) |
| Total Other Financing Sources (Uses) | <u>30,772</u> | <u>10,360</u> | <u>41,132</u> |
| Net Change in Fund Balances | (2,020) | (11,257) | (13,277) |
| Fund Balances - October 1 | 26,829 | 81,324 | 108,153 |
| Fund Balances - September 30 | <u>\$ 24,809</u> | <u>\$ 70,067</u> | <u>\$ 94,876</u> |

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

**CITY OF TALLAHASSEE, FLORIDA
RECONCILIATION OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2022
(in thousands)**

Net Change in Fund Balances - Total Governmental Funds \$ (13,275)

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

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period. (15,048)

Internal Service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain internal service funds is reported with governmental activities. (2,837)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 11,399

The net change in compensated absences which is reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds. 79

Pension and OPEB related items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as an expenditure in governmental funds. 29,985

Change in Net Position of Governmental Activities \$ 10,303

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

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF NET POSITION
Proprietary Funds
September 30, 2022
(in thousands)

| | Enterprise Funds | | | | | | | | | | Internal Service | |
|--|------------------|--------|---------|---------|---------|-----------------------|------------------|------------|------------------|---------|------------------|--|
| | Electric | Gas | Sewer | Water | Airport | Stormwater Management | Other Enterprise | Enterprise | Total Enterprise | | | |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | |
| Cash and Cash Equivalents | 53,217 | 2,066 | - | - | 1,144 | 36,595 | 7,809 | 100,831 | | 51,542 | | |
| Securities Lending Collateral | 298 | 12 | - | - | 6 | 205 | 43 | 564 | | 339 | | |
| Receivables: | | | | | | | | | | | | |
| Accrued Interest | 171 | 7 | - | - | 10 | 118 | 25 | 331 | | 209 | | |
| Notes | 5,234 | - | 757 | - | - | - | - | 5,991 | | - | | |
| Customers and Others | 42,721 | 3,383 | 8,160 | 4,879 | 929 | 2,494 | 9,793 | 72,359 | | 6,661 | | |
| Leases | - | - | - | 274 | 287 | - | - | 561 | | - | | |
| Due From Other Governments | 4,849 | 1 | 264 | 56 | 3 | 21 | 13,038 | 18,232 | | 460 | | |
| Less: Allowance for Doubtful Accounts | (1,048) | (27) | (301) | (224) | (354) | (74) | (314) | (2,342) | | - | | |
| Prepaid Expenses | - | - | - | - | - | - | - | - | | - | | |
| Due From Other Funds | 30,000 | - | - | - | - | - | - | 30,000 | | 3,412 | | |
| Inventory | 46,228 | 82 | 1,036 | 73 | 223 | - | 1,370 | 49,012 | | 51,833 | | |
| Current Assets - Restricted: | | | | | | | | | | | | |
| Cash and Cash Equivalents | 146,654 | 9,744 | 57,333 | 16,824 | 30,909 | - | - | 261,464 | | - | | |
| Securities Lending Collateral | 821 | 55 | 321 | 94 | 173 | - | 1 | 1,465 | | - | | |
| Accrued Interest | 472 | 31 | 180 | 54 | 93 | - | - | 830 | | - | | |
| Due From Other Governments | - | - | 56 | - | 2,194 | - | 391 | 2,641 | | - | | |
| Total Current Assets | 329,617 | 15,354 | 67,806 | 22,030 | 35,617 | 39,359 | 32,156 | 541,939 | | 116,275 | | |
| Noncurrent Assets | | | | | | | | | | | | |
| Leases | - | - | - | 717 | 318 | - | - | 1,035 | | - | | |
| Advances To Other Funds | 3,000 | - | - | - | - | - | - | 3,000 | | 2,018 | | |
| Deposits | - | - | - | - | - | - | - | - | | 5,658 | | |
| Derivative Instruments | - | - | - | - | - | - | - | - | | 93,862 | | |
| Net Pension Asset | - | - | - | - | - | - | - | - | | - | | |
| Capital Assets: | | | | | | | | | | | | |
| Land and Construction in Progress | 66,969 | 871 | 25,219 | 7,284 | 23,847 | 115,380 | 6,677 | 246,247 | | 4,883 | | |
| Other, Net of Accumulated Depreciation | 613,797 | 59,705 | 410,958 | 156,299 | 89,293 | 78,436 | 42,047 | 1,450,535 | | 87,866 | | |
| Total Noncurrent Assets | 680,766 | 60,576 | 436,177 | 163,583 | 113,140 | 193,816 | 48,724 | 1,727,285 | | 194,287 | | |
| Total Assets | 1,023,274 | 76,817 | 509,234 | 188,981 | 151,210 | 235,566 | 85,177 | 2,270,259 | | 310,562 | | |
| Deferred Outflows of Resources | | | | | | | | | | | | |
| Deferred Outflows on Refunding of Bonds | 64 | 4 | 28 | - | - | - | - | 96 | | - | | |
| Pension Related Deferred Outflows | 10,187 | 780 | 5,043 | 2,404 | 1,901 | 2,201 | 4,277 | 26,793 | | - | | |
| OPRB Related Deferred Outflows | 2,032 | 181 | 1,065 | 514 | 333 | 336 | 2,784 | 7,245 | | - | | |
| Total Assets and Deferred Outflows of Resources | 1,035,557 | 77,782 | 515,370 | 191,899 | 153,444 | 238,103 | 92,238 | 2,304,393 | | 310,562 | | |

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

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF NET POSITION
Proprietary Funds
September 30, 2022
(in thousands)

| | Enterprise Funds | | | | | | | Total Enterprise | Internal Service |
|---|------------------|---------------|----------------|----------------|----------------|-----------------------|------------------|------------------|------------------|
| | Electric | Gas | Sewer | Water | Airport | Stormwater Management | Other Enterprise | | |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION | | | | | | | | | |
| Current Liabilities | | | | | | | | | |
| Accounts and Retainage Payable | 12,111 | 2,414 | 1,441 | 1,324 | 1,164 | 1,765 | 4,216 | 24,435 | 28,419 |
| Due To Other Funds | - | - | 1,913 | 1,177 | 3 | - | 27,832 | 30,925 | 48,601 |
| Due To Other Governments | 1 | - | - | - | - | - | - | 1 | 589 |
| Compensated Absences | 2,207 | 230 | 695 | 609 | 456 | 481 | 3,648 | 8,326 | 3,229 |
| Lease Payable | - | - | - | - | 3 | - | 381 | 384 | 2,029 |
| Obligations Under Securities Lending | 298 | 12 | - | - | 6 | 205 | 43 | 564 | 339 |
| Unearned Revenue | - | - | - | - | - | - | 54 | 54 | - |
| Deposits Payable | 23,815 | 582 | - | 1,750 | - | - | - | 26,147 | - |
| Obligations Under Securities Lending - Restricted | 821 | 55 | 321 | 94 | 173 | - | 1 | 1,465 | - |
| Accounts and Retainage Payable - Restricted | 1,170 | 47 | 762 | 169 | 2,580 | - | 540 | 5,268 | - |
| Loans Payable | 1,618 | 236 | 34 | 1,350 | 34 | - | - | 3,238 | - |
| Bonds Payable | 19,875 | 420 | 8,193 | 2,892 | - | - | 867 | 32,247 | 680 |
| Total Current Liabilities | 61,916 | 3,996 | 13,359 | 9,365 | 4,385 | 2,451 | 37,582 | 133,054 | 83,886 |
| Noncurrent Liabilities | | | | | | | | | |
| Loans Payable | 1,682 | 217 | - | 1,334 | - | - | - | 3,233 | - |
| Claims Payable | - | - | - | - | - | - | - | - | 19,715 |
| Derivative Instruments | - | - | - | - | - | - | - | - | 19,040 |
| Customer Contracts Payable | - | - | 1,145 | 461 | - | - | - | 1,606 | - |
| Advances from Other Funds | 4,984 | - | - | - | 198 | - | 9,328 | 14,510 | 479 |
| Compensated Absences | 1,523 | 140 | 774 | 232 | 269 | 163 | 715 | 3,816 | 1,384 |
| Net OPEB Liability | 7,857 | 859 | 5,256 | 2,310 | 1,289 | 610 | 14,602 | 32,783 | - |
| Bonds Payable | 506,577 | 3,170 | 233,294 | 77,970 | - | - | 4,642 | 825,653 | 5,355 |
| Lease Payable | - | - | - | - | 8 | - | 2,889 | 2,897 | 1,407 |
| Total Noncurrent Liabilities | 522,623 | 4,386 | 240,469 | 82,307 | 1,764 | 773 | 32,176 | 884,498 | 47,380 |
| Total Liabilities | 584,539 | 8,382 | 253,828 | 91,672 | 6,149 | 3,224 | 69,758 | 1,017,552 | 131,266 |
| Deferred Inflows of Resources | | | | | | | | | |
| Deferred Inflows on Refunding of Bonds | 8,255 | 346 | 6,171 | 1,450 | - | - | - | 16,222 | - |
| Pension Related Deferred Inflows | 21,145 | 1,759 | 10,832 | 5,391 | 4,065 | 4,826 | 9,071 | 57,089 | - |
| OPEB Related Deferred Inflows | 2,494 | 210 | 1,212 | 606 | 408 | 470 | 3,096 | 8,496 | - |
| Lease Related Deferred Inflows | - | - | - | 1,041 | 602 | - | - | 1,643 | - |
| Accumulated Increase in Fair Value of Hedging Derivatives | - | - | - | - | - | - | - | - | 93,862 |
| Total Liabilities and Deferred Inflows of Resources | 616,433 | 10,697 | 272,043 | 100,160 | 11,224 | 8,520 | 81,925 | 1,101,002 | 225,128 |
| Net Position | | | | | | | | | |
| Net Investment in Capital Assets | 149,662 | 56,817 | 194,441 | 81,718 | 112,930 | 193,817 | 39,946 | 829,331 | 83,279 |
| Restricted for Debt Service | 1,388 | 80 | 641 | 205 | - | - | - | 2,314 | - |
| Restricted for Renewal, Replacement and Improvements | 150,715 | 9,360 | 33,750 | 9,940 | 27,079 | 29,488 | 440 | 260,772 | - |
| Unrestricted: | 117,359 | 828 | 14,495 | (124) | 2,211 | 6,278 | (30,073) | 110,974 | 2,155 |
| Total Net Position | 419,124 | 67,085 | 243,327 | 91,739 | 142,220 | 229,583 | 10,313 | 1,203,391 | 85,434 |
| Total Liabilities, Deferred Inflows, and Net Position | 1,035,557 | 77,782 | 515,370 | 191,899 | 153,444 | 238,703 | 92,238 | 48,240 | 310,562 |
| Adjustment to reflect the consolidation of internal service fund activities to enterprise funds | | | | | | | | | |
| Net Position of Business-type Activities | | | | | | | | \$ 1,251,631 | |

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

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Proprietary Funds
For the Fiscal Year Ended September 30, 2022
(in thousands)

| | Enterprise Funds | | | | | | | | | |
|------------------------------------|------------------|-----------|-----------|-----------|------------|-----------------------|------------------------|------------------------|------------------------|--|
| | Electric | Gas | Sewer | Water | Airport | Stormwater Management | Other Enterprise Funds | Total Enterprise Funds | Internal Service Funds | |
| OPERATING REVENUES | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Residential Sales | \$ 144,627 | \$ 12,103 | \$ 37,307 | \$ 20,560 | \$ - | \$ 9,257 | \$ 42,711 | \$ 266,565 | \$ - | |
| Commercial and Industrial Sales | 139,482 | 18,043 | 27,711 | 13,236 | - | 10,417 | 38,232 | 247,121 | - | |
| Public Street and Highway Lighting | 4,985 | - | - | - | - | - | - | 4,985 | - | |
| Sales for Resale | 14,584 | - | - | - | - | - | - | 14,584 | - | |
| Surcharge | 2,886 | 310 | 1,725 | 2,431 | - | - | - | 7,352 | - | |
| Tapping Fees | - | 19 | 139 | 694 | - | - | - | 852 | - | |
| Landing Fees | - | - | - | - | 1,478 | - | - | 1,478 | - | |
| Late Fees | 650 | 87 | - | 134 | - | - | - | 871 | - | |
| Initiating Service | 797 | 114 | - | 417 | - | - | - | 1,328 | - | |
| Rentals | 1,803 | - | - | 500 | 10,591 | - | - | 12,894 | - | |
| Cut-ins and Cut Fees | 1,470 | 24 | - | 79 | - | - | - | 1,573 | - | |
| County Government | - | - | - | - | - | - | 3,444 | 3,444 | - | |
| Recyclable Sales | - | - | - | - | - | - | 1 | 1 | - | |
| Recreation Fees | - | - | - | - | - | - | 1,492 | 1,492 | - | |
| Transportation Fees | - | - | - | - | - | - | 5,798 | 5,798 | - | |
| Other Charges | 10,924 | 384 | 3,762 | 4,639 | 1,521 | 1,082 | 2,523 | 24,835 | 334,544 | |
| Total Operating Revenues | 322,208 | 31,084 | 70,644 | 42,690 | 13,590 | 20,756 | 94,201 | 595,173 | 334,544 | |
| OPERATING EXPENSES | | | | | | | | | | |
| Personnel Services | 33,163 | 2,465 | 15,369 | 9,004 | 6,030 | 6,215 | 53,387 | 125,633 | 49,261 | |
| Fossil Fuel | 107,486 | 13,723 | - | - | - | - | - | 121,209 | - | |
| Power Purchased | 6,159 | - | - | - | - | - | - | 6,159 | - | |
| Contractual Services | 49,192 | 4,570 | 20,601 | 16,710 | 5,944 | 9,205 | 45,013 | 151,235 | 33,961 | |
| Materials and Supplies | 9,640 | 318 | 3,758 | 1,309 | 374 | 626 | 4,953 | 20,978 | 227,469 | |
| Other | 3,765 | 748 | 1,974 | 1,910 | 117 | 430 | 1,451 | 10,395 | 16,124 | |
| Depreciation | 58,605 | 2,346 | 21,071 | 6,814 | 8,455 | 2,188 | 5,166 | 104,645 | 11,575 | |
| Amortization | - | - | - | - | 3 | - | 402 | 405 | 2,109 | |
| Total Operating Expenses | 268,010 | 24,170 | 62,773 | 35,747 | 20,923 | 18,664 | 110,372 | 540,659 | 340,499 | |
| Operating Income (Loss) | \$ 54,198 | \$ 6,914 | \$ 7,871 | \$ 6,943 | \$ (7,333) | \$ 2,092 | \$ (16,171) | \$ 54,514 | \$ (5,955) | |

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

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Proprietary Funds
For the Fiscal Year Ended September 30, 2022
(in thousands)

| | Enterprise Funds | | | | | | | | | |
|---|------------------|-----------|------------|-----------|------------|-----------------------|------------------------|------------------------|------------------------|--|
| | Electric | Gas | Sewer | Water | Airport | Stormwater Management | Other Enterprise Funds | Total Enterprise Funds | Internal Service Funds | |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | | | | | |
| Net Investment Earnings | \$ 1,125 | \$ 48 | \$ 315 | \$ 101 | \$ 156 | \$ 191 | \$ 29 | \$ 1,965 | \$ 493 | |
| Change in Fair Value of Investments | (28,317) | (1,494) | (4,506) | (1,314) | (686) | (45) | (287) | (36,649) | (10,584) | |
| Securities Lending: | | | | | | | | | | |
| Securities Lending Income | 20 | - | 4 | 2 | 2 | 4 | - | 32 | 8 | |
| Interest Expense | (8) | - | (2) | (1) | (1) | (2) | - | (14) | (4) | |
| Agent Fees | (2) | - | (1) | - | - | (1) | - | (4) | - | |
| Intergovernmental Revenues | | | | | | | | | | |
| Other Revenues | 2,480 | 1,370 | 10,841 | 2,133 | 238 | 115 | 5,900 | 17,858 | 906 | |
| Interest Income | - | - | - | - | - | - | 681 | - | 1,508 | |
| Interest Expense | (22,301) | (326) | (10,092) | (3,442) | (2) | - | (577) | (36,740) | (171) | |
| Debt Issuance Costs | (148) | (7) | (66) | (24) | - | - | - | (245) | - | |
| Gain (Loss) on Sale of Assets | (771) | (9) | (996) | (1,321) | (99) | (1,713) | (20) | (4,929) | (260) | |
| Other Expenses | (47,922) | (418) | (4,503) | (3,866) | 3,899 | (1,451) | 5,726 | (48,535) | (8,066) | |
| Total Non-Operating Revenues (Expenses) | 6,276 | 6,496 | 3,368 | 3,077 | (3,434) | 641 | (10,445) | 5,979 | (14,021) | |
| Income (Loss) Before Capital Contributions and Operating Transfers | | | | | | | | | | |
| CAPITAL CONTRIBUTIONS AND TRANSFERS | | | | | | | | | | |
| Capital Contributions | 23,187 | - | - | - | 10,371 | 1,997 | 392 | 35,947 | - | |
| Transfers In | 768 | - | 279 | 582 | - | - | 7,059 | 8,688 | 787 | |
| Transfers Out | (32,816) | (3,609) | (5,299) | (3,847) | - | (532) | (2,457) | (48,560) | (2,047) | |
| Total Capital Contributions and Transfers | (8,861) | (3,609) | (5,020) | (3,265) | 10,371 | 1,465 | 4,994 | (3,925) | (1,260) | |
| Change in Net Position | (2,585) | 2,887 | (1,652) | (188) | 6,937 | 2,106 | (5,451) | 2,054 | (15,281) | |
| Net Position - October 1 | 421,709 | 64,198 | 244,979 | 91,927 | 135,283 | 227,477 | 15,764 | 100,715 | 100,715 | |
| Net Position - September 30 | \$ 419,124 | \$ 67,085 | \$ 243,327 | \$ 91,739 | \$ 142,220 | \$ 229,583 | \$ 10,313 | \$ 85,434 | \$ 85,434 | |
| Adjustment to reflect the consolidation of internal service fund activities to enterprise funds | | | | | | | | (12,444) | | |
| Change in net position of Business-type Activities | | | | | | | | (10,390) | | |

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

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF CASH FLOWS
Proprietary Funds
For the Fiscal Year Ended September 30, 2022
(in thousands)

| | Electric | Gas | Sewer | Water | Airport | Stormwater Management | Other Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
|--|------------|-----------|-----------|-----------|-----------|-----------------------|------------------------|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | | |
| Cash Received from Customers | \$ 319,694 | \$ 30,053 | \$ 69,595 | \$ 41,553 | \$ 13,064 | \$ 20,502 | \$ 86,617 | \$ 581,078 | \$ - |
| Cash Received for Interfund Services | - | - | - | - | - | - | - | - | 333,849 |
| Cash Received from Other Revenues | 2,480 | - | 5,456 | 446 | 202 | 115 | (2) | 8,697 | 5 |
| Cash Paid to Suppliers for Goods and Services | (162,284) | (23,698) | (14,393) | (29,656) | (2,205) | (2,942) | (26,832) | (262,010) | (264,826) |
| Cash Paid to Employees for Services | (36,316) | (2,681) | (17,085) | (9,823) | (6,796) | (6,961) | (55,199) | (134,861) | (49,403) |
| Cash Paid to Other Funds | (29,018) | 3,988 | (11,269) | 10,032 | (2,140) | (6,593) | (24,526) | (59,526) | - |
| Cash Paid for Other Expenses | (771) | (9) | - | (1,322) | - | (1,713) | - | (3,815) | - |
| Net Cash Provided by (Used for) Operating Activities | 93,785 | 7,653 | 32,304 | 11,230 | 2,125 | 2,408 | (19,942) | 129,563 | 19,625 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | | | |
| Transfers In from Other Funds | 768 | - | 2,192 | 1,759 | - | - | 7,059 | 11,778 | 57 |
| Operating Grants Received | - | - | - | - | 3,577 | - | 5,900 | 9,477 | - |
| Cash Received From Other Non-operating Revenues | - | - | - | - | - | - | - | - | 2,327 |
| Cash Paid For Other Non-operating Expenses | - | - | - | - | - | - | - | - | (272) |
| Cash Received From Interfund Balances | - | - | - | - | - | - | 14,166 | 14,166 | 726 |
| Cash Paid For Interfund Balances | 18,213 | - | - | - | - | - | - | 18,213 | (51,371) |
| Transfers Out to Other Funds | (32,816) | (3,609) | (5,299) | (3,847) | - | (484) | (2,457) | (48,512) | 12,142 |
| Net Cash Provided by (Used for) Noncapital Financing Activities | (13,835) | (3,609) | (3,107) | (2,088) | 3,577 | (484) | 24,668 | 5,122 | (36,391) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | | | |
| Capital Contributions | 23,187 | - | - | - | 8,638 | 1,997 | 392 | 34,214 | - |
| Systems Charges | - | - | 5,385 | 1,687 | - | - | - | 7,072 | - |
| Lease Revenue | - | - | - | 334 | 292 | - | - | 626 | - |
| Proceeds from Sale of Property | - | - | - | - | 2,020 | - | - | 2,020 | - |
| Bond Issuance Costs | (148) | (7) | - | (736) | - | - | - | (891) | - |
| Acquisition, Construction and Sale of Capital Assets | (38,411) | (3,069) | (13,778) | (10,760) | (12,375) | (3,460) | (835) | (82,688) | (26,218) |
| Intergovernmental Revenues | - | - | (449) | - | - | - | - | (449) | - |
| Bond and Loan Proceeds | - | - | - | - | - | - | - | - | 6,035 |
| Principal and Refunding Payments | (19,276) | (359) | (7,697) | (3,162) | - | - | (848) | (31,342) | - |
| Repayment of Loans from Other Funds | (228) | (228) | - | - | (48) | - | (957) | (1,233) | - |
| Interest Paid | (27,369) | (467) | (11,305) | (3,957) | (2) | (2) | (575) | (43,677) | (174) |
| Net Cash Provided by (Used for) Capital and Related Financing Activities | (62,017) | (4,130) | (27,844) | (16,594) | (1,475) | (1,465) | (2,823) | (116,348) | (20,357) |

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

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF CASH FLOWS
Proprietary Funds
For the Fiscal Year Ended September 30, 2022
(in thousands)

| | Electric | Gas | Sewer | Water | Airport | Stormwater Management | Other Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
|--|------------------|------------------|------------------|------------------|------------------|-----------------------|------------------------|------------------------|------------------------|
| Interest Received on Investments | 1,103 | | 303 | 118 | 129 | 176 | 20 | 1,897 | 549 |
| Increase (Decrease) in the Fair Value of Investments | (28,317) | (1,494) | (4,506) | (1,314) | (886) | (45) | (287) | (36,649) | 8,456 |
| Net Cash Provided by (Used for) Investing Activities | \$ (27,214) | \$ (1,446) | \$ (4,203) | \$ (1,196) | \$ (557) | \$ 131 | \$ (267) | \$ (34,752) | \$ 9,005 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (9,281) | (1,532) | (2,850) | (8,648) | 3,670 | 590 | 1,636 | (16,415) | (28,118) |
| Cash and Cash Equivalents - October 1 | 209,152 | 13,342 | 60,183 | 25,472 | 28,383 | 36,005 | 6,173 | 378,710 | 79,660 |
| Cash and Cash Equivalents - September 30 | \$ 199,871 | \$ 11,810 | \$ 57,333 | \$ 16,824 | \$ 32,053 | \$ 36,595 | \$ 7,809 | \$ 362,295 | \$ 51,542 |
| Classified As: | | | | | | | | | |
| Unrestricted Assets | \$ 53,217 | \$ 2,066 | \$ - | \$ - | \$ 1,144 | \$ 36,595 | \$ 7,809 | \$ 100,831 | \$ 51,542 |
| Restricted Assets | 146,654 | 9,744 | 57,333 | 16,824 | 30,909 | - | - | 261,464 | - |
| \$ 199,871 | \$ 11,810 | \$ 57,333 | \$ 16,824 | \$ 32,053 | \$ 36,595 | \$ 7,809 | \$ 362,295 | \$ 51,542 | |

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Received on Investments
Increase (Decrease) in the Fair Value of Investments
Net Cash Provided by (Used for) Investing Activities
Net Increase (Decrease) in Cash and Cash Equivalents
Cash and Cash Equivalents - October 1
Cash and Cash Equivalents - September 30

Classified As:

Unrestricted Assets
Restricted Assets

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:

Operating Income (Loss)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:

Depreciation/Amortization
Net pension and OPEB liability changes
Provision for Uncollectible Accounts
Lease Revenue
Other
(Increase) Decrease in Accounts Receivable
(Increase) Decrease in Inventory
(Increase) Decrease in Deposits
(Increase) Decrease in Notes Receivables
(Increase) Decrease in Due From Other Funds
(Increase) Decrease in Due From Other Governments
Increase (Decrease) in Accounts Payable
Increase (Decrease) in Utility Deposits Payable
Increase (Decrease) in Customer Contracts Payable
Increase (Decrease) in Compensated Absences
Increase (Decrease) in Insurance Deposits

Total Adjustments

Net Cash Provided by (Used for) Operating Activities

| | | | | | | | | |
|-----------|----------|-----------|-----------|------------|----------|-------------|------------|------------|
| \$ 54,198 | \$ 6,914 | \$ 7,871 | \$ 6,943 | \$ (7,333) | \$ 2,092 | \$ (16,171) | \$ 54,514 | \$ (5,955) |
| 58,605 | 2,346 | 21,071 | 6,814 | 8,458 | 2,188 | 5,567 | 105,049 | 13,684 |
| (3,341) | (278) | (1,696) | (844) | (629) | (745) | (1,782) | (9,315) | - |
| 52 | 27 | 216 | 202 | 1 | - | 108 | 606 | - |
| - | - | - | (284) | (292) | - | - | (576) | - |
| 1,709 | (9) | 5,456 | (876) | 85 | (1,598) | (2) | 4,765 | - |
| (4,484) | (1,055) | (1,027) | (914) | (104) | (253) | (1,603) | (9,440) | (1,220) |
| (546) | 121 | (35) | - | - | - | (558) | (1,018) | (1,089) |
| - | - | - | - | (21) | - | - | (21) | - |
| 765 | - | 13 | - | - | - | - | 778 | - |
| - | (1) | (35) | 1 | 8 | (1) | - | (1) | - |
| (14,562) | (499) | 103 | 14 | 1,906 | 726 | 365 | (5,263) | 532 |
| 603 | 25 | - | 58 | - | - | - | (11,947) | 14,369 |
| 186 | 62 | (20) | 91 | 46 | (1) | (30) | 686 | - |
| - | - | - | 25 | - | (1) | - | 268 | (145) |
| 39,587 | 739 | 24,433 | 4,287 | 9,458 | 316 | (3,771) | 75,049 | (551) |
| \$ 93,785 | \$ 7,653 | \$ 32,304 | \$ 11,230 | \$ 2,125 | \$ 2,408 | \$ (19,942) | \$ 129,563 | \$ 19,625 |

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

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
September 30, 2022
(in thousands)

| | Pension and Other Employee Benefit Trust Funds | Custodial Fund |
|---|--|----------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 19,408 | \$ 190,600 |
| Receivables | | |
| Other Receivables | 18 | - |
| Accrued Interest | 3,613 | - |
| Taxes Receivable for Other Governments | - | 11,595 |
| Total Receivables | 3,631 | 11,595 |
| Investments, at Fair Value | | |
| Mutual Index Funds | 140,687 | - |
| Private Equities | 317,365 | - |
| Fixed Income Securities | 234,475 | - |
| Domestic Equities | 647,985 | - |
| International Equities | 142,926 | - |
| Private Credit Funds | 89,598 | - |
| Bank Loan | 92,881 | - |
| Alternative Investments | 333,302 | - |
| Timber | 127,710 | - |
| Total Investments | 2,126,929 | - |
| Securities Lending Collateral | 79,200 | - |
| Total Assets | \$ 2,229,168 | \$ 202,195 |
| LIABILITIES AND NET POSITION | | |
| Liabilities | | |
| Obligations Under Securities Lending | \$ 79,200 | \$ - |
| Accounts Payable | - | 2,548 |
| Total Liabilities | 79,200 | 2,548 |
| Net Position | | |
| Net Position Restricted for Pensions | 2,149,968 | - |
| Net Position Restricted for Other Governments | - | 199,647 |
| Total Net Position | 2,149,968 | 199,647 |
| Total Liabilities and Net Position | \$ 2,229,168 | \$ 202,195 |

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

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended September 30, 2022
(in thousands)

| | Pension and Other Employee Benefit Trust Funds | Custodial Fund |
|---|--|----------------|
| ADDITIONS | | |
| Contributions: | | |
| Employer | \$ 45,591 | \$ - |
| Plan Members | 13,240 | - |
| Total Contributions | 58,831 | - |
| Investment Return | | |
| From Investment and Custodial Activities: | | |
| Gain/Loss on Sale of Investments | 44,822 | - |
| Change in Fair Value of Investments | (241,639) | - |
| Interest Income | 24,828 | 824 |
| Dividends | 23,836 | - |
| Sales Taxes Collected for Other Governments | - | 47,033 |
| Grants Collected for Other Governments | - | 7,717 |
| Bond Proceeds Collected for Other Governments | - | 91,045 |
| Total Income (Loss) From Investment and Custodial Activities | (148,153) | 146,619 |
| Less Investment Expenses: | | |
| Investment Management Fees | 7,102 | - |
| Interest Expense | 103 | - |
| Net Income (Loss) from Investing Activities | (155,358) | 146,619 |
| From Securities Lending Activities: | | |
| Securities Lending Income | 1,284 | - |
| Less Securities Lending Expenses: | | |
| Investment Management Fees | 911 | - |
| Net Income from Securities Lending Activities | 373 | - |
| | | |
| Total Net Income (Loss) from Investment and Custodial Activities | (154,985) | 146,619 |
| | | |
| Total Additions | (96,154) | 146,619 |
| | | |
| DEDUCTIONS | | |
| Benefits | 122,946 | - |
| Refunds of Contributions | 930 | - |
| Administrative Expense | 931 | - |
| Payments on Behalf of Blueprint Intergovernmental Agency | - | 60,440 |
| Payments on Behalf of Capital Region Transportation Planning Agency | - | 609 |
| Total Deductions | 124,807 | 61,049 |
| | | |
| Change in Net Position | (220,961) | 85,570 |
| Net Position - October 1 | 2,370,929 | 114,077 |
| Net Position - September 30 | \$ 2,149,968 | \$ 199,647 |

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



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TALLAHASSEE**

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NOTES TO THE FINANCIAL STATEMENTS

Note I - Summary of Significant Accounting Policies

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

Note III - Stewardship, Compliance, and Accountability

Note IV - Detailed Notes - All Funds

Note V - Other Information

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City is a political subdivision of the State of Florida, located in Leon County in the center of the Florida Panhandle. It is approximately 104.7 square miles in area. It is the capital of Florida, the county seat, and the only incorporated municipality in Leon County. The City was incorporated in 1825 following a decision by the Florida Legislature to locate the capital of the new Florida Territory midway between the population centers of St. Augustine and Pensacola.

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

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

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

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

1. BLENDED COMPONENT UNIT

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

1. BLENDED COMPONENT UNIT

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

2. DISCRETELY PRESENTED COMPONENT UNIT

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

3. JOINT VENTURES EXCLUDED FROM THE REPORTING ENTITY

Sunshine State Governmental Financing Commission

The Sunshine State Governmental Financing Commission (the "Commission") was created in November 1985, initially by the cities of Tallahassee and Orlando, Florida to operate and administer a loan program. The Commission is governed pursuant to an interlocal agreement between its member governments. Each member government appoints a representative to the Commission. These representatives elect a five-member board of directors to oversee and administer the Commission's financing programs. The board of directors has appointed an executive director and deputy executive director to manage the Commission. As authorized by the Commission's governing rules, certain management and day-to-day operational responsibilities are delegated by the volunteer executive staff to independent consultants, including a program administrator. As a joint venture among the member governmental units, the Commission enables a limited number of qualifying governments to participate in pooled debt financings with pricing and cost structures not normally available to governmental entities acting individually. Loan obligations from the Commission are reflected as debt by the participating governmental units.

As of September 30, 2022, the Commission's membership consisted of the following governmental units: City of Coral Gables, Florida; City of Ft. Lauderdale, Florida; City of Hollywood, Florida; City of Jacksonville, Florida; City of Lakeland, Florida; City of Miami, Florida; City of Miami Beach, Florida; City of Orlando, Florida; City of St. Petersburg, Florida; City of Tallahassee, Florida; City of Vero Beach, Florida; Miami-Dade County, Florida; and Polk County, Florida. In addition, the City of West Palm Beach, Florida, participates in the Commission's programs as a non-member participant.

As of September 30, 2022, the City of Tallahassee had no obligation and minimal event risk associated with the Commission. Financial statements for the Commission may be obtained from the Sunshine State Governmental Financing Commission at website: www.ssgfc.com.

At a Sunshine State Governmental Financing Commission Board of Directors Meeting held on March 22, 2022, the Board of Directors approved Resolution 22-03, which directed the Executive Director to provide a 360-day notice of the intent to dissolve the Commission and to create a Plan of Dissolution. The 360-day notice of the Commission's intent to dissolve was filed on EMMA on April 7, 2022, with an expected dissolution date of April 5, 2023. A Plan of Dissolution was then approved at the SSGFC Board of Directors meeting on June 27, 2022.

Capital Region Transportation Planning Agency

In December 2004, the Capital Region Transportation Planning Agency (CRTPA) was created through an interlocal agreement to act as the principal forum for collective transportation policy discussions that results in the development of a long range transportation plan which creates an integrated regional multimodal transportation network that supports sustainable development patterns and promotes economic growth. The CRTPA consists of voting representatives from Leon County, Gadsden County, Jefferson County, and Wakulla County; the City of Tallahassee, the City of Midway, the City of Quincy, the City of Chattahoochee, the City of Greensboro, the City of Gretna, and the Town of Havana; the Leon County School Board; and one non-voting representative from the Department of Transportation.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

3. JOINT VENTURES EXCLUDED FROM THE REPORTING ENTITY

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

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

Consolidated Dispatch Agency

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

The CDA is primarily funded by the City of Tallahassee and the Leon County Sheriff based upon the per capita population within the incorporated limits of the City of Tallahassee and within the unincorporated area of Leon County. For the twelve month period ended September 30, 2022, the City's contribution to the CDA was \$6,443,408.

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

4. JOINTLY GOVERNED ORGANIZATION

City of Tallahassee-Leon County Blueprint Intergovernmental Agency

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. With the exception of interfund services provided and used, the effect of interfund activity has been eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

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

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

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

The government reports the following major governmental fund:

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The government reports the following major proprietary funds:

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

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

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

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

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

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

Additionally, the government reports the following fund types:

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds, and of the City's internal service funds, are charges to customers for sales and services. The water and sewer funds also recognize as operating revenue the portion of the tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenue and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, AND NET POSITION

1. CASH AND CASH EQUIVALENTS

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

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

2. INVESTMENTS

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

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

3. LEASES

As of October 1, 2021, the City adopted the provisions of GASB 87, Leases, which amended the existing accounting standards for lease reporting. The new guidance requires lessors in a leasing arrangement to recognize a lease receivable and a deferred inflow of resources for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The liability (lessees) or deferred inflow (lessors) will be equal to the present value of lease payments expected to be received during the lease term. 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. Additionally, the new guidance requires lessees in a leasing arrangement recognize a right to use asset and a lease liability for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The liability will be equal to the present value of lease payments.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, AND NET POSITION

4. INVENTORY

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

5. ADVANCES TO OTHER FUNDS

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

6. RESTRICTED ASSETS

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

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

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

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

7. CAPITAL ASSETS

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

Other capital assets are recorded at historical cost when purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition cost. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Major outlays for constructed capital assets and improvements are capitalized as projects are completed.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, AND NET POSITION

7. CAPITAL ASSETS

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

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

| ASSETS | YEARS |
|-----------------------------------|----------|
| Buildings | 20 to 40 |
| Right to Use Leased Buildings | 20 to 40 |
| Improvements other than buildings | 10 to 40 |
| Equipment and machinery | 5 to 40 |
| Right to Use Leased Equipment | 5 to 40 |
| Vehicles | 5 to 20 |
| Infrastructure | 10 to 60 |

8. RIGHT TO USE LEASED ASSETS

The right to use assets are initially measured at an amount equal to the present value of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

9. DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resource (expense) until then. Changes in the fair value of effective hedging derivatives are reported as deferred inflows or outflows of resources. The deferred losses on refunding results from the difference in the carrying value of refunded debt and reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amounts for pensions and OPEB relate to certain differences between projected and actual actuarial results, certain differences between projected and actual investment earnings, as well as contributions between measurement and reporting dates, which are accounted for as deferred outflows of resources.

10. COMPENSATED ABSENCES

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, AND NET POSITION

10. COMPENSATED ABSENCES

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

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

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

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

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, AND NET POSITION

10. COMPENSATED ABSENCES

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

For employees covered by the Fire bargaining unit, a fire suppression employee who retires or dies will be paid for 33 1/3% (1/3) of the unused sick leave balance credited to the employee at the time of retirement or death, provided that the unused sick leave balance credited to the employee at the time of retirement or death equals at least three hundred ninety-eight (398) hours. If the unused sick leave balance credited to the employee at the time of retirement or death equals less than 398 hours, the employee who retires or dies will be paid 25% (1/4) of the unused balance. A 40-hour employee who retires or dies will be paid for 33 1/3% (1/3) of the unused sick leave balance credited to the employee at the time of retirement or death, provided that the unused sick leave balance credited to the employee at the time of retirement or death equals at least three hundred (300) hours. If the unused sick leave balance credited to the employee at the time of retirement or death equals less than three hundred (300) hours, the employee will be paid for 25% (1/4) of the unused balance. An employee who accidentally dies while engaged in the performance of their firefighter duties, or who receives accidental bodily injury which subsequently results in the loss of their life within one (1) year after being received, provided that such a death is not the result of suicide and that such bodily injury is not intentionally self-inflicted, and the accidental death occurs as a result of the firefighter's response to what is reasonably believed to be an emergency involving the protection of life or property, will be paid 100% of the accrued but unused sick leave credited to them at the time of death.

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

11. BOND PREMIUMS, DISCOUNTS AND REFUNDING GAINS AND LOSSES

In the government-wide financial statements and in the proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are amortized over the life of the bonds at the rate at which principal payments are made which approximates the effective interest method. Bond issuance costs are expensed in the year they are incurred. Bond refunding gains and losses are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method. As a result of adopting GASB Statement No. 65, there are deferred inflows and outflows related to gains and losses on bond refundings in the Government Wide Statement of Net Position as well as in the Enterprise Funds Statements of Net Position. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums on debt issuances are reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Changes in the fair value of effective hedging derivatives are reported as deferred inflows or outflows of resources. The deferred gain on refunding results from the difference in the carrying value of refunded debt and reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amounts for pensions and OPEB relate to certain differences between projected and actual actuarial results and certain differences between projected and actual investment earnings, which are accounted for as deferred inflows of resources. The city also recognizes a deferred inflow of resources at the initial measurement of lease receivables. 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.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. ASSETS, LIABILITIES, DEFERRED INFLOWS/OUTFLOWS OF RESOURCES, AND NET POSITION

13. INDIRECT COST ALLOCATION

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

14. FUELS MANAGEMENT PROGRAM

In connection with the purchase of natural gas, diesel fuel, and unleaded gasoline, the City has developed and implemented a fuels management program intended to manage the risk of changes in the market prices of natural gas, diesel fuel, and unleaded gasoline. Pursuant to this program the City may execute fixed price and option contracts from time to time to help manage fluctuations in the market price of such fuels. The contracts are recorded at fair value on the Statement of Net Position as they have been determined to qualify as derivative instruments under GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments". Such amounts are included in noncurrent assets and deferred inflows of resources. Any associated margin deposits are also recorded in noncurrent assets. The net amounts received or paid under expired or closed contracts are recorded as an adjustment to fuel expense in the period realized. See Note V, section I.

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

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

As of September 30, 2022, the City no longer had any open positions on the exchange. However, eighty percent of the City's volumes are hedged in the OTC market with J Aron, Shell, BP and Conoco Phillips through September 2024. Because the City's hedged positions are well below the market, the financial statements reflect \$93,862,000 in deferred inflows from these counterparties. By trading with multiple, highly rated, counterparties in the OTC market the City diversifies its counterparty risk.

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

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

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

The governmental funds balance sheet includes a reconciliation between fund balances – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, compensated absences, deferred outflows of resources, net pension liability, and net OPEB obligation are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$156,342 difference are as follows (in thousands):

| | | |
|---|----|------------------|
| Bonds and Loans Payable including Premiums and Discounts | \$ | (94,975) |
| Effect of Deferred Loss on Refunding | | 681 |
| Compensated Absences | | (11,447) |
| Net OPEB Liability | | (45,855) |
| Lease Liability | | (4,971) |
| Cash Balances in Long Term Debt Fund | | <u>225</u> |
| Net adjustments to reduce long-term liabilities of Total Governmental Funds to arrive at Net Position | \$ | <u>(156,342)</u> |

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and net change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states, “Capital Outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.” The details of this \$15,048 difference are as follows (in thousands):

| | | |
|--|----|-----------------|
| Capital Outlay | \$ | 22,881 |
| Depreciation/Amortization Expense | | <u>(37,929)</u> |
| Net adjustment to increase net change in Fund Balances Total Governmental Funds to arrive at Changes in Net Position Governmental Activities | \$ | <u>(15,048)</u> |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

B. COMPLIANCE WITH FINANCE - RELATED LEGAL AND CONTRACTUAL PROVISIONS

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

C. DEFICIT FUND EQUITY - FUND BALANCE OF INDIVIDUAL FUNDS

At fiscal year end, the following internal service funds had deficits (in thousands): Human Resources \$392, Pension Administration \$23, Diversity and Inclusion \$10, Wholesale Energy Service \$1,079 and Community Relations \$37. The Capital Bonds Construction Fund, a nonmajor governmental fund, had a deficit of \$5,263 and the Fire Services fund, a nonmajor enterprise fund, had a deficit of \$497.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The City reports the following cash, cash equivalents and investments in the statements of net position at September 30, 2022 (in thousands):

| | Primary Government | Component Unit | Fiduciary Funds - Pension/OPEB | Fiduciary Funds - Custodial Fund |
|--|-----------------------|-------------------|--------------------------------------|-------------------------------------|
| Cash and cash equivalents | \$ 240,366 | \$ 167 | \$ 19,408 | \$ 190,600 |
| Cash and cash equivalents – restricted | 286,131 | - | - | - |
| Investments | - | - | 2,126,929 | - |
| Total | \$ 526,497 | \$ 167 | \$ 2,146,337 | \$ 190,600 |

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

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

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

1. CASH AND CASH EQUIVALENTS

The following table presents the City’s primary government cash and cash equivalent balances at September 30, 2022 carried at fair value by level within the valuation hierarchy, financial assets carried at net asset value or amortized cost, and other cash and cash equivalent balances. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net position (in thousands).

| | Total | Quoted Prices in Active Markets for Identical Assets Level 1 | Significant Other Observable Inputs Level 2 | Significant Unobservable Inputs Level 3 |
|--|-------------------|--|---|--|
| Cash equivalents type by fair value level | | | | |
| Debt securities | \$ 486,177 | \$ 21,639 | \$ 464,316 | \$ 222 |
| Total cash equivalents at fair value | 486,177 | 21,639 | 464,316 | 222 |
| Cash equivalents recorded at net asset value | | | | |
| Other Cash and Cash Equivalents | 35,234 | | | |
| FL League of Cities 1-3 Year Pool | 5,086 | | | |
| Total cash and cash equivalents | \$ 526,497 | | | |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

1. CASH AND CASH EQUIVALENTS

At year-end, the book balance of the City's operating cash deposits was \$5,342,000 and the bank balance was \$679,000, which is included in total other cash and cash equivalent balances. The difference between the book balance and bank balance is due to outstanding checks and deposits. Seven City funds had deficit cash balances at year end totaling \$51,766,000 which is reported in interfund payables at September 30, 2022.

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

The Florida League of Cities 1-3 Year Pool is measured at net asset value (NAV). At September 30, 2022, the City owns \$5,086,000 in shares of the Florida League of Cities 1-3 Year Pool, not the individual securities within the portfolio. The modified duration of the Florida League of Cities 1-3 Year Pool as of September 30, 2022, was 216 days. The Florida League of Cities 1-3 Year Bond Fund (Florida League of City's Fund) allows the City to withdraw any or all of its assets on the 15th and last day of each month, provided the City gives the Florida League of City's Fund advance notice of at least 10 business days of the withdrawal. The pool is rated AAAs/S1 by Fitch Ratings.

The FLCLASS investment pool is measured at net asset value (NAV). At September 30, 2022, the City owned \$61,154,000 in shares of FLCLASS, not the individual securities within the portfolio. The Pool is a 2a-7 like pool which maintains a stable net asset value of \$1, is rated AAAM by Standard & Poor's, and has a weighted average days to maturity of 58 days. The FLCLASS pool allows the City to withdraw any or all its assets on any business day that the pool is open.

Credit Risk: The structure of the City's non-pension portfolio is designed to minimize credit risk. To limit the City's risk against possible credit losses, a maximum of 5% of the total portfolio may not be held at any one time in all securities of any corporate entity, inclusive of commercial paper, medium term notes, or corporate notes and bonds. No corporate entity represented more than 5% of the portfolio at September 30, 2022. The majority of the securities held are of the highest available credit quality ratings. The non-pension portfolio's credit quality is measured using the Standard & Poor's rating scale.

As of September 30, 2022, the City had the following non-pension investments subject to credit risk in the internal and externally managed portions of the portfolio, in addition to the previously discussed shares in the Florida League of Cities 1-3 Year Pool and FLCLASS:

| Quality Breakdown | Portfolio Percentage |
|-------------------|----------------------|
| U.S. Treasury | 9.97 % |
| U.S. Agency | 21.42 |
| AAA | 14.66 |
| AA | 13.06 |
| A | 30.93 |
| BBB | 8.62 |
| Other | 1.34 |
| Total | 100.00 % |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

1. CASH AND CASH EQUIVALENTS

Interest Rate Risk: In accordance with the City's Non-Pension Investment Policy, the City has established maturity limitations for each authorized investment category. The maximum duration of the various investments within the internally managed portion of the non-pension portfolio ranges from 60 days to 3.5 years. The maximum duration for externally managed investments ranges from 3.0 years to 6.0 years. The option adjusted duration of the non-pension portfolio as of September 30, 2022 was 1.69 years.

As of September 30, 2022, the Core Portfolio had the following investments on a time-segmented basis (in thousands):

| Investment Type | Fair Value | Less than | | | |
|-----------------|------------|-----------|------------|------------|-----------|
| | | 1 Year | 1-5 Years | 6-10 Years | 10+ Years |
| U.S. Treasury | \$ 54,540 | \$ 15,049 | \$ 38,166 | \$ 1,108 | \$ 217 |
| U.S. Agency | 146,594 | 1,866 | 53,831 | 14,278 | 76,619 |
| Asset-backed | 22,196 | 17 | 18,925 | 2,467 | 787 |
| Corporate Bonds | 188,875 | 15,165 | 140,273 | 16,608 | 16,829 |
| Municipal | 60,933 | 18,556 | 38,356 | 2,298 | 1,723 |
| Other | 13,038 | 12,686 | 27 | - | 325 |
| Subtotal | 486,176 | \$ 63,339 | \$ 289,578 | \$ 36,759 | \$ 96,500 |
| Commingled | 40,321 | | | | |
| Total | \$ 526,497 | | | | |

2. INVESTMENTS

The following table presents investments held in the City's fiduciary funds at September 30, 2022 carried at fair value by level within the valuation hierarchy and investments carried at net asset value or amortized cost (in thousands).

| Investment type by fair value level | Total | Quoted Prices | Significant | Significant |
|---|--------------|------------------|-------------|--------------|
| | | in Active | Other | Unobservable |
| | | Markets for | Observable | Unobservable |
| | | Identical Assets | Inputs | Inputs |
| | | Level 1 | Level 2 | Level 3 |
| Debt securities | \$ 157,168 | \$ 4,670 | \$ 152,498 | \$ - |
| Equity securities | 792,697 | 792,137 | - | 560 |
| REIT securities | 8,963 | 8,963 | - | - |
| Total investments at fair value | 958,828 | \$ 805,770 | \$ 152,498 | \$ 560 |
| Investments measured at net asset value | | | | |
| Mutual funds | 140,687 | | | |
| Debt securities | 178,847 | | | |
| Real estate funds | 333,302 | | | |
| Private equity funds | 317,365 | | | |
| Timber funds | 127,710 | | | |
| Total Private Credit | 89,598 | | | |
| Total investments measured at net asset value | 1,187,509 | | | |
| Total investments | \$ 2,146,337 | | | |

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

2. INVESTMENTS

The Mutual funds category is comprised of the invested assets of the defined contribution portion of the City's pension plan, which are used to pay matching contributions to City retirees, and the invested assets of the OPEB Trust. As of September 30, 2022, these investments totaled \$140,687,000 and \$10,833,000, respectively.

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

The real estate investment consists of commingled funds and a number of limited partnerships. The City has invested in two commingled funds. The commingled funds permit withdrawals once per quarter by providing advance notice of 45 days prior to the end of the quarter; all withdrawals are subject to available cash, as determined by the fund's Trustee. Available cash is defined as excess cash after provision for outstanding future capital commitments and other operating reserves. If withdrawal requests exceed available cash, distributions are made on a pro rata basis. Withdrawal requests are typically paid on the final day of the quarter. As of September 30, 2022, the commingled funds had a NAV of approximately \$126 million.

Real estate limited partnerships cannot be redeemed at the option of the Pension Fund; the Pension Fund will receive distributions over the life of each limited partnership. Each partnership is expected to distribute the principal and earnings to the Pension Fund over a period of approximately 12 years from the establishment date of the partnership. The Pension Fund has investment commitments in 20 active limited partnerships, all of which have varying start dates and commitment amounts. As of September 30, 2022, the Pension Fund had approximately \$56 million in remaining commitments to these various real estate partnerships, with an expectation that the total contributions to each partnership will ultimately reach about 95% of the total commitment amount for each individual partnership.

Private equity funds consist of several limited partnerships as of September 30, 2022. The limited partnerships cannot be redeemed at the option of the Pension Fund; the Pension Fund will receive distributions over the life of each limited partnership. Each partnership is expected to distribute the principal and earnings to the pension fund over a period of approximately 12 years from the establishment date of the partnership. The Pension Fund has investment commitments in ten active limited partnerships, all of which have varying start dates and commitment amounts. As of September 30, 2022, the Pension Fund had approximately \$35 million in remaining commitments to these various partnerships, with an expectation that the total contributions to each partnership will ultimately reach about 85% of the total commitment amount for each individual partnership.

Timber funds are comprised of several limited partnerships. The limited partnerships cannot be redeemed at the option of the Pension Fund; the Pension Fund will receive distributions over the life of each limited partnership. Each partnership is expected to distribute the principal and earnings to the Pension Fund over a period of approximately 12 years from the establishment date of the partnership. The Pension Fund has investment commitments in five active limited partnerships, all of which have varying start dates and commitment amounts. As of September 30, 2022, the Pension Fund had approximately \$5 million in remaining commitments to these various timber partnerships, with an expectation that the total contributions to each partnership will ultimately reach about 95% of the total commitment amount.

Private credit funds are comprised of several limited partnerships. The limited partnerships cannot be redeemed at the option of the Pension Fund; the Pension Fund will receive distributions over the life of each limited partnership. Each partnership is expected to distribute the principal and earnings to the Pension Fund over a period of approximately six to ten years from the establishment date of the partnership. The Pension Fund has investment commitments in six active limited partnerships, all of which have varying start dates and commitment amounts. As of September 30, 2022, the Pension Fund had approximately \$68 million in remaining commitments to these various private credit partnerships, with an expectation that the total contributions to each partnership will ultimately reach about 85% of the total commitment amount.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

2. INVESTMENTS

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

As of September 30, 2022, the City had the following pension investments subject to credit risk:

| <u>Quality Breakdown</u> | <u>Portfolio Percentage</u> |
|--------------------------|---------------------------------|
| US Treasury | 14.71 % |
| US Agency | 11.23 |
| AAA | 2.61 |
| AA | 1.34 |
| A | 4.23 |
| BBB | 6.81 |
| CCC | 0.11 |
| D | 0.18 |
| Commingled | 58.78 |
| Total | <u>100.00 %</u> |

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

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

| | <u>Exposure</u> | <u>Percentage</u> |
|------------------------|---------------------|-------------------|
| United States Dollar | \$ 1,877,775 | 93.69 % |
| Euro | 53,620 | 2.67 |
| Japanese Yen | 17,219 | 0.86 |
| British Pound Sterling | 20,836 | 1.04 |
| Swiss Franc | 15,501 | 0.77 |
| Danish Krone | 2,377 | 0.12 |
| Canadian Dollar | 5,188 | 0.26 |
| Australian Dollar | 5,802 | 0.29 |
| Swedish Krona | 2,687 | 0.13 |
| South Korean Won | 72 | - |
| Hong Kong Dollar | 410 | 0.02 |
| Israeli Shekel | 471 | 0.02 |
| Polish Zloty | 8 | - |
| Norwegian Krone | 722 | 0.04 |
| Singapore Dollar | 1,415 | 0.07 |
| Taiwan Dollar | 152 | 0.01 |
| New Zealand Dollar | 248 | 0.01 |
| Total | <u>\$ 2,004,503</u> | <u>100 %</u> |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

2. INVESTMENTS

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

The City of Tallahassee held the following debt securities for its Pension Fund on a time-segmented basis as of September 30, 2022 (in thousands):

| Investment Type | Fair Value | Less than 1 Year | 1-5 Years | 6-10 Years | 10+ Years |
|---------------------|------------|------------------|-----------|------------|-----------|
| US Treasury | \$ 50,429 | \$ 825 | \$ 23,834 | \$ 23,717 | \$ 2,053 |
| US Agency | 38,657 | - | 21,597 | 1,072 | 15,988 |
| Asset Backed | 10,300 | - | 1,111 | 1,817 | 7,372 |
| Corporate Bonds | 49,694 | 1,131 | 16,480 | 14,295 | 17,788 |
| Mortgage Securities | 480 | - | - | - | 480 |
| Municipal | 1,571 | - | 206 | 979 | 386 |
| Other | 6,035 | 6,035 | - | - | - |
| Subtotal | 157,166 | \$ 7,991 | \$ 63,228 | \$ 41,880 | \$ 44,067 |
| Commingled | 77,309 | | | | |
| Total | \$ 234,475 | | | | |

B. SECURITIES LENDING TRANSACTIONS

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

During the fiscal year ended September 30, 2022, Northern loaned, at the direction of the City's Treasurer-Clerk, securities and received cash, securities issued or guaranteed by the United States government, and irrevocable bank letters of credit as collateral. Northern does not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers were required to deliver cash collateral for each loan equal to at least 102% of the initial fair value of the loaned securities or if the borrowed securities and the collateral were denominated in different currencies, equal to 105% of the fair value of the securities.

There are no restrictions on the amount of securities that may be loaned. The Agreement requires Northern to indemnify the City for losses attributable to violations by Northern of the Standard of Care set out in the Agreement. There were no such violations during the fiscal year ended September 30, 2022. Moreover, there were no losses during the fiscal year ended September 30, 2022 resulting from a default of any borrower.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

B. SECURITIES LENDING TRANSACTIONS

During the fiscal year ended September 30, 2022, the City and each borrower maintained the right to terminate all securities lending transactions on demand. For the Pension Fund, the cash collateral received on each loan of securities together with the cash collateral of other qualified plan lenders were invested in a collective investment pool with Northern. The cash collateral for the non-pension funds lending activity was invested in a liquid assets portfolio institutional account. Because the loans are terminable at will, their duration did not generally match the duration of the investments made with the cash collateral. For the Pension Fund, the average term of the loan was approximately 86 days and the average duration of the investment pool was 26 days. For the non-pension funds, the average term of the loan was 274 days and the average duration of the investment pool was 8 days. On September 30, 2022, the City had no credit risk exposure to borrowers.

On September 30, 2022, for the City's Pension Fund, the collateral held and the fair value of securities on loan were \$79,139,000 and \$76,617,000, respectively; for the City's non-pension funds, the collateral held and the fair value of securities on loan were \$3,062,000 and \$2,970,000 respectively.

A summary of the fair value of the securities on loan as of September 30, 2022 follows (in thousands):

| | Pension Fund | Non-Pension Fund |
|--------------------------------|------------------|------------------|
| Corporate Bonds | \$ 10,364 | \$ 2,970 |
| Common Stock | 51,449 | - |
| U.S. Agencies | 3,868 | - |
| U.S. Government Treasury Notes | 10,936 | - |
| | <u>\$ 76,617</u> | <u>\$ 2,970</u> |

C. RECEIVABLES

1. PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Leon County Property Appraiser and the Leon County Tax Collector. The laws of the State regulating tax assessment are also designed to ensure consistent property taxes at a rate of up to 10 mills. The millage rate assessed by the City for the fiscal year ended September 30, 2022 was 4.1. All property is assessed by the county according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

C. RECEIVABLES

2. LEASES

The City leases land, offices and buildings, equipment, and infrastructure capital assets including Airport infrastructure and land (non-regulated leases), to various third-party tenants doing business in the City of Tallahassee. The leases have terms including options to extend between one and thirteen years, with payments required monthly, semiannually, or annually. At the commencement of the leases, the lease receivables are measured at the present value of payments expected to be received during the lease term.

In fiscal year 2022, the city recognized \$1,600,349 of lease revenue and \$81,633 of interest revenue related to these leases. As of September 30, 2022, the City's lease receivables were valued at \$4,842,949.

The principal and interest requirements to maturity for the lease receivables as of September 30, 2022, are as follows (in thousands):

| Governmental Activities | | | | |
|------------------------------|--------------|------------|--|--|
| Year Ending September 30, | Principal | Interest | | |
| 2023 | 907 | 35 | | |
| 2024 | 794 | 26 | | |
| 2025 | 497 | 18 | | |
| 2026 | 177 | 14 | | |
| 2027 | 99 | 12 | | |
| 2028-2033 | 772 | 46 | | |
| Total | <u>3,246</u> | <u>151</u> | | |

| Business-Type Activities | | | | |
|------------------------------|------------|-----------|------------|----------|
| Year Ending September 30, | Water | | Airport | |
| | Principal | Interest | Principal | Interest |
| 2023 | 274 | 11 | 287 | 5 |
| 2024 | 251 | 8 | 271 | 2 |
| 2025 | 175 | 6 | 32 | 1 |
| 2026 | 141 | 4 | 15 | - |
| 2027 | 150 | 2 | - | - |
| Total | <u>991</u> | <u>31</u> | <u>605</u> | <u>8</u> |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

C. RECEIVABLES

3. REGULATED LEASES

The City has leasing agreements for aeronautical use of the Airport's airfield, terminal, and other facilities as defined by the Federal Aviation Administration, which qualify to be treated as regulated in accordance with the requirements of GASB 87. The City leases land and buildings to third parties under these agreements.

As of September 30, 2022, the remaining amount of expected future minimum payments under these agreements is as follows (in thousands):

| Year ending September 30, | | |
|------------------------------|-----------|---------------|
| 2023 | \$ | 1,134 |
| 2024 | | 1,112 |
| 2025 | | 1,137 |
| 2026 | | 1,091 |
| 2027 | | 1,079 |
| 2028-2032 | | 4,741 |
| 2033-2037 | | 3,987 |
| 2038-2042 | | 1,675 |
| 2043-2047 | | 666 |
| | <u>\$</u> | <u>16,622</u> |

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

Final settlements are made each year after the audit of the City's Annual Comprehensive Financial Report. Other airlines operating at the Airport are billed at rates established by the non-signatory agreement.

The Signatory Airlines lease certain premises in the passenger terminal building. Under this agreement, all space leased is preferential. American Airlines preferentially leases terminal space, facilities on the ramp levels and gates on Concourse A. Delta Air Lines preferentially leases terminal space, facilities on the ramp levels and gates on Concourse B.

In addition, Delta Air Lines leases space at the air cargo building. No other airlines have exclusive or preferential use of more than five (5) percent of terminal space or other areas of the Airport as of September 30, 2022. Exclusive and preferential use of space are summarized as follows:

| | Tallahassee International Airport Leased Terminal Space | | | | | | Total |
|--|---|--------------|--------------|---------------|---------------|---------------|---------------|
| | American | Delta | Silver | Vacant | Joint Use | Other Space | |
| Airline Leased Space (sq.ft.) | 5,653 | 6,860 | 2,453 | - | 28,222 | - | 43,188 |
| Airline Preferential | 5,653 | 6,860 | 2,453 | 19,958 | - | - | 34,924 |
| Joint Use | - | - | - | - | 28,222 | - | 28,222 |
| Concessions | - | - | - | - | - | 14,641 | 14,641 |
| Other Rentable | - | - | - | - | - | 13,353 | 13,353 |
| Total Leasable Space | <u>5,653</u> | <u>6,860</u> | <u>2,453</u> | <u>19,958</u> | <u>28,222</u> | <u>27,994</u> | <u>91,140</u> |
| Preferential Passenger Boarding Bridge Assignments | 2 | 2 | - | 4 | - | - | 8 |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

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

Capital and Right to Use Asset activity for the fiscal year ended September 30, 2022 was as follows (in thousands):

| | Primary Government | | | |
|---|---------------------|-------------------|--------------------|---------------------|
| | Beginning Balance | Increases | Decreases | Ending Balance |
| Governmental Activities | | | | |
| Non-Depreciable Assets: | | | | |
| Land | \$ 368,567 | \$ 2,692 | \$ - | \$ 371,259 |
| Construction-in-Progress | 30,056 | 33,206 | (45,088) | 18,174 |
| Total Non-Depreciable Assets | \$ 398,623 | \$ 35,898 | \$ (45,088) | \$ 389,433 |
| Depreciable and Amortizable Assets: | | | | |
| Buildings | \$ 119,911 | \$ 10,672 | \$ - | \$ 130,583 |
| Equipment | 55,228 | 27,865 | (2,801) | 80,292 |
| Improvements other than buildings | 15,161 | - | - | 15,161 |
| Infrastructure | 992,491 | 9,588 | - | 1,002,079 |
| Intangibles | 197 | 1,736 | - | 1,933 |
| Leased Property | 1,887 | 53 | - | 1,940 |
| Leased Equipment and Fixtures | 5,889 | - | (244) | 5,645 |
| Total Depreciable and Amortizable Assets | 1,190,764 | 49,914 | (3,045) | 1,237,633 |
| Less accumulated depreciation and accumulated amortization for: | | | | |
| Buildings | (80,923) | (3,127) | - | (84,050) |
| Equipment | (36,546) | (3,460) | 706 | (39,300) |
| Improvements other than buildings | (8,802) | (437) | - | (9,239) |
| Infrastructure | (669,243) | (33,548) | - | (702,791) |
| Intangibles | (16) | (20) | - | (36) |
| Leased Property | - | (333) | - | (333) |
| Leased Equipment and Fixtures | - | (2,034) | - | (2,034) |
| Total Accumulated Depreciation and Amortization | (795,530) | (42,959) | 706 | (837,783) |
| Total Depreciable and Amortizable Assets, net | \$ 395,234 | \$ 6,955 | \$ (2,339) | \$ 399,850 |
| Business-Type Activities | | | | |
| Non-Depreciable Assets: | | | | |
| Land | \$ 154,043 | \$ 389 | \$ (17) | \$ 154,415 |
| Construction-in-Progress | 90,311 | 64,173 | (62,546) | 91,938 |
| Total Non-Depreciable Assets | \$ 244,354 | \$ 64,562 | \$ (62,563) | \$ 246,353 |
| Depreciable and Amortizable Assets: | | | | |
| Buildings | \$ 234,897 | \$ 9,423 | \$ (29) | \$ 244,291 |
| Equipment | 1,068,565 | 17,485 | (9,407) | 1,076,643 |
| Improvements other than buildings | 64,628 | 576 | (12,056) | 53,148 |
| Infrastructure | 1,438,526 | 78,027 | (565) | 1,515,988 |
| Intangibles | 310,479 | - | - | 310,479 |
| Leased Equipment and Fixtures | 3,717 | - | - | 3,717 |
| Total Depreciable and Amortizable Assets | 3,120,812 | 105,511 | (22,057) | 3,204,266 |
| Less accumulated depreciation and accumulated amortization for: | | | | |
| Buildings | (110,735) | (6,502) | 8 | (117,229) |
| Equipment | (676,408) | (46,564) | 1,664 | (721,308) |
| Improvements other than buildings | (31,974) | (511) | - | (32,485) |
| Infrastructure | (644,899) | (47,569) | 1 | (692,467) |
| Intangibles | (131,468) | (12,127) | - | (143,595) |
| Leased Equipment and Fixtures | - | (431) | - | (431) |
| Total Accumulated Depreciation and Amortization | (1,595,484) | (113,704) | 1,673 | (1,707,515) |
| Total Depreciable and Amortizable Assets, net | \$ 1,525,328 | \$ (8,193) | \$ (20,384) | \$ 1,496,751 |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

D. CAPITAL ASSETS

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

| | | |
|---|----|----------------|
| Governmental Activities: | | |
| General Government | \$ | 480 |
| Public Safety | | 393 |
| Transportation | | 804 |
| Human Services | | 123 |
| Economic Development | | 16 |
| Physical Environment | | 14 |
| Culture and Recreation | | 783 |
| General Infrastructure | | 35,316 |
| Capital Assets held by the governmental internal service funds are charged to the various functions based on their usage of assets | | <u>5,030</u> |
| Total depreciation and amortization expense-governmental activities | \$ | <u>42,959</u> |
| Business-Type Activities: | | |
| Electric | \$ | 58,605 |
| Gas | | 2,346 |
| Sewer | | 21,071 |
| Water | | 6,814 |
| Airport | | 8,458 |
| StarMetro | | 3,937 |
| Solid Waste | | 410 |
| Golf | | 78 |
| Stormwater Management | | 2,188 |
| Fire Services | | 1,143 |
| Capital Assets held by the business-type internal service funds are charged to the various functions based on their usage of assets | | <u>8,654</u> |
| Total depreciation and amortization expense-business-type activities | \$ | <u>113,704</u> |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

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

1. INTERFUND RECEIVABLES/PAYABLES

At September 30, 2022, Interfund Receivables and Payables are as follows (in thousands):

| Fund | Due From | Due To | Advance To | Advance From |
|------------------------|-----------|-----------|------------|--------------|
| General | \$ - | \$ 53 | \$ - | \$ 650 |
| Electric | 30,000 | - | 3,000 | 4,984 |
| Water | - | 1,177 | - | - |
| Sewer | - | 1,913 | - | - |
| Airport | - | 3 | - | 198 |
| Nonmajor governmental | - | 2,254 | 13,638 | 3,017 |
| Nonmajor business-type | - | 27,832 | - | 9,328 |
| Internal service funds | 51,833 | 48,601 | 2,018 | 479 |
| | \$ 81,833 | \$ 81,833 | \$ 18,656 | \$ 18,656 |

\$81,833,000 of the interfund receivables and payables balances represent amounts remaining from loans to fund operations. \$18,656,000 of these balances represent amounts loaned for capital funding.

2. INTRAGOVERNMENTAL CHARGES

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

Such costs allocated to the funds for the year ended September 30, 2022 are as follows (in thousands):

| | |
|----------------------------|------------|
| General | \$ 23,076 |
| Electric | 29,018 |
| Gas | 3,988 |
| Sewer | 11,269 |
| Water | 10,032 |
| Airport | 2,140 |
| Stormwater management | 6,593 |
| Nonmajor business type | 24,658 |
| Nonmajor governmental type | 1,143 |
| Fiduciary type | 936 |
| Internal service type | 9,983 |
| Total | \$ 122,836 |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

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

3. INTERFUND TRANSFERS

At September 30, 2022, Interfund Transfers are as follows (in thousands):

| Transfer Out | Transfers In | | | | | | | |
|------------------------|------------------|---------------|---------------|---------------|-----------------------|------------------------|------------------------|------------------|
| | General | Electric | Sewer | Water | Nonmajor Governmental | Nonmajor Business-type | Internal Service Funds | Total |
| General | \$ - | \$ - | \$ - | \$ 205 | \$ 14,097 | \$ 4,095 | \$ 60 | \$ 18,457 |
| Electric | 32,390 | - | - | 222 | 204 | - | - | 32,816 |
| Gas | 3,151 | - | 279 | 155 | 24 | - | - | 3,609 |
| Sewer | 5,259 | - | - | - | 40 | - | - | 5,299 |
| Water | 3,821 | - | - | - | 26 | - | - | 3,847 |
| Stormwater | 484 | - | - | - | 48 | - | - | 532 |
| Nonmajor governmental | 812 | 768 | - | - | 1,776 | 2,964 | - | 6,320 |
| Nonmajor business-type | 2,210 | - | - | - | 247 | - | - | 2,457 |
| Internal Service | 1,102 | - | - | - | 218 | - | 727 | 2,047 |
| Total | <u>\$ 49,229</u> | <u>\$ 768</u> | <u>\$ 279</u> | <u>\$ 582</u> | <u>\$ 16,680</u> | <u>\$ 7,059</u> | <u>\$ 787</u> | <u>\$ 75,384</u> |

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

F. LEASE PAYABLES

The City has entered into agreements to lease certain land, office and buildings, machinery, equipment and vehicles. These lease agreements qualify as other than short-term leases under GASB 87 and therefore, have been recorded at the present value of the future minimum lease payments as of their inception. The terms and conditions for these leases vary and may contain renewal options, the options are not considered in determining the lease term and associated potential option payments are excluded from the present value calculation of the right to use lease asset and the lease liability determination. The City's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. As a result of the leases, the City has recorded the right to use assets with a total net book value of \$10 million for governmental activities and \$4.1 million for business-type activities.

Payments due under the lease contracts include fixed, periodic payments over the lease terms plus, for many of the City's leases, variable, and non-lease component payments. For the City's leases, variable lease payments that depend on future performance or usage of the underlying asset and not lease components are excluded from the measurement of the lease liability and recognized as outflows of resources.

In fiscal year 2022, the City recognized \$3,007,745 in variable lease payments not previously included in the measurement of the lease liability. As of September 30, 2022, the City's lease payables were valued at \$8,278,723.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

F. LEASE PAYABLES

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2022, were as follows (in thousands):

| Governmental Activities | | |
|-------------------------|--------------|------------|
| Year Ending | Principal | Interest |
| September 30, | | |
| 2023 | \$ 2,263 | \$ 56 |
| 2024 | 1,346 | 31 |
| 2025 | 257 | 17 |
| 2026 | 4 | 14 |
| 2027 | 2 | 14 |
| 2028-2095 | 1,099 | 620 |
| Total | <u>4,971</u> | <u>752</u> |

| Business-Type Activities | | | | | | | | |
|--------------------------|-------------|-------------|--------------|-------------|-----------------|---------------|------------------|-------------|
| Year Ending | Fire | | Airport | | Starmetro | | Utility Services | |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2023 | 2 | - | 3 | - | 379 | 40 | 27 | - |
| 2024 | 2 | - | 4 | - | 373 | 35 | - | - |
| 2025 | - | - | 3 | - | 377 | 30 | - | - |
| 2026 | - | - | 1 | - | 382 | 25 | - | - |
| 2027 | - | - | - | - | 387 | 20 | - | - |
| 2028-2031 | - | - | - | - | 1,368 | 31 | - | - |
| Total | <u>\$ 4</u> | <u>\$ -</u> | <u>\$ 11</u> | <u>\$ -</u> | <u>\$ 3,266</u> | <u>\$ 181</u> | <u>\$ 27</u> | <u>\$ -</u> |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

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

1. SUMMARY OF CHANGES IN LONG-TERM DEBT

The following is a summary of the changes in Long-Term Debt for the year ended September 30, 2022 (in thousands):

| | Beginning Balance | Additions | Reductions | Ending Balance | Current | Noncurrent |
|--|----------------------|-------------------|-------------------|---------------------|------------------|---------------------|
| Governmental Activities: | | | | | | |
| General Revenue Bonds | \$ 78,585 | \$ 6,035 | \$ 9,415 | \$ 75,205 | \$ 8,315 | \$ 66,890 |
| Unamortized Premiums | 10,230 | - | 1,444 | 8,786 | - | 8,786 |
| Bank of America Loan | 525 | - | 261 | 264 | 264 | - |
| Public Improvement Revenue Note | 7,310 | - | - | 7,310 | - | 7,310 |
| Redevelopment Revenue Note | 3,950 | - | 540 | 3,410 | 550 | 2,860 |
| Bonds and Loans Payable | <u>100,600</u> | <u>6,035</u> | <u>11,660</u> | <u>94,975</u> | <u>9,129</u> | <u>85,846</u> |
| Compensated Absences | 11,715 | 7,355 | 7,623 | 11,447 | 7,355 | 4,092 |
| Net Pension Liability | 238,983 | - | 238,983 | - | - | - |
| Net OPEB Liability | 45,612 | 5,548 | 5,305 | 45,855 | - | 45,855 |
| Lease Payables | 7,776 | 55 | 2,860 | 4,971 | 2,263 | 2,708 |
| Total Governmental-Type Debt | <u>404,686</u> | <u>18,993</u> | <u>266,431</u> | <u>157,248</u> | <u>18,747</u> | <u>138,501</u> |
| Business-Type Activities: | | | | | | |
| Energy System 2010B | 122,280 | - | - | 122,280 | - | 122,280 |
| Energy System Refunding 2015 | 69,300 | - | 63,965 | 5,335 | 5,335 | - |
| Energy System Refunding 2017 | 133,795 | - | 4,500 | 129,295 | 3,515 | 125,780 |
| Energy System 2018 | 100,170 | - | 1,510 | 98,660 | 750 | 97,910 |
| Energy System Refunding 2020 | 72,480 | - | 8,070 | 64,410 | 10,520 | 53,890 |
| Energy System Refunding 2022 | - | 60,730 | 765 | 59,965 | 175 | 59,790 |
| Consolidated Utility System 2010A | 117,015 | - | - | 117,015 | - | 117,015 |
| Consolidated Utility System Refunding 2015 | 38,745 | - | 36,260 | 2,485 | 2,485 | - |
| Consolidated Utility System Refunding 2017 | 98,985 | - | 4,185 | 94,800 | 4,395 | 90,405 |
| Consolidated Utility System 2018 | 41,060 | - | 1,590 | 39,470 | 1,670 | 37,800 |
| Consolidated Utility System Refunding 2020 | 12,780 | - | 2,315 | 10,465 | 2,430 | 8,035 |
| Consolidated Utility System Refunding 2022 | - | 34,825 | - | 34,825 | 105 | 34,720 |
| 2019 Transportation Improvement Bond | 6,356 | - | 848 | 5,508 | 867 | 4,641 |
| Unamortized Premiums/Discounts | 92,059 | - | 18,673 | 73,386 | - | 73,386 |
| AMI Loan | 9,335 | - | 2,990 | 6,345 | 3,110 | 3,235 |
| Bank of America Loan | 254 | - | 126 | 128 | 128 | - |
| Bonds and Loans Payable | <u>914,614</u> | <u>95,555</u> | <u>145,797</u> | <u>864,372</u> | <u>35,485</u> | <u>828,887</u> |
| Compensated Absences | 14,893 | 10,491 | 10,174 | 15,210 | 10,491 | 4,719 |
| Net Pension Liability | 51,711 | - | 51,711 | - | - | - |
| Net OPEB Liability | 32,497 | 4,693 | 4,407 | 32,783 | - | 32,783 |
| Lease Payables | 3,718 | - | 410 | 3,308 | 410 | 2,898 |
| Total Business-Type Debt | <u>1,017,433</u> | <u>110,739</u> | <u>212,499</u> | <u>915,673</u> | <u>46,386</u> | <u>869,287</u> |
| Total Long-Term Debt | <u>\$ 1,422,119</u> | <u>\$ 129,732</u> | <u>\$ 478,930</u> | <u>\$ 1,072,921</u> | <u>\$ 65,133</u> | <u>\$ 1,007,788</u> |

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

2. SUMMARY OF INDIVIDUAL BOND ISSUES

Summarized below are the City's individual bond issues outstanding at September 30, 2022 (in thousands):

GENERAL REVENUE BONDS:

| | |
|--|------------------|
| \$26,975,000 Capital Improvement Refunding Revenue Bond – Series 2009, due in annual installments ranging from \$550,000 to \$1,240,000 ending on April 1, 2031, at a 3.710% interest rate. The Bond is payable from and secured by a junior lien and pledge of the Local Government Half-cent Sales Tax, Guaranteed Entitlement Revenues, and the Communications Service Tax. | \$ 8,090 |
| \$49,165,000 Capital Bonds - Series 2012, due in annual installments ranging from \$3,695,000 to \$5,830,000 ending on October 1, 2024, interest rates at 2.00% to 5.00% depending on maturity date. Bonds are payable from and secured by a first lien and pledge of the Local Government Half-cent Sales Tax, Guaranteed Entitlement Revenues, Communications Service Tax, and earnings on the investment of all funds and accounts created by and described in the Bond Resolution, except the Rebate Fund and the Unrestricted Revenue Account. | 7,570 |
| \$40,225,000 Capital Bonds – Series 2014, due in annual installments ranging from \$1,400,000 to \$3,175,000 ending on October 1, 2034, with interest rates at 2.0% to 5.0% depending on maturity date. Bonds are payable from and secured by a first lien and pledge of the Local Government Half-cent Sales Tax, Guaranteed Entitlement Revenues, Communications Services Tax, Public Service Tax Revenues and earnings on the investment of all funds and accounts created by the Bond Resolution, except the Rebate Fund and Unrestricted Revenue Account. | 29,555 |
| \$27,320,000 Capital Bonds – Series 2018, due in annual installments ranging from \$575,000 to \$2,105,000 ending on October 1, 2038, with interest rates at 1.75% to 5.0% depending on maturity date. Bonds are payable from and secured by a first lien and pledge of the Local Government Half-cent Sales Tax, Guaranteed Entitlement Revenues, Communications Services Tax, Public Service Tax Revenues and earnings on the investment of all funds and accounts created by the Bond Resolution, except the Rebate Fund and Unrestricted Revenue Account. | 23,955 |
| \$6,035,000 Capital Bonds - Series 2021, due in annual installments ranging from \$665,000 to \$920,000 ending on October 1, 2028, at a 1.24% interest rate. Bonds are payable from and secured by a first lien and pledge of the Guaranteed Entitlement Revenues, the Local Government Half-cent Sales Tax, the Local Communications Services Tax, and the Public Service Tax Revenues. | 6,035 |
| Total General Revenue Bonds | <u>\$ 75,205</u> |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

2. SUMMARY OF INDIVIDUAL BOND ISSUES
PROPRIETARY REVENUE BONDS

| | |
|--|------------|
| \$122,280,000 Energy System Revenue Bonds - Series 2010B, due in annual installments ranging from \$930,000 to \$32,445,000 ending on October 1, 2040, interest rate at 5.969%. Bonds are payable and secured by a lien on and pledge of certain funds provided by the 1998 General Resolution which includes net revenues of the City's Energy System. | \$ 122,280 |
| \$94,615,000 Energy System Refunding Revenue Bonds - Series 2015, due in annual installments ranging from \$4,390,000 to \$7,880,000 ending on October 1, 2023, interest rates at 3.0% to 5.0% depending on maturity date. Bonds are payable and secured by a lien on and pledge of certain funds provided by the 1998 General Resolution which includes net revenues of the City's Energy System. | 5,335 |
| \$147,295,000 Energy System Refunding Revenue Bonds - Series 2017, due in annual installments ranging from \$2,010,000 to \$15,000,000 ending on October 1, 2037, interest rates at 3.00% in 2018 and 5.00% for the remaining maturity dates. Bonds are payable and secured by a lien on and pledge of certain funds provided by the 1998 General Resolution, which includes the net revenues of the City's Energy System. | 129,295 |
| \$104,975,000 Energy System Revenue Bonds - Series 2018, due in annual installments ranging from \$750,000 to \$12,655,000 ending on October 1, 2042, interest rates at 3.00% in 2018 and 5.00% for the remaining maturity dates. Bonds are payable and secured by a lien on and pledge of certain funds provided by the 1998 General Resolution, which includes the net revenues of the City's Energy System. | 98,660 |
| \$80,195,000 Energy System Refunding Revenue Bonds - Series 2020, due in annual installments ranging from \$7,715,000 to \$11,010,000 ending on October 1, 2028, at an interest rate of 5.00%. Bonds are payable and secured by a lien on and pledge of certain funds provided by the 1998 General Resolution, which includes the net revenues of the City's Energy System. | 64,410 |
| \$60,730,000 Energy System Refunding Revenue Bonds - Series 2022, due in annual installments ranging from \$175,000 to \$7,540,000 ending on October 1, 2032, at an interest rate of 3.51% for one-year and then 2.71% beginning in 2024. Bonds are payable and secured by a lien on and pledge of certain funds provided by the 1998 General Resolution, which includes the net revenues of the City's Energy System. | 59,965 |
| \$117,015,000 Consolidated Utility Systems Revenue Bonds - Series 2010A, due in annual installments ranging from \$3,415,000 to \$20,010,000 ending on October 1, 2040, interest rates at 5.068% to 5.218% depending upon maturity date. Bonds are payable and secured by a lien on and pledge of certain funds provided by Resolution and the net revenues of the City's Utility System (consisting of the City's water and sewer systems) and the gross revenues of the City's Stormwater Drainage System. | 117,015 |
| \$44,255,000 Consolidated Utility System Refunding Revenue Bonds - Series 2015, due in annual installments ranging from \$450,000 to \$3,665,000 ending on October 1, 2023, interest rates at 3.0% to 5.0% depending on maturity date. Bonds are payable and secured by a lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's water and sewer systems) and the gross revenues of the City's Stormwater Drainage System. | 2,485 |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

2. SUMMARY OF INDIVIDUAL BOND ISSUES

| | |
|--|-------------------|
| \$115,060,000 Consolidated Utility System Refunding Bonds - Series 2017, due in annual installments ranging from \$3,615,000 to \$8,695,000 ending on October 1, 2037, at an interest rate of 5.0% on each maturity date. Bonds are payable and secured by a lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's water and sewer systems) and the gross revenues of the City's Stormwater Drainage System. | 94,800 |
| \$45,385,000 Consolidated Utility System Refunding Revenue Bonds - Series 2018, due in annual installments ranging from \$1,370,000 to \$3,470,000 ending on October 1, 2038, at an interest rate of 5.0% on each maturity date. Bonds are payable and secured by a lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's water and sewer systems) and the gross revenues of the City's Stormwater Drainage System. | 39,470 |
| \$14,875,000 Consolidated Utility System Refunding Revenue Bonds - Series 2020, due in annual installments ranging from \$2,095,000 to \$2,810,000 ending on October 1, 2026, at an interest rate of 5.0% on each maturity date. Bonds are payable and secured by a lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's water and sewer systems) and the gross revenues of the City's Stormwater Drainage System. | 10,465 |
| \$34,825,000 Consolidated Utility System Refunding Revenue Bonds - Series 2022, due in annual installments ranging from \$105,000 to \$3,700,000 ending on October 1, 2035, at an interest rate of 3.64% for one-year and then 2.89% beginning in 2024. Bonds are payable and secured by a lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's water and sewer systems) and the gross revenues of the City's Stormwater Drainage System. | 34,825 |
| \$7,994,660 Transportation Improvement Bond – Series 2019, due in annual installments ranging from \$809,990 to \$970,840 ending on May 1, 2028, at an interest rate of 2.29%. The Bond is payable from and secured by a covenant to budget and appropriate pledge of legally available non-ad valorem revenues from the General Fund. The Bond was issued to purchase 14 electric buses for the City's mass transit bus system. | 5,508 |
| Total Proprietary Revenue Bonds | <u>\$ 784,513</u> |
| Total Bonds Payable | <u>\$ 859,718</u> |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

3. PRIVATE PLACEMENT BONDS/DIRECT BORROWINGS

The Capital Improvement Refunding Revenue Bond, Series 2009, the Transportation Improvement Bond, Series 2019, and the Public Improvement Revenue Note, Series 2020, the Capital Bonds, Series 2021, the Energy System Refunding Revenue bonds, Series 2022, and the Consolidated Utility System Refunding Revenue Bonds, Series 2022 are all private placement bonds. Should there be an Event of Default of these bonds, the interest rate on the applicable bond would increase to the Default Rate. If these bonds default on the debt service payments, the applicable lender has the right to require the City to pay the entire outstanding obligation of these bonds.

The borrowings identified below under Loans Payable are the direct borrowings of the City. For all of the private placement bonds and direct borrowings, should the borrowings no longer be tax exempt, the interest rate on the outstanding amount will be increased.

4. LOANS PAYABLE

AMI Loan Program

On December 27, 2007, the City entered into a loan with the Bank of America Capital Corporation to provide \$35,300,000 of financing to fund the City's Smart Metering program. The loan is due in semi-annual installments ranging from \$1,083,000 to \$3,234,000 ending on June 27, 2024, bearing interest at 3.9459%. The remaining balance of this loan is payable and secured by the Smart Energy Metering and Management System, consisting of meters and communication devices. The outstanding balance of the remaining loan was \$6,344,000 as of September 30, 2022.

Bank of America Loan

On May 20, 2016, the City entered into a loan with the Bank of America Public Capital Corporation to provide \$2,575,875 of financing to fund the purchase of Sports Lighting Equipment at various parks and Communications Equipment for the City's utility operations. Interest payments on the loan are due semi-annually, with principal payments due annually, ending on April 1, 2023, bearing interest at 1.5494%. The annual debt service for the loan ranges from \$347,236 to \$395,621. The loan is payable and secured by the City's pledge to budget and appropriate the debt service payments. The outstanding balance of this loan was \$392,000 as of September 30, 2022.

Public Improvement Revenue Note, Series 2020

On October 1, 2020, the City entered into a taxable loan in the amount of \$7,310,000 with Key Bank. The loan bears interest at a rate of 1.43% with interest only payments due annually on October 1 from 2021 through 2025. The principal is due in a balloon payment on October 1, 2025. The Note is payable from and secured by a covenant to budget and appropriate pledge of legally available non-ad valorem revenues from the General Fund. The Note was issued to refinance the purchase of the Northwood Centre property on which the City will construct a new police headquarters and other amenities. The loan may be repaid in whole or in part at any time upon notice of 21 business days to Key Bank. The outstanding balance of this loan was \$7,310,000 as of September 30, 2022.

Community Redevelopment Revenue Note, Series 2020

On December 16, 2020, the City executed Community Redevelopment Agency Redevelopment Revenue Note, Series 2020, which bears interest at a rate of 1.28% with annual installments ranging from \$592,208 to \$596,608 ending on January 15, 2028. The Note is payable from and secured by a covenant to budget and appropriate pledge of legally available non-ad valorem revenues. It was issued primarily to finance the cost of acquisition of a condominium unit consisting of two floors of structured parking with two hundred fifty-two public parking spaces. The outstanding balance of this loan was \$3,410,000 as of September 30, 2022.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

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

| Year ending September 30 | Governmental Activities | | | | Business - Type Activities | | | | Total Debt Service |
|--------------------------------|-------------------------|-----------|--|----------|----------------------------|------------|--|-----------|-----------------------|
| | Bonds | | Notes from Direct Borrowings and Direct Placements | | Bonds | | Notes from Direct Borrowings and Direct Placements | | |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | |
| 2023 | \$ 6,565 | \$ 3,054 | \$ 2,564 | \$ 492 | \$ 31,100 | \$ 35,604 | \$ 4,385 | \$ 3,720 | \$ 87,484 |
| 2024 | 6,890 | 2,726 | 2,535 | 447 | 24,440 | 34,074 | 13,301 | 3,304 | 87,717 |
| 2025 | 3,160 | 2,381 | 9,900 | 388 | 26,015 | 32,852 | 10,347 | 2,884 | 87,927 |
| 2026 | 3,325 | 2,223 | 2,650 | 221 | 27,315 | 31,551 | 10,628 | 2,551 | 80,464 |
| 2027 | 3,485 | 2,057 | 2,720 | 158 | 29,140 | 30,186 | 10,924 | 2,209 | 80,879 |
| 2028-2032 | 20,235 | 7,489 | 4,740 | 218 | 175,965 | 126,398 | 49,596 | 5,722 | 390,363 |
| 2033-2037 | 15,315 | 2,407 | - | - | 196,915 | 79,219 | 7,590 | 449 | 301,895 |
| 2038-2042 | 2,105 | 105 | - | - | 173,325 | 21,314 | - | - | 196,849 |
| Totals | \$ 61,080 | \$ 22,442 | \$ 25,109 | \$ 1,924 | \$ 684,215 | \$ 391,198 | \$ 106,771 | \$ 20,839 | \$ 1,313,578 |

6. OTHER DEBT CONSIDERATIONS

In the fiscal year, the City refunded Energy System Refunding Revenue Bonds, Series 2015 with the issue of Energy System Refunding Revenue Bonds, Series 2022. The par amount of the Series 2015 bonds that was refunded totaled \$58,885,000 leaving a balance of \$10,415,000. The par amount of the 2022 bonds totaled \$60,730,000. The aggregate difference between the debt service of the refunded debt and the new debt was a reduction of \$4,586,759. The economic gain on this refunding totaled \$3,062,985.

In the fiscal year, the City refunded Consolidated Utility System Refunding Revenue Bonds, Series 2015 with the issue of Consolidated Utility System Refunding Revenue Bonds, Series 2022. The par amount of the Series 2015 bonds that was refunded totaled \$33,960,000 leaving a balance of \$4,785,000. The par amount of the 2022 bonds totaled \$34,825,000. The aggregate difference between the debt service of the refunded debt and the new debt was a reduction of \$4,351,239. The economic gain on this refunding totaled \$3,571,989.

The City, as of September 30, 2022, nor at any time during fiscal year 2022, did not have a line of credit upon which to borrow additional funds.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

7. CONDUIT DEBT OBLIGATIONS

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

- As of September 30, 2022, there were four series of Health Facilities Revenue Refunding Bonds outstanding. The original issue amounts totaled \$357.3 million and the outstanding balance as of September 30, 2022 was \$340.8 million.
- As of September 30, 2022, there was one Florida State University School Lease Revenue Bond outstanding. The original issue amount totaled \$18.1 million and the outstanding balance as of September 30, 2022 was \$5.7 million.
- As of September 30, 2022, there was one Industrial Revenue Bond outstanding. The original issue amount totaled \$5.4 million and the outstanding balance as of September 30, 2022 was \$4.6 million.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

H. NET POSITION

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

1. NET INVESTMENT IN CAPITAL ASSETS

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

2. RESTRICTED ASSETS

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

3. UNRESTRICTED ASSETS

Unrestricted Assets are the portion of net position that are neither invested in capital assets nor restricted for use by a third party. The net position shown in government-wide financial statements was changed beginning in fiscal year 2012 to comply with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The details of net position presentation are explained in Note IV.I. "Fund Balance" below.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

I. FUND BALANCE

The City classifies governmental fund balances as follows:

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

Spendable Fund Balance

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

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

I. FUND BALANCE

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

| | General | Total Other Governmental | Total |
|-------------------------------------|--------------|-----------------------------|---------------|
| Non-spendable | | | |
| Inventory | \$ 739 | \$ - | \$ 739 |
| Notes Receivable | - | 486 | 486 |
| Police Evidence Holding Cash | 798 | - | 798 |
| Lease receivable, net | 16 | 17 | 33 |
| Total Non-Spendable | <u>1,553</u> | <u>503</u> | <u>2,056</u> |
| Restricted for: | | | |
| Animal Services | - | 108 | 108 |
| Community Development | - | 18,753 | 18,753 |
| Debt Service | - | 13,638 | 13,638 |
| Environmental Clean Up | - | 780 | 780 |
| Housing | - | 1,056 | 1,056 |
| Land/Neighborhood Improvements | - | 65 | 65 |
| Law Enforcement Justice Assistance | - | 193 | 193 |
| Park Enhancements | - | 1,833 | 1,833 |
| Police Enforcement/Crime Prevention | - | 20 | 20 |
| Police Mentoring | - | 2 | 2 |
| Public Infrastructure | - | 360 | 360 |
| Public Safety - Building Code | - | 1,406 | 1,406 |
| Road Improvements | - | 2,270 | 2,270 |
| Sidewalks/Pedestrian & Bike Paths | - | 7,187 | 7,187 |
| Technology Upgrades | - | 172 | 172 |
| Traffic Signals | - | 900 | 900 |
| Total Restricted | <u>-</u> | <u>48,743</u> | <u>48,743</u> |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

I. FUND BALANCE

| | General | Total Other Governmental | Total |
|-------------------------------------|------------------|-----------------------------|------------------|
| Committed to: | | | |
| Cemetery Grounds Maintenance | - | 2,438 | 2,438 |
| City Building Improvements | - | 156 | 156 |
| Community Development | - | 613 | 613 |
| Emergency Management | 20,864 | - | 20,864 |
| General Government | - | 351 | 351 |
| Historic Property Preservation | - | 801 | 801 |
| Housing | - | 3,656 | 3,656 |
| Land/Neighborhood Improvements | - | 2,184 | 2,184 |
| Park Enhancements | 169 | 1,664 | 1,833 |
| Personnel Development | - | 68 | 68 |
| Police Enforcement/Crime Prevention | - | 114 | 114 |
| Police Equipment | - | 874 | 874 |
| Public Infrastructure | - | 6,217 | 6,217 |
| Road Improvements | - | 503 | 503 |
| Sidewalks/Pedestrian & Bike Paths | - | 5,838 | 5,838 |
| Technology Upgrades | - | 1,382 | 1,382 |
| Traffic Signals | - | 830 | 830 |
| Transportation Improvements | - | 48 | 48 |
| Total Committed | <u>21,033</u> | <u>27,737</u> | <u>48,770</u> |
| City Building Improvements | 18 | - | 18 |
| Community Development | 20 | - | 20 |
| Cultural Events | 34 | - | 34 |
| General Government | 71 | - | 71 |
| Information Technology | 17 | - | 17 |
| Physical Environment | 61 | - | 61 |
| Transportation Improvements | 30 | - | 30 |
| Total Assigned | <u>251</u> | <u>-</u> | <u>251</u> |
| Unassigned: | <u>1,972</u> | <u>(6,916)</u> | <u>(4,944)</u> |
| Total Fund Balance | <u>\$ 24,809</u> | <u>\$ 70,067</u> | <u>\$ 94,876</u> |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

A. OUTSTANDING CONTRACTS

The City has outstanding commitments on various contracts for construction and other projects. These commitments, as of September 30, 2022, in the respective funds are as follows (in thousands):

| | | |
|------------------------|----|----------------|
| General Fund | \$ | 4,599 |
| Electric | | 18,608 |
| Gas | | 1,031 |
| Sewer | | 19,994 |
| Stormwater Management | | 11,939 |
| Water | | 2,630 |
| Airport | | 25,923 |
| Nonmajor Governmental | | 31,275 |
| Nonmajor Enterprise | | 13,405 |
| Internal Service Funds | | 28,522 |
| Total | \$ | <u>157,926</u> |

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

B. RISK MANAGEMENT PROGRAM

The Risk Management program provides coverage for Workers' Compensation by self-insuring primary losses up to \$1,250,000 million and losses above that amount are insured through an excess policy. General liability, automobile and employment liability are totally self-insured. General and automobile liability losses are statutorily limited by sovereign immunity of \$200,000 per person and \$300,000 per accident. Prior to October, 2011, the statutory limit was \$100,000 per person and \$200,000 per accident. Settlement amounts in workers' compensation claims have not exceeded the self-insured retention in the past three years. The Risk Management program is also responsible for the purchase of certain other coverages including airport liability coverage. The City's buildings and contents are covered by two property insurance structures: one for municipal locations and one for utility locations, both with varying deductibles. Statutory death benefits for police and firefighters are also purchased and such policy pays pursuant to the benefits specified by state law. The Risk Management Fund, which is classified as an Internal Service Fund, is responsible for collecting premiums from all of the departments for both self-insured and commercial programs, paying claim settlements on self-insured claims and procuring commercial insurance. Claims settlements and loss expenses are reserved for the expected value of the known losses and also for estimated incurred but not reported losses (IBNRs). The Risk Management program also provides Employment Practice Liability such as allegations of race, gender and other discrimination or disparate treatment allegations. This exposure is also self-insured.

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

B. RISK MANAGEMENT PROGRAM

Changes in the balances of self-insured claims for the year ended September 30, 2022 are as follows (in thousands):

| | | |
|--|----|----------------|
| Unpaid claims - October 1 (including IBNRs) | \$ | 15,528 |
| Expenses | | 9,092 |
| Claim payments | | <u>(4,905)</u> |
| Unpaid claims - September 30 (including IBNRs) | \$ | <u>19,715</u> |

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

C. LITIGATION

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

D. FEDERAL AND STATE GRANTS

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

Certain grants, such as the Community Development Block Grant, HOME grant, State Housing Initiatives Partnership (SHIP), and others, provide for the issuance of loans to qualifying individuals or non-profit entities. Loans to individuals include down payment assistance loans that are not repaid unless certain events occur, such as the sale or refinancing of a purchased home within a certain time period. Loans to non-profit entities are sometimes only payable if the entity has sufficient annual cash flow, or may be forgiven by the City Commission to prevent economic hardship for the entity. Since repayment of these loans is contingent upon various factors, the loans are not reported in the financial statements. As of September 30, 2022, the contingent loans for Special Projects totaled \$4.1 million. The contingent down payment assistance loan balance for SHIP totaled \$1.6 million.

E. LONG-TERM CONTRACTS

The City acquires natural gas and power through a combination of short, medium and long-term contracts. The City currently has 6 long-term natural gas "prepay" contracts discounted from an index: 1) 20-Year contract with Tennessee Energy Acquisition Corporation (TEAC); 2) 30-Year contract with TEAC ending in 2048; 3) 30-year contract with Blackbelt Energy ending in 2048; 4) TEAC 30-year contract ending in 2052; 5) Municipal Gas Authority of Georgia (MGAG)/Citadel 30-year contract ending in 2052; and 6) MGAG/Citibank 30-year contract ending in 2052. These contracts save the City \$4.5 million each year through 2048. The City also uses financial instruments to hedge natural gas for future periods. The City is currently hedged for approximately 78% of the City's gas needs through FY 2024. The City's obligation for financial hedges is limited to the difference between the hedge price and market price. The City is not obligated to purchase the underlying gas supply. Energy contracts are managed and monitored by the City's Energy Services Department. Revenues from customers through the Energy Cost Recovery Clause (ECRC) and the Purchased Gas Recovery Clause (PGRC) are designed to recover the costs incurred by these purchase commitments.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

E. LONG-TERM CONTRACTS

The City engages in the wholesale power markets on a short-term and long-term basis to buy or sell power when market prices are more economical than native generation. The City participates daily in the power markets for short-term opportunities to deliver the lowest cost power to our customers. The City continuously evaluates long-term purchase or sales offers through our internal planning process. The City has two Purchased Power Agreements (PPA) for solar energy. The first 20 MW of solar started in the fall of 2017 and the second 40 MW solar contract started in December of 2019. Each of these contracts are for 20 years with option clauses to either purchase or extend their terms. These contracts are managed and monitored by the City’s Energy Services Department and Electric Utility. The following is a schedule, by years, of approximate minimum future purchase commitments on long-term purchase contracts as of September 30, 2022 (in thousands):

| Years ending September 30, | Gas Contracts | Energy Contracts (including Solar PPA) | Total |
|-------------------------------|---------------|---|--------------|
| 2023 | \$ 41,718 | \$ 4,982 | \$ 46,700 |
| 2024 | 33,739 | 5,178 | 38,917 |
| 2025 | 60,730 | 5,381 | 66,111 |
| 2026 | 59,907 | 5,593 | 65,500 |
| 2027 | 61,553 | 5,813 | 67,366 |
| Thereafter | 1,623,581 | 84,098 | 1,707,679 |
| Total | \$ 1,881,228 | \$ 111,045 | \$ 1,992,273 |

F. PENSION PLAN OBLIGATIONS

The City of Tallahassee sponsors and administers two pension plans, established by Chapter 14 of the City Code of Ordinances. There is one defined benefit plan and one defined contribution plan comprised of the following:

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

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

| Plan Obligations and Expenses (in thousands): | General Employees - City | Police Officers | Firefighters | Total Primary Government | Component Unit |
|--|--------------------------------|-----------------|--------------|-----------------------------|-------------------|
| Net Pension Liability/ (Asset) | \$ (77,367) | \$ 5,512 | \$ 12,866 | \$ (58,989) | \$ (56) |
| Pension Related Deferred Outflows | 54,712 | 16,139 | 17,630 | 88,481 | 60 |
| Pension Related Deferred Inflows | (160,518) | (55,705) | (39,894) | (256,117) | (115) |
| Pension Expense | \$ 3,890 | \$ 56 | \$ 1,149 | \$ 5,095 | \$ 3 |

The 2022 membership statistical information is as follows:

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

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

1. DEFINED BENEFIT PROVISION

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

| | General Employees | Police Officers and Firefighters | |
|--|--|--|--------|
| Early Retirement | If a member is retiring under the age and service eligibility, Normal Retirement Benefit is reduced by 4.8% per year for each year by which the Early Retirement date precedes the Normal Retirement date. If a member is retiring under the service eligibility, the Normal Retirement Benefit is reduced by 5% per year for each year by which the Early Retirement date precedes the Normal Retirement date. | At age 50 and 5 years of Credited Service or after completion of 20 years of Credited Service. If the member is retiring after attainment of age 50 and 5 years of Credited Service eligibility, the normal benefit is reduced by 3.0% per year for each year by which the Early Retirement date precedes the Normal Retirement date. If the member is retiring after attainment of 20 years of Credited Service, the Normal Retirement Benefit is reduced by 7.2% per year for each year by which the Early Retirement date precedes the 25 years of service attainment date. | |
| Disability | Five years of Credited Service for non-service connected disability. None for service connected disability. Benefit: The greater of 1) the member's accrued benefit to date of disability; and 2) the member's benefit with service projected to normal retirement date not to exceed 50% of AFC in effect on the date of disability. | Two years of Credited Service for non-service connected disability. None for service connected disability. Benefit: The greater of 1) The member's accrued benefit to date of disability; and 2) The member's benefit with service projected to normal retirement date not to exceed 50% of AFC in effect on the date of disability. | |
| Contribution Rates - actuarially determined for the year ended September 30, 2022 | | | |
| City | 23.07% | 36.18% | 42.55% |
| Employee | 5.00% | 11.25% (hire date prior to 10/1/2012) 13.69% (hire date after 10/1/2012) | 19.08% |

Net Pension Liability - The total pension liability was determined by an actuarial valuation as of October 1, 2020, using a measurement date of September 30, 2022. The net pension liability was also determined using a measurement date of September 30, 2022. The components of the net pension liability of the participating employers in the general employees, police officers and firefighters plans as of September 30, 2022 were as follows (in thousands):

| | General Employees | Police Officers | Firefighters |
|---|-------------------|-----------------|--------------|
| Total pension liability | \$ 1,425,621 | \$ 444,376 | \$ 305,472 |
| Plan fiduciary net position | 1,346,451 | 390,916 | 261,596 |
| Net pension asset/liability | 79,170 | 53,460 | 43,876 |
| Plan fiduciary net position as a % of total pension liability | 94.45 % | 87.97 % | 85.64 % |
| City's proportion of the net pension asset/liability | 94.86 % | 100.0 % | 100.0 % |

The City's Proportionate share of the General Employees' Pension Plan is based on the covered payroll and it increased from 94.83% in 2021 to 94.86% in 2022.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

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

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

| | General Employees | Police Officers | Firefighters |
|-------------------------------|---|---|---|
| Valuation Date | October 1, 2020 | October 1, 2020 | October 1,2020 |
| Actuarial Cost Method | Entry age, normal | Entry age, normal | Entry age, normal |
| Amortization Method | Level percentage, closed | Level percentage, closed | Level percentage, closed |
| Remaining Amortization Period | 30 years | 30 years | 30 years |
| Asset Valuation Method | 20% of the difference between expected actuarial value and fair value is recognized annually with a 20% corridor around fair value | 20% of the difference between expected actuarial value and fair value is recognized annually with a 20% corridor around fair value | 20% of the difference between expected actuarial value and fair value is recognized annually with a 20% corridor around fair value |
| Inflation rate | 2.50% | 2.50% | 2.50% |
| Salary Increase | A range of 2.95 to 5.0% based on years of service | A range of 4.5 to 6.4% based on years of service | A range of 4.4 to 5.75% based on years of service |
| Investment rate of return | 7.40% | 7.40% | 7.40% |
| Mortality Rate: | The mortality tables used are the same as those used in the July 1, 2019 Pension Actuarial valuation of the Florida Retirement System (FRS) for Regular (other than K-12 School Instructional Personnel) members. These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018. | The mortality tables used are the same as those used in the July 1, 2019 Pension Actuarial valuation of the Florida Retirement System (FRS) for Regular (other than K-12 School Instructional Personnel) members. These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018. | The mortality tables used are the same as those used in the July 1, 2019 Pension Actuarial valuation of the Florida Retirement System (FRS) for Regular (other than K-12 School Instructional Personnel) members. These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018. |
| Experience Study | The last experience study was prepared on June 24, 2016. Assumption changes resulting from this experience study were implemented for the fiscal year ending September 30, 2017. | The last experience study was prepared on June 24, 2016. Assumption changes resulting from this experience study were implemented for the fiscal year ending September 30, 2017. | The last experience study was prepared on June 24, 2016. Assumption changes resulting from this experience study were implemented for the fiscal year ending September 30, 2017. |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

Changes in the Net Pension Liability - The Plan is presenting net pension liability for the year ended September 30, 2022 based on the September 30, 2021 measurement date as follows (in thousands):

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

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---------------------------------|--------------------------------|------------------------------------|------------------------------------|
| Balances at September 30, 2021 | \$ 1,275,631 | \$ 1,130,490 | \$ 145,141 |
| Changes for the year: | | | |
| Change in Allocation Percentage | 2,829 | 2,509 | 320 |
| Service Cost | 16,697 | - | 16,697 |
| Interest | 94,577 | - | 94,577 |
| Assumption Changes | (9,664) | - | (9,664) |
| Employer Contributions | - | 26,418 | (26,418) |
| Employee Contributions | - | 5,891 | (5,891) |
| Other Contributions | - | 94 | (94) |
| Net Investment Income | - | 292,740 | (292,740) |
| Benefit Payments | (67,679) | (67,679) | - |
| Refunds | (604) | (604) | - |
| Administrative Expense | - | (649) | 649 |
| Net Changes | <u>36,156</u> | <u>258,720</u> | <u>(222,564)</u> |
| Balances at September 30, 2022 | <u>\$ 1,311,787</u> | <u>\$ 1,389,210</u> | <u>\$ (77,423)</u> |

Police Officers Pension Plan - Increase(Decrease)

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|--------------------------------|--------------------------------|------------------------------------|------------------------------------|
| Balances at September 30, 2021 | \$ 423,510 | \$ 343,664 | \$ 79,846 |
| Changes for the year: | | | |
| Service Cost | 7,203 | - | 7,203 |
| Interest | 31,491 | - | 31,491 |
| Benefit Changes | 509 | - | 509 |
| Assumption Changes | (12,726) | - | (12,726) |
| Employer Contributions | - | 9,456 | (9,456) |
| Employee Contributions | - | 3,324 | (3,324) |
| Other Contributions | - | 28 | (28) |
| Net Investment Income | - | 88,199 | (88,199) |
| Benefit Payments | (21,347) | (21,347) | - |
| Refunds | (323) | (323) | - |
| Administrative Expense | - | (196) | 196 |
| Net Changes | <u>4,807</u> | <u>79,141</u> | <u>(74,334)</u> |
| Balances at September 30, 2022 | <u>\$ 428,317</u> | <u>\$ 422,805</u> | <u>\$ 5,512</u> |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

Firefighters Pension Plan - Increase(Decrease)

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|--------------------------------|--------------------------------|------------------------------------|------------------------------------|
| Balances at September 30, 2021 | \$ 296,547 | \$ 230,737 | \$ 65,810 |
| Changes for the year: | | | |
| Service Cost | 4,598 | - | 4,598 |
| Interest | 21,955 | - | 21,955 |
| Benefit Changes | (9) | - | (9) |
| Assumption Changes | (9,691) | - | (9,691) |
| Employer Contributions | - | 7,084 | (7,084) |
| Employee Contributions | - | 3,235 | (3,235) |
| Other Contributions | - | 19 | (19) |
| Net Investment Income | - | 59,591 | (59,591) |
| Benefit Payments | (16,606) | (16,606) | - |
| Refunds | (213) | (213) | - |
| Administrative Expense | - | (132) | 132 |
| Net Changes | <u>34</u> | <u>52,978</u> | <u>(52,944)</u> |
| Balances at September 30, 2022 | <u>\$ 296,581</u> | <u>\$ 283,715</u> | <u>\$ 12,866</u> |

Investments - Plan assets are managed in accordance with the Pension Investment Policy. The table below presents the adopted asset allocation as of September 30, 2022.

| Asset Class | Target Allocation Percentage | Long-Term |
|-------------------------|---------------------------------|---------------------------------|
| | | Expected Real Rate of Return |
| Domestic Equity | 36.0 | 4.5 |
| International Equity | 10.0 | 5.0 |
| Emerging Markets Equity | 5.0 | 6.4 |
| Fixed Income | 19.0 | 1.6 |
| Real Estate | 15.0 | 5.0 |
| Private Equity | 5.0 | 8.0 |
| Private Credit | 5.0 | 6.8 |
| Timber | 5.0 | 4.7 |
| Total | <u>100.0</u> | |

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

For the year ended September 30, 2022, the annual money-weighted rate of return on the General Employees, Police Officers, and Firefighters pension plan investments, net of investment expense, was (8.4%). The money-weighted rate of return takes into account cash flows into and from the various investments of the Plan.

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

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

The discount rates as of September 30, 2022 were reduced by 0.01% from 2021 to 7.40%.

| General Employees | Police Officers | Firefighters |
|-------------------|-----------------|--------------|
| 7.40 % | 7.40 % | 7.40 % |

The following presents the Plan's net pension liability, calculated using a single discount rate of 7.40%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage- point lower or 1-percentage point higher:

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

| | 1% Decrease 6.40% | Current Single Discount Rate 7.40% | 1% Increase 8.40% |
|-----------------------------------|----------------------|--|----------------------|
| Primary Government-General Plan | \$ 91,260 | \$ (77,367) | \$ (216,474) |
| Primary Government-Police Plan | 61,988 | 5,512 | (40,945) |
| Primary Government-Fire Plan | 50,733 | 12,866 | (18,387) |
| Primary Government-Component Unit | 66 | (56) | (157) |

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

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Differences between expected and actual earnings on pension plan investments are amortized over five years.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

General Employees – Plan - For the year ended September 30, 2022, the general employees pension plan recognized pension expense of \$3,934,000 for the plan. At September 30, 2022, the plan reported deferred outflows of resources and deferred inflows of resources related to the general employee pension plan from the following sources (in thousands):

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows of Resources |
|--|--------------------------------|-------------------------------|------------------------------------|
| Differences between expected and actual experience | \$ 15,127 | \$ (880) | \$ 14,247 |
| Assumption changes | 14,792 | (8,154) | 6,638 |
| Change in Net Pension Liability due to Change in Cost-Sharing Allocation Percentages | 975 | (975) | - |
| Net difference between projected and actual earnings on pension plan investments | - | (159,785) | (159,785) |
| Contributions after measurement date | 27,127 | - | 27,127 |
| Total | \$ 58,021 | \$ (169,794) | \$ (111,773) |

Deferred outflows of resources related to the general employee pension plan of \$27,127,000 resulting from City contributions to the plan paid subsequent to the measurement date and prior to the City's reporting period will be recognized as a reduction of net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense, as follows:

| Year Ending September 30, | Net Amount (in thousands) |
|---------------------------|---------------------------|
| 2023 | \$ (19,996) |
| 2024 | (28,436) |
| 2025 | (44,162) |
| 2026 | (46,306) |
| Total | \$ (138,900) |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

General Employees – City – For the year ended September 30, 2022, the City recognized pension expenses of \$3,635,000 for its proportionate share of the general employees pension plan. At September 30, 2022, the City and its component unit reported deferred outflows of resources and deferred inflows of resources related to the general employee pension plan from the following sources (in thousands):

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows of Resources |
|---|--------------------------------|-------------------------------|------------------------------------|
| Difference between expected and actual experience | \$ 14,369 | \$ (832) | \$ 13,537 |
| Assumption changes | 14,066 | (7,732) | 6,334 |
| Net difference between projected and actual experience on pension investments | 346 | (581) | (235) |
| Change in Net Pension Liability due to change in cost sharing allocation percentage | - | (151,488) | (151,488) |
| Contributions after measurement date | 25,991 | - | 25,991 |
| Total | \$ 54,772 | \$ (160,633) | \$ (105,861) |

Deferred outflows of resources related to the general employee pension plan of \$25,991,000, resulting from City contributions to the plan paid subsequent to the measurement date and prior to the City's reporting period, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan pension expense will be recognized in future pension expenses as follows:

| Year Ending September 30, | Net Amount (in thousands) |
|---------------------------|---------------------------|
| 2023 | \$ (19,012) |
| 2024 | (26,998) |
| 2025 | (41,985) |
| 2026 | (43,857) |
| Total | \$ (131,852) |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

Police officers - For the year ended September 30, 2022, the police officers pension plan recognized pension expense of \$56,000. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the police officers employee pension plan from the following sources (in thousands):

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows of Resources |
|--|--------------------------------|-------------------------------|------------------------------------|
| Differences between expected and actual experience | \$ 3,141 | \$ - | \$ 3,141 |
| Net difference between projected and actual earnings on pension plan investments | - | (45,380) | (45,380) |
| Assumption Changes | 4,134 | (10,325) | (6,191) |
| Contributions after measurement date | 8,864 | - | 8,864 |
| Total | \$ 16,139 | \$ (55,705) | \$ (39,566) |

Deferred outflows of resources related to the police officers pension plan of \$8,864,000, resulting from City contributions to the plan paid subsequent to the measurement date and prior to the City's fiscal year, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan pension expense will be recognized in future pension expenses, as follows:

| <u>Year Ending</u> <u>September 30,</u> | <u>Net Amount</u> <u>(in thousands)</u> |
|--|--|
| 2023 | \$ (9,298) |
| 2024 | (9,886) |
| 2025 | (13,582) |
| 2026 | (14,943) |
| 2027 | (721) |
| Total | \$ (48,430) |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

Firefighters - For the year ended September 30, 2022, the firefighters pension plan recognized pension expense of \$1,149,000. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the firefighters pension plan from the following sources (in thousands):

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Outflows of Resources |
|--|--------------------------------|-------------------------------|------------------------------------|
| Differences between expected and actual experience | \$ 4,678 | \$ (1,009) | \$ 3,669 |
| Net difference between projected and actual earnings on pension plan investments | - | (30,809) | (30,809) |
| Assumption changes | 6,614 | (8,076) | (1,462) |
| Contributions after measurement date | 6,338 | - | 6,338 |
| Total | \$ 17,630 | \$ (39,894) | \$ (22,264) |

Deferred outflows of resources related to the firefighters pension plan of \$6,338,000, resulting from City contributions to the plan paid subsequent to the measurement date and prior to the City's reporting period, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan pension expense will be recognized in future pension expenses, as follows:

| Year Ending September 30, | Net Amount (in thousands) |
|---------------------------|---------------------------|
| 2023 | \$ (3,499) |
| 2024 | (5,084) |
| 2025 | (8,234) |
| 2026 | (10,169) |
| 2027 | (1,616) |
| Total | \$ (28,602) |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

2. DEFINED CONTRIBUTION PROVISION

All employees (general, firefighters, and police officers) may elect to contribute a portion of their salary to the Plan. General employees, firefighters and police officers can contribute up to but not to exceed the maximum amount allowed by the Internal Revenue Service. Each employer contributes 5% to each general employee's Matched Annuity Plan (MAP) account. Upon reaching normal retirement age or retiring under the Plan, a participant shall be paid his and the City's contributions, together with accrued earnings. If a general employee uses the contributions and accrued earnings to receive an annuitized payment stream, the Plan will increase the amount of funds (only on the employer's 5%, employee flex matched contribution and employees' contribution up to the 5%) used by the participant by a factor of 50%. Employee contributions (including the City's 5% contribution to each general employee's MAP account) plus accrued earnings thereon are 100% refundable if the employee elects to terminate his vesting rights or is not vested at the date of employment termination. For the year ended September 30, 2022, the contributions and forfeitures to the MAP account totaled \$1,072,000 and \$332,000, respectively.

3. STATEMENT OF PLAN NET POSITION AS OF SEPTEMBER 30, 2022

| | <u>Pension Trust</u> | <u>Matched Annuity Pension Plan</u> |
|--------------------------------------|----------------------|---|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 19,036 | \$ 12 |
| Receivables | | |
| Other Receivables | - | 18 |
| Accrued Interest | 3,609 | - |
| Total Receivables | <u>3,609</u> | <u>18</u> |
| Investments, at Fair Value | | |
| Mutual Index Funds | - | 140,687 |
| Private Equities | 317,365 | - |
| Fixed Income Securities | 234,475 | - |
| Domestic Equities | 637,152 | - |
| International Equities | 142,926 | - |
| Private Credit Funds | 89,598 | - |
| Bank Loan | 92,881 | - |
| Alternative Investments | 333,302 | - |
| Timber | 127,710 | - |
| Total Investments | <u>1,975,409</u> | <u>140,687</u> |
| Securities Lending Collateral | 79,139 | - |
| Total Assets | <u>\$ 2,077,193</u> | <u>\$ 140,717</u> |
| LIABILITIES AND NET POSITION | | |
| Liabilities | | |
| Obligations Under Securities Lending | \$ 79,139 | \$ - |
| Total Liabilities | <u>79,139</u> | <u>-</u> |
| Net Position | | |
| Net Position Restricted for Pensions | 1,998,054 | 140,717 |
| Total Liabilities and Net Position | <u>\$ 2,077,193</u> | <u>\$ 140,717</u> |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

4. STATEMENT OF CHANGES IN PLAN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2022

| | <u>Pension Trust</u> | <u>Matched Annuity Pension Plan</u> |
|---|----------------------|---|
| ADDITIONS | | |
| Contributions | | |
| Employer | \$ 42,330 | \$ 966 |
| Plan Members | 13,240 | - |
| Total Contributions | <u>55,570</u> | <u>966</u> |
| Investment (Loss) | | |
| From Investment Activities | | |
| Gain/Loss on Sale of Investments | 44,560 | - |
| Change in Fair Value of Investments | (189,106) | (49,781) |
| Interest Income | 15,570 | 8,996 |
| Dividends | 23,836 | - |
| Total Investment (Loss) | <u>(105,140)</u> | <u>(40,785)</u> |
| Less Investment Expenses: | | |
| Investment Management Fees | 7,094 | - |
| Interest Expense | 103 | - |
| Net (Loss) From Investing Activities | <u>(112,337)</u> | <u>(40,785)</u> |
| From Securities Lending Activities: | | |
| Securities Lending Income | 1,284 | - |
| Less Securities Lending Expenses: | | |
| Investment Management Fees | 911 | - |
| Net Income From Securities Lending Activities | <u>373</u> | <u>-</u> |
| Total Net Investment (Loss) | <u>(111,964)</u> | <u>(40,785)</u> |
| Total Additions | <u>(56,394)</u> | <u>(39,819)</u> |
| DEDUCTIONS | | |
| Benefits | 115,157 | 5,646 |
| Refunds of Contributions | 930 | - |
| Administrative Expense | 931 | - |
| Total Deductions | <u>117,018</u> | <u>5,646</u> |
| Change in Net Position | (173,412) | (45,465) |
| Net Position - October 1 | 2,171,466 | 186,182 |
| Net Position - September 30 | <u>\$ 1,998,054</u> | <u>\$ 140,717</u> |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

5. SUPPLEMENTAL PLANS

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

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

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

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

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

The Florida Excise Tax Rebate payment for each Plan is sent directly to the City of Tallahassee and is deposited into the City's bank account. Based on the total amount of shares to be distributed to each participants account, the City transfers the money received to Empower (formerly known as Great West Life & Annuity Insurance Company) a third-party administrator who administers the investments for the Plans. A small portion of the money is held by the City and is included in the City's cash and investment pool that is available for use by the Plans Board of Trustees for administrative and operational expenses. These Plans are not included in the City's financial statements. The Plans' Financial Statements are audited by Saltmarsh, Cleaveland & Gund and a copy of the statements can be obtained by contacting Saltmarshcpa.com.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION **G. OTHER EMPLOYEE BENEFITS**

1. DEFERRED COMPENSATION

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

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

2. FLEXIBLE BENEFITS

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

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

1. OPEB PLAN DESCRIPTION

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

1. OPEB PLAN DESCRIPTION

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

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

The aggregate amounts, reported by the City as of September 30, 2022, of net OPEB liabilities, related deferred inflows and outflows of resources, and OPEB expenses using a valuation date and measurement date of September 30, 2021 are summarized as follows:

| OPEB Plan Obligations and Expenses | Primary Government | DIA (Component Unit) | Total (in thousands) |
|------------------------------------|--------------------|----------------------|----------------------|
| Net OPEB Liability | \$ 78,638 | \$ 119 | \$ 78,757 |
| OPEB Related Deferred Outflows | 16,314 | 15 | 16,329 |
| OPEB Related Deferred Inflows | (18,720) | (9) | (18,729) |
| OPEB Expenses | 4,525 | 1 | 4,526 |

OPEB Plan membership at September 30, 2022 was as follows:

| | |
|--|--------------|
| Inactive Members or Beneficiaries Currently Receiving Benefits | 1,370 |
| Active Members | 2,662 |
| Total Members | <u>4,032</u> |

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

1. OPEB PLAN DESCRIPTION

*Capital Health Plan **Blue Cross/Blue Shield

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

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

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

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

2. OPEB PLAN INVESTMENTS

Due to its small size, there is not a separate investment policy specifically for the assets of the RMI Trust. Chapter 2 of the Municipal Code provides that the RMI Trust invests in instruments similar to those invested in by the City's Pension Fund. There were no significant changes to the investment of the RMI Trust assets during Fiscal Year 2022. Investments in various index funds are each more than 5% of the RMI Trust's position.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

3. NET OPEB LIABILITY

Changes in the Net OPEB Liability - The Plan is presenting the net OPEB liability for the year ended September 30, 2022 based on the September 30, 2021 measurement date as follows (in thousands):

| | Total Pension Liability | Plan Fiduciary Net Position | Net OPEB Liability (a) - (b) |
|--|-------------------------------|-----------------------------------|------------------------------------|
| Balances at September 30, 2021 | \$ 88,414 | \$ 10,181 | \$ 78,233 |
| Changes for the year: | | | |
| Change in Allocation Percentages | (1) | - | (1) |
| Service Cost | 2,033 | - | 2,033 |
| Interest | 2,202 | - | 2,202 |
| Differences between Expected and Actual Experiences | (2,680) | - | (2,680) |
| Assumption Changes | 5,977 | - | 5,977 |
| Employer Contributions to the Trust Fund | - | 2,240 | (2,240) |
| Employer Contributions not deposited in Trust Fund | - | 2,008 | (2,008) |
| Net Investment Income | - | 2,759 | (2,759) |
| Benefit Payments | (4,094) | (4,094) | - |
| Net Changes | <u>3,437</u> | <u>2,913</u> | <u>524</u> |
| Balances at September 30, 2022 | <u>\$ 91,851</u> | <u>\$ 13,094</u> | <u>\$ 78,757</u> |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

3. NET OPEB LIABILITY

The total OPEB liability and contribution rates were determined by an actuarial valuation as of September 30, 2021. The total OPEB liability was rolled forward one year. The significant assumptions used were as follows:

| | |
|---------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Normal Inflation | 2.25%. |
| Discount Rate | 2.36%, the resulting Single Discount Rate based on the expected rate of return on OPEB Plan investments as of September 30, 2021 at 7.40% and the long term municipal bond rate as of September 30, 2021 at 2.19%. |
| Salary Increases | 2.95% to 6.40%, including inflation; varies by plan type and years of service. |
| Retirement Age | Experience based table of rates that are specific to the plan and type of eligibility condition. |
| Mortality | Mortality tables used in the July 1, 2020 actuarial valuation of the Florida Retirement System (FRS). They are based on the results of a statewide experience study covering the period 2013 through 2018. These rates were taken from adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using Scale MP-2018. |
| Healthcare Cost Trend Rates | Based on the Getzen Model, with trend starting at 4.40% for 2022 and 4.10% for 2023 (based on actual premium increases), followed by 5.60% for 2024, and then gradually decreasing to an ultimate trend rate of 3.75%. |
| Aging factors to Death Expenses | Based on the 2013 SOA Study "Health Care Costs - From Birth to Death" |
| Expenses | Investment returns are net of the investment expenses; and, administrative expenses are included in the per capita health costs. |
| Notes | The following assumption changes have been reflected in the schedule of Changes in the Total OPEB Liability for the measurement period ending September 30, 2021: The Single Discount Rate was changed from 2.49% to 2.36%. Per capita costs and premiums were updated based on information provided. The assumed long-term medical trend rates were changed to reflect the update September 2020 forecasting model. There were no benefit changes during the year. |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

3. NET OPEB LIABILITY

Sensitivity of Net OPEB Liability to changes in the Single Discount Rate –The following presents the plan’s net OPEB liability, calculated using a Single Discount Rate of 2.36%, as well as what the plan’s net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher (in thousands):

| | 1% Decrease 1.36% | Current Single Discount Rate Assumption 2.36% | 1% Increase 3.36% |
|-------------------------------------|----------------------|--|----------------------|
| Primary Government | \$ 90,303 | \$ 78,638 | \$ 69,001 |
| Primary Government - Component Unit | 137 | 119 | 104 |
| Total | <u>\$ 90,440</u> | <u>\$ 78,757</u> | <u>\$ 69,105</u> |

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

| | 1% Decrease | Current Healthcare Cost Trend Rate Assumption | 1% Increase |
|-------------------------------------|------------------|--|------------------|
| Primary Government | \$ 71,313 | \$ 78,638 | \$ 87,533 |
| Primary Government - Component Unit | 108 | 119 | 132 |
| Total | <u>\$ 71,421</u> | <u>\$ 78,757</u> | <u>\$ 87,665</u> |

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

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.
- Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.
- Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.
- Differences between expected and actual earnings on OPEB plan investments are amortized over five years.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

3. NET OPEB LIABILITY

Based on a valuation date of September 30, 2021 and a measurement date of September 30, 2021, the City recognized OPEB expenses of \$1,317,566 for the year ended September 30, 2022. At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources (in thousands):

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Net Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|--------------------------------------|
| Differences between expected and actual experience | \$ - | \$ (6,553) | \$ (6,553) |
| Assumption Changes | 11,829 | (9,497) | 2,332 |
| Net Difference between projected and actual earnings on OPEB plan investments | 108 | (2,240) | (2,132) |
| Change in Net OPEB liability due to Change in Cost-Sharing Allocation Percentage | 7 | (439) | (432) |
| Contributions after measurement date | 4,385 | - | 4,385 |
| | <u>\$ 16,329</u> | <u>\$ (18,729)</u> | <u>\$ (2,400)</u> |

Deferred outflows of resources related to the plan of \$4,385,000, resulting from City contributions to the plan paid subsequent to the measurement date and prior to the City's fiscal year, will be recognized as a reduction of the net OPEB liability in the fiscal year ended September 30, 2023. Other amounts reported as OPEB related deferred outflows and inflows of resources will be recognized in future OPEB expense, as follows:

| Year ending September 30, | Net Amount |
|------------------------------|-------------------|
| 2023 | \$ (2,002) |
| 2024 | (1,768) |
| 2025 | (1,190) |
| 2026 | (504) |
| 2027 | (1,624) |
| Thereafter | 303 |
| Total | <u>\$ (6,785)</u> |

4. FUNDING POLICY

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

5. STATEMENT OF PLAN NET POSITION AS OF SEPTEMBER 30, 2022

| | <u>OPEB Trust</u> |
|--------------------------------------|-------------------|
| ASSETS | |
| Cash and Cash Equivalents | \$ 360 |
| Receivables: | |
| Accrued Interest | 4 |
| Investments, at Fair Value: | |
| Domestic Equities | 10,833 |
| Securities Lending Collateral | 61 |
| Total Assets | <u>\$ 11,258</u> |
| LIABILITIES AND NET POSITION | |
| Liabilities | |
| Obligations Under Securities Lending | \$ 61 |
| Total Liabilities | <u>61</u> |
| Net Position | |
| Net Position Restricted for Pensions | 11,197 |
| Total Liabilities and Net Position | <u>\$ 11,258</u> |

6. STATEMENT OF CHANGES IN PLAN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2022

| | <u>OPEB Trust</u> |
|-------------------------------------|-------------------|
| ADDITIONS | |
| Contributions | |
| Employer | \$ 2,295 |
| Total Contributions | <u>2,295</u> |
| Investment Loss | |
| From Investment Activities | |
| Gain/Loss on Sale of Investments | 262 |
| Change in Fair Value of Investments | (2,752) |
| Interest Income | 262 |
| Total Investment Loss | <u>(2,228)</u> |
| Less Investment Expenses: | |
| Investment Management Fees | 8 |
| Net Loss From Investing Activities | <u>(2,236)</u> |
| Total Net Investment Loss | <u>(2,236)</u> |
| Total Additions | <u>59</u> |
| DEDUCTIONS | |
| Benefits | 2,143 |
| Change in Net Position | (2,084) |
| Net Position - October 1 | 13,281 |
| Net Position - September 30 | <u>\$ 11,197</u> |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

I. DERIVATIVE INSTRUMENTS

The contracts are recorded at fair value on the Statement of Net Assets as they have been determined to qualify as derivative instruments under GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments". The fair value balances and notional amounts of derivative instruments, all of which are accounted for within the City's business-type activities, as of September 30, 2022, and the changes in fair value of such derivative instruments for the year then ended, are as follows (amounts in thousands):

| | Changes in Fair Value | | Fair Value at September 30, 2022 | | |
|-----------------------------------|-------------------------------------|------------|----------------------------------|----------|----------------------|
| | Classification | Amount | Classification | Amount | Notional |
| Cash Flow Hedges: | | | | | |
| Commodity Forward -Natural Gas | Deferred Inflows of Resources | (\$93,862) | Derivative Instrument | \$93,862 | 31,560,000 MMBTUs |

The fair values of the forward contracts are estimated based upon the present value of their estimated cash flows. For FY 2023 - 2024 the City has hedged various volumes Over the Counter (OTC) with BP Energy Company, J. Aron & Company LLC, Shell Trading Risk Management LLC and Conoco Phillips Company. Counterparty S&P credit ratings are as follows: BP Energy Company: A-, J. Aron: BBB+, Shell Trading Risk Management: A, Conoco Phillips Company: A- as of September 30, 2022. The following table displays the objectives and terms of the City's derivative instruments outstanding as of September 30, 2022.

| Type | Objective | Effective Date | Maturity Date | Terms |
|----------------------------|---|----------------|--|--|
| Commodity Forward Contract | Stabilize cash flows due to market price volatility related to expected purchases of natural gas. | Various | Various: November 2022 -September 2024 | Pay previous prices per MMBTU; settlement based on the Henry Hub index price on the expiration date for natural gas contracts. |

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

J. RELATED PARTY TRANSACTIONS

Related party transactions during the year ended September 30, 2022 included the following:

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

- a. \$48,000 to reimburse City for costs related to the GalSync software project.
- b. \$1,997,112 for fiscal year 2022 allocation of the \$25 million Blueprint 2000 Water Quality project that funds work performed on the City's Market District stormwater project.

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

- a. \$6,131,108 for operations.
- b. \$312,300 for Fire/EMS revenue.

The City charges fees for administrative services to the Consolidated Dispatch Agency, Blueprint Intergovernmental Agency, and the Capital Region Transportation Planning Agency. For the year ended September 30, 2022, the City charged fees of \$1,509,665, \$363,567, and \$75,890, respectively.

As of September 30, 2022, the City was owed \$527,469 by the Consolidated Dispatch Agency, \$5,727,212 by the Blueprint Intergovernmental Agency, \$542,865 by the Capital Region Transportation Planning Agency, and \$750 from the Downtown Improvement Authority. The City owed the CDA \$86,028.

The City and Blueprint Intergovernmental Agency entered an interlocal agreement whereby Blueprint would allocate a portion of their sales tax collections to the City for specific uses including parks and recreation operating costs, Starmetro enhancements, water quality, sidewalks, and airport growth and development. Blueprint paid the City \$4,846,284 under this agreement in the fiscal year ended September 30, 2022.

K. SUBSEQUENT EVENTS

CAPITAL BONDS, SERIES 2022

On November 1, 2022, the City issued its Capital Bonds, Series 2022 in the principal amount of \$37,455,000. The bond was issued to refund Capital Bonds 2012 and 2014 and bears interest at a rate of 3.48%. The terms of the loan from Bank of America call for debt service payments to be made on October 1 of each year from 2023 through 2034 with the first principal payment due on October 1, 2023. Principal and interest are payable solely from the Pledged Revenues as defined in the issuing resolution on parity with other outstanding Capital Bonds.

REQUIRED SUPPLEMENTARY INFORMATION

THIS SUBSECTION CONTAINS THE FOLLOWING:

Budgetary Comparison Schedule-General Fund

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

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

Schedule of Net Pension Liability by Employer - General Employees

Schedule of Contributions - General Employees

Notes to Schedule of Contributions - General Employees

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

Schedule of Contributions - Police Officers

Notes to Schedule of Contributions - Police Officers

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

Schedule of Contributions - Firefighters

Notes to Schedule of Contributions - Firefighters

Schedule of Investment Returns - Pension Plans

Schedule of Changes in the Net OPEB Liability and Related Ratios

Schedule of the Net OPEB Liability

Notes to Schedule of Net OPEB Liability

Schedule of Contributions - OPEB

Notes to Schedule of Contributions - OPEB

Schedule of Investment Returns - OPEB

CITY OF TALLAHASSEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended September 30, 2022
(in thousands)
(Unaudited)

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget |
|--|------------------|----------------|-------------------------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| Budgetary Fund Balance - October 1 | \$ 579 | \$ 579 | \$ 579 | \$ - |
| Resources | | | | |
| Taxes | 76,211 | 76,211 | 76,170 | (41) |
| Licenses and Permits | 2,179 | 2,179 | 2,529 | 350 |
| Intergovernmental Revenues | 22,947 | 23,753 | 23,897 | 144 |
| Charges for Services | 11,017 | 11,017 | 11,340 | 323 |
| Fines and Forfeitures | 609 | 609 | 876 | 267 |
| Interest Earned | 300 | 300 | (84) | (384) |
| Miscellaneous | 11,046 | 11,046 | 10,502 | (544) |
| Transfers from Other Funds | 47,461 | 47,461 | 47,346 | (115) |
| Amounts Available for Appropriations | <u>172,349</u> | <u>173,155</u> | <u>173,155</u> | <u>-</u> |
| Charges to Appropriations | | | | |
| General Government | 26,404 | 26,048 | 24,991 | 1,057 |
| Public Safety | 63,075 | 62,814 | 62,263 | 551 |
| Transportation | 16,415 | 16,352 | 18,144 | (1,792) |
| Human Services | 8,134 | 7,605 | 8,353 | (748) |
| Economic Development | 114 | 104 | 82 | 22 |
| Physical Environment | 3,588 | 3,568 | 3,554 | 14 |
| Culture and Recreation | 22,496 | 22,525 | 21,657 | 868 |
| Transfers to Other Funds | 32,123 | 34,139 | 33,987 | 152 |
| Total Charges to Appropriations | <u>172,349</u> | <u>173,155</u> | <u>173,031</u> | <u>124</u> |
| Budgetary Fund Balance - September 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 124</u> | <u>\$ 124</u> |

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Note to Required Supplementary Information
General Fund
September 30, 2022
(in thousands)
(Unaudited)

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

Inflows of Resources

| | |
|--|-------------------|
| Actual amounts (budgetary basis) available for appropriation from the budgetary comparison schedule. | \$ 173,155 |
| Differences - budget to GAAP | |
| The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes. | (579) |
| The revenues of the City's Deficiency Reserve and Scholarship Reserve are current year revenues for reporting purposes but are not considered budgetary inflows. | 2,235 |
| Current year nonbudgeted transfer is treated as revenue for financial reporting purposes but not as a budgetary inflow. | 7 |
| Miscellaneous items treated as budgetary inflows but not as revenues for financial reporting purposes. | (3,274) |
| Miscellaneous items treated as revenues for financial reporting purposes but not as budgetary inflows | <u>87</u> |
| Total Revenues and Other Financing Sources as reported on the statement of revenues, expenditures, and changes in fund balances. | <u>\$ 171,631</u> |

Outflows of Resources

| | |
|---|-------------------|
| Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedule. | \$ 173,031 |
| Difference - budget to GAAP | |
| The expenditures of the City's Deficiency Reserve and Scholarship reserve are current year expenditures for reporting purposes but are not considered budgetary outflows. | 3,975 |
| Current year nonbudgeted transfer is treated as expense for financial reporting purposes but not as a budgetary outflow. | 93 |
| Miscellaneous items treated as budgetary outflows but not as expenditures for financial reporting purposes. | (3,550) |
| Miscellaneous items treated as expenditures for financial reporting purposes but not as budgetary outflows. | <u>102</u> |
| Total Expenditures and Other Financing Uses as reported on the statement of revenues, expenditures, and changes in fund balances. | <u>\$ 173,651</u> |

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS - GENERAL EMPLOYEES PENSION PLAN
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2022)

For the Fiscal Year Ended September 30
(in thousands)
(Unaudited)

| | 2022 | 2021 | 2020 | 2019 | 2019 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|------------|
| Total pension liability | | | | | | | | | |
| Service Cost | \$ 17,494 | \$ 17,607 | \$ 18,012 | \$ 16,845 | \$ 15,916 | \$ 15,008 | \$ 14,964 | \$ 14,592 | \$ 16,333 |
| Interest | 100,846 | 99,733 | 96,509 | 92,484 | 86,053 | 78,568 | 74,426 | 71,570 | 70,460 |
| Benefit Changes | - | - | (4,776) | - | 118 | - | - | - | - |
| Difference between actual & expected experience | - | (1,448) | 9,403 | 43,132 | 11,976 | 17,064 | - | (24,196) | - |
| Assumption Changes | - | (10,193) | - | 19,989 | 14,262 | 54,077 | - | - | - |
| Benefit Payments | (75,207) | (71,369) | (66,804) | (62,578) | (58,587) | (54,634) | (50,887) | (47,928) | (44,510) |
| Refunds | (814) | (637) | (578) | (485) | (262) | (269) | (312) | (241) | (385) |
| Net Change in Total Pension Liability | 42,319 | 33,693 | 51,766 | 109,387 | 69,476 | 109,814 | 38,191 | 13,797 | 41,898 |
| Total Pension Liability - Beginning | 1,383,302 | 1,349,609 | 1,297,843 | 1,188,456 | 1,118,980 | 1,009,166 | 970,975 | 957,178 | 915,280 |
| Total Pension Liability - Ending (a) | \$ 1,425,621 | \$ 1,383,302 | \$ 1,349,609 | \$ 1,297,843 | \$ 1,188,456 | \$ 1,118,980 | \$ 1,009,166 | \$ 970,975 | \$ 957,178 |
| Plan Fiduciary Net Position | | | | | | | | | |
| Contributions - Employer | \$ 27,127 | \$ 27,858 | \$ 26,693 | \$ 21,927 | \$ 18,801 | \$ 14,486 | \$ 14,591 | \$ 16,537 | \$ 16,110 |
| Contributions - Other | - | 99 | 3 | 7 | 13 | 356 | - | 23 | 92 |
| Contributions - Member | 6,680 | 6,212 | 6,171 | 6,119 | 5,560 | 5,160 | 4,523 | 4,719 | 4,607 |
| Net Investment Income | (75,650) | 308,700 | 75,990 | 47,306 | 94,722 | 127,148 | 85,979 | 9,640 | 89,958 |
| Benefits Payments | (75,207) | (71,369) | (66,804) | (62,578) | (58,587) | (54,634) | (50,887) | (47,928) | (44,510) |
| Refunds | (814) | (637) | (578) | (485) | (262) | (269) | (312) | (241) | (385) |
| Administrative Expense | (633) | (684) | (606) | (1,112) | (493) | (1,214) | (705) | (637) | (668) |
| Other - Reallocation of Prior Years' Investment Earnings | - | - | 8,158 | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | (118,497) | 270,179 | 49,027 | 11,184 | 59,754 | 91,033 | 53,189 | (17,887) | 65,204 |
| Plan Fiduciary Net Position - Beginning | 1,464,948 | 1,194,769 | 1,145,742 | 1,134,558 | 1,074,804 | 983,771 | 930,582 | 948,469 | 883,265 |
| Plan Fiduciary Net Position - Ending (b) | \$ 1,346,451 | \$ 1,464,948 | \$ 1,194,769 | \$ 1,145,742 | \$ 1,134,558 | \$ 1,074,804 | \$ 983,771 | \$ 930,582 | \$ 948,469 |
| Net Pension Liability/(Asset) - Ending (a) - (b) | \$ 79,170 | \$ (81,646) | \$ 154,840 | \$ 152,101 | \$ 53,898 | \$ 44,176 | \$ 25,395 | \$ 40,393 | \$ 8,709 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 94.45 % | 105.90 % | 88.53 % | 88.28 % | 95.46 % | 96.05 % | 97.48 % | 95.84 % | 99.09 % |
| Covered Payroll | \$ 126,769 | \$ 111,180 | \$ 112,334 | \$ 106,445 | \$ 100,986 | \$ 110,835 | \$ 111,638 | \$ 108,866 | \$ 106,057 |
| Net Pension Liability/(Asset) as a Percentage of Covered Payroll | 62.45 % | (73.44)% | 137.84 % | 142.89 % | 53.37 % | 39.86 % | 22.75 % | 37.10 % | 8.21 % |

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

CITY OF TALLAHASSEE, FLORIDA

**SCHEDULE OF NET PENSION LIABILITY BY EMPLOYER - GENERAL EMPLOYEES
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2022)
(in thousands)
(Unaudited)**

| Fiscal year ending September 30, 2021 | <u>BPIA</u> | <u>CRTPA</u> | <u>CDA</u> | <u>City of Tallahassee</u> | <u>General Employees Total</u> |
|--|------------------|-----------------|------------------|----------------------------|--------------------------------|
| Total Pension Liability - Beginning | \$ 20,853 | \$ 5,624 | \$ 45,077 | \$ 1,311,748 | \$ 1,383,302 |
| Total Pension Liability - Ending (a) | <u>\$ 21,108</u> | <u>\$ 5,690</u> | <u>\$ 46,547</u> | <u>\$ 1,352,276</u> | <u>\$ 1,425,621</u> |
| Plan Fiduciary Net Position - Beginning | \$ 22,083 | \$ 5,956 | \$ 47,738 | \$ 1,389,171 | \$ 1,464,948 |
| Plan Fiduciary Net Position - Ending (b) | <u>\$ 19,936</u> | <u>\$ 5,374</u> | <u>\$ 43,962</u> | <u>\$ 1,277,179</u> | <u>\$ 1,346,451</u> |
| Net Pension Asset - Ending (a) - (b) | \$ 1,172 | \$ 316 | \$ 2,585 | \$ 75,097 | \$ 79,170 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 94.45 % | 94.45 % | 94.45 % | 94.45 % | 94.45 % |
| Covered Payroll | \$ 1,877 | \$ 506 | \$ 4,139 | \$ 120,247 | \$ 126,769 |
| Net Pension Asset as a percentage of Covered Payroll | 62.44 % | 62.45 % | 62.45 % | 62.45 % | 62.45 % |
| <u>Allocation Determination*</u> | | | | | |
| Allocation Percentage Prior Year | 1.51 % | 0.40 % | 3.26 % | 94.83 % | 100.00 % |
| Allocation Percentage Current Year | 1.48 % | 0.40 % | 3.26 % | 94.86 % | 100.00 % |

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

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

| Fiscal Year Ending September 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|--|---|------------------------|--|-----------------|--|
| 2013 | \$ 14,335 | \$ 14,335 | \$ - | \$ 99,067 | 14.47 % |
| 2014 | 16,110 | 16,110 | - | 106,057 | 15.19 |
| 2015 | 16,537 | 16,537 | - | 108,866 | 15.19 |
| 2016 | 14,591 | 14,591 | - | 111,638 | 13.07 |
| 2017 | 14,486 | 14,486 | - | 110,835 | 13.07 |
| 2018 | 18,713 | 18,801 | (88) | 100,986 | 18.62 |
| 2019 | 21,927 | 21,927 | - | 106,445 | 20.60 |
| 2020 | 26,693 | 26,693 | - | 112,334 | 23.76 |
| 2021 | 27,858 | 27,858 | - | 111,180 | 25.06 |
| 2022 | 27,127 | 27,127 | - | 126,769 | 21.40 |

NOTES TO SCHEDULE OF CONTRIBUTIONS - GENERAL EMPLOYEES

Valuation Date: October 1, 2020
Measurement Date: September 30, 2022

Notes: Actuarially determined contribution rates are calculated as of October 1, 2020 for the fiscal year ended September 30, 2022. The actuarially determined contribution is projected to the contribution year using conventional actuarial projection methods.

Methods and Assumption Used to Determine Contribution Rates:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percent of Pay (with 2.31% payroll growth assumption), Closed |
| Remaining Amortization Period | 28 years |
| Asset Valuation Method | 20% of the difference between expected actuarial value (based on assumed return) and fair value is recognized each year with 20% corridor around fair value |
| Inflation | 2.5% |
| Salary Increases | A range of 2.95% to 5.00%, depending on completed years of service, including inflation |
| Investment Rate of Return | 7.40% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition |
| Mortality | The mortality tables used are the same as those used in the July 1, 2019 Pension Actuarial Valuation of the Florida Retirement System (FRS) for Regular (other than K-12 School Instructional Personnel) members. These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018. |

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2020 Actuarial Valuation Report dated March 19, 2021.

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS

(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2022)
For the Fiscal Year Ended September 30

(in thousands)
(Unaudited)

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total pension liability | | | | | | | | | |
| Service Cost | \$ 7,304 | \$ 7,203 | \$ 7,178 | \$ 6,858 | \$ 6,777 | \$ 6,031 | \$ 5,573 | \$ 5,570 | \$ 6,094 |
| Interest | 31,398 | 31,491 | 30,192 | 28,820 | 27,583 | 25,451 | 23,784 | 22,775 | 21,635 |
| Benefit Changes | - | 509 | - | - | (5,904) | - | - | - | - |
| Difference between actual & expected experience | - | 737 | 1,907 | 6,042 | 3,283 | 8,041 | - | 1,263 | - |
| Assumption Changes | - | (12,726) | - | 4,893 | 4,776 | 11,610 | - | - | - |
| Benefit Payments | (22,478) | (21,347) | (19,873) | (18,729) | (17,606) | (16,699) | (15,737) | (14,684) | (12,638) |
| Refunds | (165) | (323) | (90) | (210) | (184) | (105) | (156) | (64) | (151) |
| Net Change in Total Pension Liability | 16,059 | 5,544 | 19,314 | 27,674 | 18,725 | 34,329 | 13,464 | 14,860 | 14,940 |
| Total Pension Liability - Beginning | 428,317 | 422,773 | 403,459 | 375,785 | 357,060 | 322,731 | 309,267 | 294,407 | 279,467 |
| Total Pension Liability - Ending (a) | \$ 444,376 | \$ 428,317 | \$ 422,773 | \$ 403,459 | \$ 375,785 | \$ 357,060 | \$ 322,731 | \$ 309,267 | \$ 294,407 |
| Plan Fiduciary Net Position | | | | | | | | | |
| Contributions - Employer | \$ 9,452 | \$ 9,456 | \$ 8,905 | \$ 8,304 | \$ 8,326 | \$ 6,996 | \$ 6,585 | \$ 5,940 | \$ 5,779 |
| Contributions - Non-Employer Contributing Entity | - | 28 | 1 | 2 | 4 | 109 | - | 6 | 26 |
| Net Investment Income | 3,092 | 3,324 | 3,369 | 3,187 | 3,451 | 3,483 | 3,230 | 3,104 | 2,808 |
| Benefits Payments | (21,609) | 88,199 | 21,789 | 15,073 | 29,685 | 39,016 | 25,772 | 2,843 | 26,199 |
| Refunds | (22,478) | (21,347) | (19,873) | (18,729) | (17,606) | (16,699) | (15,737) | (14,684) | (12,638) |
| Administrative Expense | (165) | (323) | (90) | (210) | (184) | (105) | (156) | (64) | (151) |
| Other - Reallocation of Prior Years' Investment Earnings | (181) | (196) | (173) | (500) | (153) | (369) | (200) | (187) | (192) |
| Net Change in Plan Fiduciary Net Position | (31,889) | 79,141 | 809 | 7,127 | 23,523 | 32,431 | 19,494 | (3,042) | 21,831 |
| Plan Fiduciary Net Position - Beginning | 422,805 | 343,664 | 342,855 | 335,728 | 312,205 | 279,774 | 260,280 | 263,322 | 241,491 |
| Plan Fiduciary Net Position - Ending (b) | \$ 390,916 | \$ 422,805 | \$ 343,664 | \$ 342,855 | \$ 335,728 | \$ 312,205 | \$ 279,774 | \$ 260,280 | \$ 263,322 |
| Net Pension Liability - Ending (a) - (b) | \$ 53,460 | \$ 5,512 | \$ 79,109 | \$ 60,604 | \$ 40,057 | \$ 44,855 | \$ 42,957 | \$ 48,987 | \$ 31,085 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 87.97 % | 98.71 % | 81.29 % | 84.98 % | 89.34 % | 87.44 % | 86.69 % | 84.16 % | 82.03 % |
| Covered Payroll | \$ 29,509 | \$ 27,424 | \$ 27,031 | \$ 26,071 | \$ 26,235 | \$ 27,170 | \$ 25,573 | \$ 25,559 | \$ 24,865 |
| Net Pension Liability as a Percentage of Covered Payroll | 181.17 % | 20.10 % | 292.66 % | 232.46 % | 152.69 % | 165.09 % | 167.98 % | 191.66 % | 125.02 % |

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

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

| Fiscal Year Ending September 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll | % |
|-------------------------------------|---|---------------------|--|-----------------|---|---|
| 2013 | \$ 4,787 | \$ 4,787 | \$ - | \$ 22,548 | 21.23 | % |
| 2014 | 5,779 | 5,779 | - | 24,865 | 23.24 | |
| 2015 | 5,940 | 5,940 | - | 25,559 | 23.24 | |
| 2016 | 6,585 | 6,585 | - | 25,573 | 25.75 | |
| 2017 | 6,996 | 6,996 | - | 27,170 | 25.75 | |
| 2018 | 8,238 | 8,326 | (88) | 26,235 | 31.74 | |
| 2019 | 8,304 | 8,304 | - | 26,071 | 31.85 | |
| 2020 | 8,905 | 8,905 | - | 27,031 | 32.94 | |
| 2021 | 9,456 | 9,456 | - | 27,424 | 34.48 | |
| 2022 | 9,452 | 9,452 | - | 29,509 | 32.03 | |

NOTES TO SCHEDULE OF CONTRIBUTIONS - POLICE OFFICERS

Valuation Date: October 1, 2020
Measurement Date: September 30, 2022

Notes: Actuarially determined contribution rates are calculated as of October 1 2020 for the fiscal year ended September 30, 2022. The actuarially determined contribution is projected to the contribution year using conventional actuarial projection methods.

Methods and Assumption Used to Determine Contribution Rates:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percent of Pay (with 2.49% payroll growth assumption), Closed |
| Remaining Amortization Period | 28 years |
| Asset Valuation Method | 20% of the difference between expected actuarial value (based on assumed return) and fair value is recognized each year with 20% corridor around fair value |
| Inflation | 2.5% |
| Salary Increases | A range of 4.5% to 6.4%, depending on completed years of service, including inflation |
| Investment Rate of Return | 7.40% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition |
| Mortality | The mortality tables used the same as those used in the July 1, 2019 Pension Actuarial Valuation of the Florida Retirement System (FRS) for Special Risk members. These tables are based on the pub-2010 mortality tables with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018. |

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2020 Actuarial Valuation Report dated March 19, 2021, and the Actuarial Impact Statements for Ordinance No. 21-O-14 dated April 14, 2021, Ordinance No. 21-O-24 dated June 29, 2021, and Ordinance No. 21-O-30 dated September 13, 2021.

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS - FIREFIGHTERS
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2022)

For the Fiscal Year Ended September 30
(in thousands)
(Unaudited)

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Total pension liability | \$ 4,764 | \$ 4,598 | \$ 4,636 | \$ 4,310 | \$ 4,000 | \$ 3,863 | \$ 3,564 | \$ 3,288 | \$ 3,987 |
| Service Cost | 21,651 | 21,955 | 21,357 | 20,412 | 19,312 | 17,968 | 16,774 | 16,205 | 15,438 |
| Interest | - | (9) | - | - | (1,850) | - | - | - | - |
| Benefit Changes | - | (1,513) | 2,063 | 4,784 | 3,136 | 8,020 | - | 2,783 | - |
| Difference between actual & expected experience | - | (9,691) | - | 4,930 | 4,590 | 9,978 | - | - | - |
| Assumption Changes | (17,471) | (16,606) | (15,960) | (15,275) | (14,772) | (13,669) | (12,701) | (12,074) | (11,042) |
| Benefit Payments | (53) | (213) | (155) | (339) | (50) | (65) | (65) | (5) | (90) |
| Refunds | 8,891 | (1,479) | 11,941 | 18,822 | 14,366 | 26,095 | 7,572 | 10,197 | 8,293 |
| Net Change in Total Pension Liability | 296,581 | 298,060 | 286,119 | 267,297 | 252,931 | 226,836 | 219,264 | 209,067 | 200,774 |
| Total Pension Liability - Beginning | \$ 305,472 | \$ 296,581 | \$ 298,060 | \$ 286,119 | \$ 267,297 | \$ 252,931 | \$ 226,836 | \$ 219,264 | \$ 209,067 |
| Total Pension Liability - Ending (a) | | | | | | | | | |
| Plan Fiduciary Net Position | \$ 6,658 | \$ 7,084 | \$ 6,443 | \$ 5,735 | \$ 5,001 | \$ 4,970 | \$ 4,671 | \$ 4,104 | \$ 3,894 |
| Contributions - Employer | - | 19 | 1 | 1 | 3 | 66 | - | 4 | 17 |
| Contributions - Non-Employer Contributing Entity | 3,467 | 3,235 | 3,384 | 2,999 | 2,862 | 3,270 | 3,092 | 2,774 | 2,398 |
| Contributions - Member | (14,602) | 59,591 | 14,654 | 8,831 | 17,675 | 23,810 | 15,933 | 1,782 | 16,635 |
| Net Investment Income | (17,471) | (16,606) | (15,960) | (15,275) | (14,772) | (13,669) | (12,701) | (12,074) | (11,042) |
| Benefits Payments | (53) | (213) | (155) | (339) | (50) | (65) | (65) | (5) | (90) |
| Refunds | (118) | (132) | (117) | (310) | (92) | (227) | (124) | (117) | (124) |
| Administrative Expense | - | - | (117) | (310) | (92) | (227) | (124) | (117) | (124) |
| Other - Reallocation of Prior Years' Investment Earnings | - | - | 4,961 | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | (22,119) | 52,978 | 13,211 | 1,642 | 10,627 | 18,155 | 10,806 | (3,532) | 11,688 |
| Plan Fiduciary Net Position | 283,715 | 230,737 | 217,526 | 215,884 | 205,257 | 187,102 | 176,296 | 179,828 | 168,140 |
| Plan Fiduciary Net Position - Beginning | \$ 261,596 | \$ 283,715 | \$ 230,737 | \$ 217,526 | \$ 215,884 | \$ 205,257 | \$ 187,102 | \$ 176,296 | \$ 179,828 |
| Plan Fiduciary Net Position - Ending (b) | \$ 43,876 | \$ 12,866 | \$ 67,323 | \$ 68,593 | \$ 51,413 | \$ 47,674 | \$ 39,734 | \$ 42,968 | \$ 29,239 |
| Net Pension Liability - Ending (a) - (b) | 85.64 % | 95.66 % | 77.41 % | 76.03 % | 80.77 % | 81.15 % | 82.48 % | 80.40 % | 86.01 % |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 18,264 \$ | 16,427 \$ | 15,806 \$ | 15,545 \$ | 15,097 \$ | 18,774 \$ | 17,645 \$ | 16,280 \$ | 15,446 \$ |
| Covered Payroll | 240.23 % | 78.32 % | 425.93 % | 441.25 % | 340.55 % | 253.94 % | 225.19 % | 263.93 % | 189.30 % |
| Net Pension Liability as a Percentage of Covered Payroll | | | | | | | | | |

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

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

| Fiscal Year Ending September 30, | Actuarially Determined Contribution | Actual Contribution* | Contribution Deficiency (Excess) | Covered Payroll | Actual Contribution as a % of Covered Payroll |
|--|---|-------------------------|--|-----------------|---|
| 2013 | \$ 3,154 | \$ 3,154 | \$ - | \$ 12,718 | 24.80 % |
| 2014 | 3,894 | 3,894 | . | 15,446 | 25.21 |
| 2015 | 4,104 | 4,104 | . | 16,280 | 25.21 |
| 2016 | 4,671 | 4,671 | . | 17,645 | 26.47 |
| 2017 | 4,970 | 4,970 | . | 18,774 | 26.47 |
| 2018 | 4,700 | 5,001 | (301) | 15,097 | 33.13 |
| 2019 | 5,735 | 5,735 | . | 15,545 | 36.89 |
| 2020 | 6,443 | 6,443 | . | 15,806 | 40.76 |
| 2021 | 7,084 | 7,084 | . | 16,427 | 43.12 |
| 2022 | 6,658 | 6,658 | . | 18,264 | 36.45 |

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

NOTES TO SCHEDULE OF CONTRIBUTIONS - FIREFIGHTERS

Valuation Date: October 1, 2020
Measurement Date: September 30, 2022

Notes: Actuarially determined contribution rates are calculated as of October 1, 2020, for the fiscal year ended September 30, 2022

Methods and Assumption Used to Determine Contribution Rates:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percent of Pay (with 3.05% payroll growth assumption), Closed |
| Remaining Amortization Period | 28 years |
| Asset Valuation Method | 20% of the difference between expected actuarial value (based on assumed return) and fair value is recognized each year with 20% corridor around fair value |
| Inflation | 2.5% |
| Salary Increases | A range of 4.40% to 5.75%, depending on completed years of service, including inflation |
| Investment Rate of Return | 7.40% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition |
| Mortality | The mortality tables used are the same as those used in the July 1, 2019 Pension Actuarial Valuation of the Florida Retirement System (FRS) for Special Risk members. These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthy lives to all future years 2010 using Scale MP-2018. |

Other Information:

Notes See Discussion of Valuation Results in the October 1, 2020 Actuarial Valuation Report dated March 19, 2021, and the Actuarial Impact Statement for Ordinance No.21-O-14 dated April 14, 2021.

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

| Fiscal Year Ending September 30, | Annual Return* |
|-------------------------------------|----------------|
| 2013 | 14.65 |
| 2014 | 10.34 |
| 2015 | 0.29 |
| 2016 | 9.04 |
| 2017 | 13.12 |
| 2018 | 8.58 |
| 2019 | 3.73 |
| 2020 | 5.80 |
| 2021 | 25.50 |
| 2022 | (8.40) |

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

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|------------------|------------------|-------------------|-------------------|------------------|------------------|
| Total OPEB Liability | | | | | | |
| Service cost | \$ 2,140 | \$ 2,285 | \$ 2,288 | \$ 2,064 | \$ 2,375 | \$ 2,468 |
| Interest on the total OPEB liability | 2,149 | 2,618 | 2,942 | 3,545 | 3,334 | 3,041 |
| Charge of benefit terms | - | 30 | - | - | - | - |
| Differences between expected and actual experience | 2,070 | (5,297) | (800) | (74) | - | - |
| Change of assumptions | (18,597) | (9,702) | (59) | 12,851 | (3,480) | (5,015) |
| Benefit payments | (4,448) | (4,153) | (4,366) | (4,635) | (4,851) | (4,412) |
| Net change in total OPEB liability | (16,686) | (14,219) | 5 | 13,751 | (2,622) | (3,918) |
| Total OPEB liability - beginning | 91,141 | 105,360 | 105,355 | 91,604 | 94,226 | 98,144 |
| Total OPEB liability - ending (a) | <u>\$ 74,455</u> | <u>\$ 91,141</u> | <u>\$ 105,360</u> | <u>\$ 105,355</u> | <u>\$ 91,604</u> | <u>\$ 94,226</u> |
| Plan Fiduciary Net Pension | | | | | | |
| Employer Contributions to the OPEB Trust Fund | \$ 2,294 | \$ 2,272 | \$ 2,033 | \$ 2,031 | \$ (2,017) | \$ (2,015) |
| Employer Contributions not deposited in OPEB Trust Fund | 2,305 | 2,037 | 2,216 | (2,439) | (2,673) | - |
| OPEB plan net investment income | (2,235) | 2,798 | 1,364 | 385 | (1,447) | (1,273) |
| Benefit payments | (2,143) | (2,116) | (2,150) | (2,196) | (2,177) | (2,170) |
| Benefit payments not reimbursed by the OPEB Trust Fund | (2,305) | (2,037) | (2,216) | 2,439 | 2,673 | - |
| Other (Adjustment to prior year) | - | - | - | - | 1 | - |
| Net change in plan fiduciary net position | (2,084) | 2,954 | 1,247 | 220 | 1,286 | 1,118 |
| Plan fiduciary net position - beginning | 13,281 | 10,327 | 9,080 | 8,860 | 7,574 | 6,456 |
| Plan fiduciary net position - ending (b) | <u>\$ 11,197</u> | <u>\$ 13,281</u> | <u>\$ 10,327</u> | <u>\$ 9,080</u> | <u>\$ 8,860</u> | <u>\$ 7,574</u> |
| Net OPEB liability - ending (a) - (b) | <u>\$ 63,258</u> | <u>\$ 77,860</u> | <u>\$ 95,033</u> | <u>\$ 96,275</u> | <u>\$ 82,744</u> | <u>\$ 86,652</u> |
| Plan fiduciary net position as a % of the total OPEB liability | 15.04 % | 14.57 % | 9.80 % | 8.62 % | 9.67 % | 8 % |
| Covered-Employee payroll | \$ 170,403 | \$ 151,408 | \$ 151,273 | \$ 151,093 | \$ 153,725 | \$ 149,247 |
| Net OPEB liability as a % of covered-employee payroll | 37.12 % | 51.42 % | 62.82 % | 63.72 % | 53.83 % | 58.06 % |

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

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

| FY Ending September 30, | Total OPEB Liability | Plan Net Position | Net OPEB Liability | Plan Net Position as a % of Total OPEB Liability | Covered- Employee Payroll | Net OPEB Liability as a % of Covered Employee Payroll |
|----------------------------|-------------------------|-------------------|-----------------------|--|---------------------------------|---|
| 2017 | \$ 94,226 | \$ 7,574 | \$ 86,652 | 8.04 | \$ 149,247 | 58.06 % |
| 2018 | 91,604 | 8,860 | 82,744 | 9.67 | 153,725 | 53.83 |
| 2019 | 105,355 | 9,080 | 96,275 | 8.62 | 151,093 | 63.72 % |
| 2020 | 105,360 | 10,327 | 95,033 | 9.80 | 151,273 | 62.82 % |
| 2021 | 91,141 | 13,281 | 77,860 | 14.57 | 151,408 | 51.42 % |
| 2022 | 74,455 | 11,197 | 63,258 | 15.04 | 170,403 | 37.12 % |

NOTES TO SCHEDULE OF NET OPEB LIABILITY

| | |
|--|--|
| Valuation date: | September 30, 2021 |
| Measurement Date: | September 30, 2022 |
| Roll-Forward Procedures: | The total OPEB Liability was rolled forward twelve months from the Valuation Date to the Measurement Date using standard actuarial techniques. |
| Methods and Assumptions Used to Determine Net OPEB Liability: | |
| Actuarial Cost Method | Entry Age Normal. |
| Inflation | 2.25%. |
| Discount Rate | 4.50%, the resulting Single Discount Rate based on the expected rate of return on OPEB plan investments as of September 30, 2022 at 7.40% and the long-term municipal bond rate as of September 30, 2022 at 4.40%. |
| Salary Increases | 2.95% to 6.40%, including inflation; varies by plan type and years of service. |
| Retirement Age | Experience-based table of rates that are specific to the plan and type of eligibility condition. |
| Mortality | Mortality tables used in the July 1, 2020 actuarial valuation of the Florida Retirement System (FRS). They are based on the results of a statewide experience study covering the period from 2013 to 2018. These rates were taken from adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using Scale MP-2018. |
| Healthcare Cost Trend Rates | Based on the Getzen Model, with a trend starting at 4.40% for 2022 and 4.10% for 2023 (based on actual premium increases), followed by 5.60% for 2024, and then gradually decreasing to an ultimate trend rate of 3.75%. |
| Aging factors | Based on the 2013 SOA Study "Health Care Costs - From Birth to Death". |
| Expenses | Investment expenses are net of the investment returns; and, Administrative expenses are included in the per capital health cost. |

Other Information:

Notes

There were no benefit changes during the year.

The following assumption changes have been reflected in the Schedule of Changes in the Total OPEB Liability for the measurement period ending September 30, 2022:

- The Single Discount Rate from the beginning of the year at 2.36% is changed to the end of the year at 4.50% (the resulting Single Discount Rate based on the expected rate of return on OPEB plan investments as of September 30, 2021 at 7.40% and the long-term municipal bond rate as of September 30, 2022 at 7.40%).
- All other assumption changes reflected in the September 30, 2021 OPEB Actuarial Valuation Report dated January 23, 2023, which include:
 - The assumed long-term medical trend rates were changed to reflect the updated September 2020 forecasting model.
 - Per capita costs and premium amounts were revised to reflect premium rates adopted for the 2021 plan year. For more details on these assumption changes, refer to sections E and G of the September 30, 2021 OPEB Actuarial Valuation Report.

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

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

| FY ending September 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Employee Payroll | Actual Contribution as a % of Covered Employee Payroll |
|----------------------------|---|------------------------|--|--------------------------------|--|
| 2017 | \$ 5,323 | \$ 2,015 | \$ 3,308 | \$ 149,247 | 1.35 % |
| 2018 | 5,567 | 2,017 | 3,550 | 153,725 | 1.31 |
| 2019 | 5,377 | 2,031 | 3,346 | 151,093 | 1.34 % |
| 2020 | 6,070 | 2,033 | 4,037 | 151,273 | 1.34 % |
| 2021 | 5,410 | 2,272 | 3,138 | 151,408 | 1.50 % |
| 2022 | 5,654 | 2,294 | 3,360 | 170,403 | 1.35 % |

NOTES TO SCHEDULE OF CONTRIBUTIONS - OPEB

Valuation date: September 30, 2021

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

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Entry Age Normal. |
| Amortization method | Level Percentage of Payroll, Closed. |
| Remaining Amortization Period | 23 years. |
| Asset Valuation Method | Market Value. |
| Inflation | 2.25%. |
| Salary increases | 2.95% to 6.40%, including inflation; varies by plan type and years of service. |
| Investment rate of return | 2.36%, net of OPEB plan expense, including inflation. |
| Retirement Age | Experience-based table of rates that are specific to the plan and type of eligibility condition. |
| Mortality | Mortality tables used in the July 1, 2020 actuarial valuation of the Florida Retirement System (FRS). They are based on the results of a statewide experience study covering the period 2013 through 2018. These rates were taken from adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using Scale MP-2018. |
| Health Care Trend Rate | Based on the Getzen Model, with trend starting at 4.40% for 2022 and 4.10% for 2023 (based on actual premium increases), followed by 5.60% for 2024, and then gradually decreasing to an ultimate trend rate of 3.75% |
| Aging factors | Based on the 2013 SOA Study "Health Care Costs - From Birth to Death". |
| Expenses | Investment expenses are net of the investment returns; and, Administrative expenses are included in the per capita health costs. |

Other Information:

Notes There were no benefit changes during the year. See Summary of Funding Results in section C of the September 30, 2021 OPEB Actuarial Valuation Report.

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

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

| <u>FY Ending September 30,</u> | <u>Annual Return*</u> | |
|------------------------------------|---------------------------|---|
| 2017 | 18.68 | % |
| 2018 | 17.87 | |
| 2019 | 4.27 | |
| 2020 | 15.10 | |
| 2021 | 26.89 | |
| 2022 | (16.73) | |

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

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



**CITY OF
TALLAHASSEE**

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COMBINING FINANCIAL STATEMENTS

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

Nonmajor Governmental Funds

Nonmajor Enterprise Funds

Internal Service Funds

Fiduciary Funds



**CITY OF
TALLAHASSEE**

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NONMAJOR GOVERNMENTAL FUNDS

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

CITY OF TALLAHASSEE, FLORIDA
COMBINING BALANCE SHEET
Nonmajor Governmental Funds
September 30, 2022
(in thousands)

| | Special Revenue Funds | | | | | |
|--|--------------------------------------|------------------|-----------------|------------------------------|-----------------|------------------------------|
| | Community Redevelopment Agency | Special Projects | Law Enforcement | Building Code Enforcement | Concurrency | State Housing Partnership |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ - | \$ 35,441 | \$ - | \$ 1,556 | \$ 5,119 | \$ - |
| Securities Lending Collateral | - | 199 | - | 9 | 29 | - |
| Receivables: | | | | | | |
| Accrued Interest | - | 13 | - | 1 | 16 | - |
| Customers and Others | - | - | - | - | - | - |
| Leases | - | - | - | - | - | - |
| Notes | - | 30 | - | - | - | - |
| Special Assessments | - | - | - | - | - | - |
| Due From Other Governments | - | 1,130 | - | - | - | - |
| Advances To Other Funds | - | - | - | - | - | - |
| Cash and Cash Equivalents | 16,922 | - | 633 | - | - | 2,749 |
| Securities Lending Collateral | 95 | - | 4 | - | - | 15 |
| Receivables - Restricted: | | | | | | |
| Accrued Interest | 54 | 4 | 2 | - | - | 9 |
| Customers and Others | 4 | - | 2 | - | - | - |
| Notes | 181 | - | - | - | - | 305 |
| Due From Other Governments | - | 2,106 | - | - | - | - |
| Total Assets | <u>\$ 17,256</u> | <u>\$ 38,923</u> | <u>\$ 641</u> | <u>\$ 1,566</u> | <u>\$ 5,164</u> | <u>\$ 3,078</u> |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Obligations Under | | | | | | |
| Securities Lending | \$ - | \$ 199 | \$ - | \$ 9 | \$ 29 | \$ - |
| Accounts and Retainage Payable | - | 497 | - | 149 | 14 | - |
| Due To Other Funds | - | 39 | - | - | - | - |
| Due To Other Governments | - | 21 | - | - | - | - |
| Advances from Other Funds | 17 | - | - | - | - | - |
| Accounts and Retainage Payable - Restricted | 211 | 601 | 26 | 2 | - | - |
| Obligations Under | | | | | | |
| Securities Lending - Restricted | 95 | - | 4 | - | - | 15 |
| Unearned Revenue | - | 33,118 | - | - | - | - |
| Unearned Revenue - Restricted | - | - | 304 | - | - | 2,403 |
| Total Liabilities | <u>323</u> | <u>34,475</u> | <u>334</u> | <u>160</u> | <u>43</u> | <u>2,418</u> |
| Deferred Inflows of Resources | | | | | | |
| Lease Related Deferred Inflows | - | - | - | - | - | - |
| Total Liabilities and Deferred Inflows | <u>323</u> | <u>34,475</u> | <u>334</u> | <u>160</u> | <u>43</u> | <u>2,418</u> |
| Fund Balances | | | | | | |
| Nonspendable | 181 | - | - | - | - | 305 |
| Spendable: | | | | | | |
| Restricted | 16,752 | 1,840 | 193 | 1,406 | 5,121 | 355 |
| Committed | - | 4,261 | 114 | - | - | - |
| Unassigned | - | (1,653) | - | - | - | - |
| Total Fund Balances | <u>16,933</u> | <u>4,448</u> | <u>307</u> | <u>1,406</u> | <u>5,121</u> | <u>660</u> |
| Total Liabilities and Fund Balances | <u>\$ 17,256</u> | <u>\$ 38,923</u> | <u>\$ 641</u> | <u>\$ 1,566</u> | <u>\$ 5,164</u> | <u>\$ 3,078</u> |

See Independent Auditors' Report

**CITY OF TALLAHASSEE, FLORIDA
COMBINING BALANCE SHEET
Nonmajor Governmental Funds
September 30, 2022
(in thousands)**

| | Capital Project Funds | | | | | Permanent Fund | Total |
|------------------|-----------------------|---------------------|-----------------|------------------------|-----------------|-------------------|-----------|
| | Debt Service | Capital Improvement | Capital Bonds | Sales Tax Construction | Gas Tax | Cemetery | |
| \$ | - | \$ 16,191 | \$ - | \$ 5,594 | \$ 882 | \$ 2,431 | \$ 67,214 |
| | - | 91 | 1 | 30 | 5 | 14 | 378 |
| | - | 54 | - | 18 | 3 | 8 | 113 |
| | - | - | - | - | 1 | - | 1 |
| | - | - | - | 1,158 | - | - | 1,158 |
| | - | 71 | - | - | - | - | 101 |
| | - | 59 | - | - | - | - | 59 |
| | - | - | - | 1,489 | 1,851 | - | 4,470 |
| 13,638 | - | - | - | - | - | - | 13,638 |
| | - | 8,155 | - | - | - | - | 28,459 |
| | - | 46 | - | - | - | - | 160 |
| | - | 26 | - | - | - | - | 95 |
| | - | 11 | - | - | - | - | 17 |
| | - | - | - | - | - | - | 486 |
| | - | 431 | - | - | - | - | 2,537 |
| <u>\$ 13,638</u> | <u>\$ 25,135</u> | <u>\$ 1</u> | <u>\$ 8,289</u> | <u>\$ 2,742</u> | <u>\$ 2,453</u> | <u>\$ 118,886</u> | |

| | | | | | | | |
|------------------|------------------|----------------|-----------------|-----------------|-----------------|-------------------|---------|
| \$ | - | \$ 91 | \$ 1 | \$ 30 | \$ 5 | \$ 14 | \$ 378 |
| | - | 1,070 | 3,048 | 55 | 174 | 1 | 5,008 |
| | - | - | 2,215 | - | - | - | 2,254 |
| | - | - | - | - | - | - | 21 |
| | - | 3,000 | - | - | - | - | 3,017 |
| | - | 4 | - | 170 | - | - | 1,014 |
| | - | 46 | - | - | - | - | 160 |
| | - | - | - | - | - | - | 33,118 |
| | - | - | - | - | - | - | 2,707 |
| | - | 4,211 | 5,264 | 255 | 179 | 15 | 47,677 |
| | - | - | - | 1,142 | - | - | 1,142 |
| | - | 4,211 | 5,264 | 1,397 | 179 | 15 | 48,819 |
| | - | - | - | 17 | - | - | 503 |
| 13,638 | - | - | - | 6,875 | 2,563 | - | 48,743 |
| | - | 20,924 | - | - | - | 2,438 | 27,737 |
| | - | - | (5,263) | - | - | - | (6,916) |
| <u>13,638</u> | <u>20,924</u> | <u>(5,263)</u> | <u>6,892</u> | <u>2,563</u> | <u>2,438</u> | <u>70,067</u> | |
| <u>\$ 13,638</u> | <u>\$ 25,135</u> | <u>\$ 1</u> | <u>\$ 8,289</u> | <u>\$ 2,742</u> | <u>\$ 2,453</u> | <u>\$ 118,886</u> | |

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2022
(in thousands)

| | Special Revenue Funds | | | | | |
|---|--------------------------------------|------------------|--------------------|------------------------------|-----------------|------------------------------|
| | Community Redevelopment Agency | Special Projects | Law Enforcement | Building Code Enforcement | Concurrency | State Housing Partnership |
| REVENUES | | | | | | |
| Taxes | \$ 3,274 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and Permits | - | - | - | 4,100 | 335 | - |
| Intergovernmental Revenues | 3,501 | 10,463 | 142 | - | - | 1,246 |
| Charges for Services | 359 | - | - | 305 | - | - |
| Fines and Forfeitures | - | - | 187 | 19 | - | - |
| Net Investment Earnings | 77 | 212 | 4 | 8 | 29 | 15 |
| Securities Lending Income | - | 4 | - | - | - | - |
| Change in Fair Value of Investments | (2,538) | (35) | - | (6) | - | - |
| Miscellaneous Revenues | 5 | 559 | - | 249 | - | - |
| Total Revenues | 4,678 | 11,203 | 333 | 4,675 | 364 | 1,261 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | - | 3,524 | - | - | 4 | - |
| Public Safety | - | 985 | 423 | 4,337 | - | - |
| Transportation | - | 2,315 | - | - | 414 | - |
| Human Services | - | 2,832 | - | - | - | - |
| Economic Environment | 4,197 | 3,141 | - | - | - | 512 |
| Physical Environment | - | 130 | - | - | - | - |
| Culture and Recreation | - | 68 | - | - | - | - |
| Securities Lending Expense: | | | | | | |
| Interest Expense | - | 2 | - | - | - | - |
| Agent Fees | - | 1 | - | - | - | - |
| Debt Service: | | | | | | |
| Principal Retired | 540 | - | - | - | - | - |
| Interest and Fiscal Charges | 55 | - | - | - | - | - |
| Total Expenditures | 4,792 | 12,998 | 423 | 4,337 | 418 | 512 |
| Excess of Revenues Over (Under) Expenditures | (114) | (1,795) | (90) | 338 | (54) | 749 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers In | - | - | 172 | 18 | - | - |
| Transfers Out | - | (79) | (175) | (127) | - | - |
| Total Other Financing Sources (Uses) | - | (79) | (3) | (109) | - | - |
| Net Change in Fund Balances | (114) | (1,874) | (93) | 229 | (54) | 749 |
| Fund Balances - October 1 | 17,047 | 6,322 | 400 | 1,177 | 5,175 | (89) |
| Fund Balances - September 30 | \$ 16,933 | \$ 4,448 | \$ 307 | \$ 1,406 | \$ 5,121 | \$ 660 |

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2022
(in thousands)

| | Capital Project Funds | | | | | Permanent Fund | Total |
|----|-----------------------|----------------------|-----------------------|------------------------|---------------------|---------------------|----------------------|
| | Debt Service | Capital Improvement | Capital Bonds | Sales Tax Construction | Gas Tax | Cemetery | |
| \$ | - | - | - | - | - | - | 3,274 |
| | - | - | - | - | - | - | 4,435 |
| | - | 4,097 | - | 6,037 | 7,267 | - | 32,753 |
| | - | 15 | - | - | - | 146 | 825 |
| | - | - | - | - | - | - | 206 |
| | 533 | 137 | 6 | 25 | 13 | 11 | 1,070 |
| | 9 | 2 | - | - | - | - | 15 |
| | - | - | - | - | - | (360) | (2,939) |
| | - | 192 | - | 53 | 4 | - | 1,062 |
| | <u>542</u> | <u>4,443</u> | <u>6</u> | <u>6,115</u> | <u>7,284</u> | <u>(203)</u> | <u>40,701</u> |
| | - | 1,158 | - | 374 | - | - | 5,060 |
| | - | 1,553 | 6,541 | - | - | - | 13,839 |
| | - | 3,826 | 3,411 | 3,738 | 1,653 | - | 15,357 |
| | - | 203 | - | - | - | - | 3,035 |
| | - | 31 | - | - | - | - | 7,881 |
| | - | 106 | 147 | 126 | - | 235 | 744 |
| | - | 438 | 23 | 1,380 | - | - | 1,909 |
| | 4 | 1 | - | - | - | - | 7 |
| | 1 | - | - | - | - | - | 2 |
| | 9,675 | - | - | - | - | - | 10,215 |
| | 4,214 | - | - | - | - | - | 4,269 |
| | <u>13,894</u> | <u>7,316</u> | <u>10,122</u> | <u>5,618</u> | <u>1,653</u> | <u>235</u> | <u>62,318</u> |
| | <u>(13,352)</u> | <u>(2,873)</u> | <u>(10,116)</u> | <u>497</u> | <u>5,631</u> | <u>(438)</u> | <u>(21,617)</u> |
| | 12,100 | 4,390 | - | - | - | - | 16,680 |
| | - | (780) | - | - | (4,944) | (215) | (6,320) |
| | <u>12,100</u> | <u>3,610</u> | <u>-</u> | <u>-</u> | <u>(4,944)</u> | <u>(215)</u> | <u>10,360</u> |
| | (1,252) | 737 | (10,116) | 497 | 687 | (653) | (11,257) |
| | 14,890 | 20,187 | 4,853 | 6,395 | 1,876 | 3,091 | 81,324 |
| \$ | <u><u>13,638</u></u> | <u><u>20,924</u></u> | <u><u>(5,263)</u></u> | <u><u>6,892</u></u> | <u><u>2,563</u></u> | <u><u>2,438</u></u> | <u><u>70,067</u></u> |

See Independent Auditors' Report

NONMAJOR ENTERPRISE FUNDS

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

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF NET POSITION
Nonmajor Enterprise Funds
September 30, 2022
(in thousands)

| | StarMetro | Solid Waste | Golf | Fire Services | Total |
|--|------------------|------------------|-----------------|------------------|------------------|
| ASSETS AND DEFERRED OUTFLOWS | | | | | |
| Current Assets: | | | | | |
| Cash and Cash Equivalents | \$ - | \$ 7,378 | \$ 431 | \$ - | \$ 7,809 |
| Securities Lending Collateral | - | 41 | 2 | - | 43 |
| Receivables: | | | | | |
| Accrued Interest | - | 24 | 1 | - | 25 |
| Customers and Others | 11 | 3,748 | - | 6,034 | 9,793 |
| Due From Other Governments | 8,476 | 51 | - | 4,511 | 13,038 |
| Less: Allowance for Doubtful Accounts | (11) | (131) | - | (172) | (314) |
| Inventory | 1,346 | - | 24 | - | 1,370 |
| Current Assets - Restricted | | | | | |
| Securities Lending Collateral | 1 | - | - | - | 1 |
| Due From Other Governments | 391 | - | - | - | 391 |
| Total Current Assets | <u>10,214</u> | <u>11,111</u> | <u>458</u> | <u>10,373</u> | <u>32,156</u> |
| Noncurrent Assets: | | | | | |
| Net Pension Asset | 2,768 | 1,482 | 47 | - | 4,297 |
| Capital Assets: | | | | | |
| Land and Construction in Progress | 4,896 | - | 144 | 1,637 | 6,677 |
| Other, Net of Accumulated Depreciation | 25,208 | 3,279 | 618 | 12,942 | 42,047 |
| Total Noncurrent Assets | <u>32,872</u> | <u>4,761</u> | <u>809</u> | <u>14,579</u> | <u>53,021</u> |
| Total Assets | <u>43,086</u> | <u>15,872</u> | <u>1,267</u> | <u>24,952</u> | <u>85,177</u> |
| Deferred Outflows of Resources: | | | | | |
| Pension Related Deferred Outflows | 2,706 | 1,486 | 85 | - | 4,277 |
| OPEB Related Deferred Outflows | 690 | 340 | 18 | 1,736 | 2,784 |
| Total Assets and Deferred Outflows of Resources | <u>\$ 46,482</u> | <u>\$ 17,698</u> | <u>\$ 1,370</u> | <u>\$ 26,688</u> | <u>\$ 92,238</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | | | | | |
| Current Liabilities: | | | | | |
| Accounts and Retainage Payable | 579 | 3,021 | 39 | 578 | 4,217 |
| Due To Other Funds | 22,988 | - | 1 | 4,843 | 27,832 |
| Compensated Absences | 634 | 389 | 35 | 2,590 | 3,648 |
| Lease Payable | 379 | - | - | 2 | 381 |
| Obligations Under Securities Lending | - | 41 | 2 | - | 43 |
| Unearned Revenue | 54 | - | - | - | 54 |
| Bonds Payable | 867 | - | - | - | 867 |
| Accounts and Retainage Payable - Restricted | 461 | - | - | 78 | 539 |
| Obligations Under Securities Lending - Restricted | 1 | - | - | - | 1 |
| Total Current Liabilities | <u>25,963</u> | <u>3,451</u> | <u>77</u> | <u>8,091</u> | <u>37,582</u> |
| Noncurrent Liabilities: | | | | | |
| Advances from Other Funds | - | - | 444 | 8,884 | 9,328 |
| Compensated Absences | 104 | 231 | 24 | 356 | 715 |
| Lease Payable | 2,887 | - | - | 2 | 2,889 |
| Bonds Payable | 4,642 | - | - | - | 4,642 |
| Net OPEB Liability | 4,895 | 1,765 | 125 | 7,817 | 14,602 |
| Total Noncurrent Liabilities | <u>12,528</u> | <u>1,996</u> | <u>593</u> | <u>17,059</u> | <u>32,176</u> |
| Total Liabilities | <u>38,491</u> | <u>5,447</u> | <u>670</u> | <u>25,150</u> | <u>69,758</u> |
| Deferred Inflows of Resources: | | | | | |
| Pension Related Deferred Inflows | 5,796 | 3,128 | 147 | - | 9,071 |
| OPEB Related Deferred Inflows | 661 | 382 | 18 | 2,035 | 3,096 |
| Net Position | | | | | |
| Net Investment in Capital Assets | 21,330 | 3,279 | 762 | 14,575 | 39,946 |
| Restricted for Renewal, Replacement and Improvements | - | - | - | 440 | 440 |
| Unrestricted: | (19,796) | 5,462 | (227) | (15,512) | (30,073) |
| Total Net Position | <u>1,534</u> | <u>8,741</u> | <u>535</u> | <u>(497)</u> | <u>10,313</u> |
| Total Liabilities, Deferred Inflows and Net Position | <u>\$ 46,482</u> | <u>\$ 17,698</u> | <u>\$ 1,370</u> | <u>\$ 26,688</u> | <u>\$ 92,238</u> |

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2022
(in thousands)

| | StarMetro | Solid Waste | Golf | Fire Services | Total |
|--|-----------------|-----------------|---------------|-----------------|------------------|
| OPERATING REVENUES | | | | | |
| Charges for Services: | | | | | |
| Residential Sales | \$ - | \$ 13,287 | \$ - | \$ 29,424 | \$ 42,711 |
| Commercial and Industrial Sales | - | 19,033 | - | 19,199 | 38,232 |
| County Government | - | - | - | 3,444 | 3,444 |
| Recyclable Sales | - | 1 | - | - | 1 |
| Recreation Fees | - | - | 1,492 | - | 1,492 |
| Transportation Fees | 5,798 | - | - | - | 5,798 |
| Other Charges | 71 | 7 | 1 | 2,444 | 2,523 |
| Total Operating Revenues | <u>5,869</u> | <u>32,328</u> | <u>1,493</u> | <u>54,511</u> | <u>94,201</u> |
| OPERATING EXPENSES | | | | | |
| Personnel Services | 13,382 | 5,745 | 745 | 33,515 | 53,387 |
| Contractual Services | 7,717 | 23,172 | 222 | 13,902 | 45,013 |
| Materials and Supplies | 3,754 | 88 | 140 | 971 | 4,953 |
| Other | 712 | 165 | 89 | 485 | 1,451 |
| Depreciation | 3,537 | 410 | 78 | 1,141 | 5,166 |
| Amortization | 400 | - | - | 2 | 402 |
| Total Operating Expenses | <u>29,502</u> | <u>29,580</u> | <u>1,274</u> | <u>50,016</u> | <u>110,372</u> |
| Operating Income (Loss) | <u>(23,633)</u> | <u>2,748</u> | <u>219</u> | <u>4,495</u> | <u>(16,171)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Net Investment Earnings | 1 | 26 | 2 | - | 29 |
| Change in Fair Value of Investments | - | (257) | (30) | - | (287) |
| Other Expenses | (2) | - | - | (18) | (20) |
| Intergovernmental Revenues | 5,900 | - | - | - | 5,900 |
| Other Revenues | 560 | - | 119 | 2 | 681 |
| Interest Expense | (193) | - | (5) | (379) | (577) |
| Total Non-Operating Revenues (Expenses) | <u>6,266</u> | <u>(231)</u> | <u>86</u> | <u>(395)</u> | <u>5,726</u> |
| Income (Loss) Before Capital Contributions and Operating Transfers | <u>(17,367)</u> | <u>2,517</u> | <u>305</u> | <u>4,100</u> | <u>(10,445)</u> |
| TRANSFERS AND CAPITAL CONTRIBUTIONS | | | | | |
| Capital Contributions | 392 | - | - | - | 392 |
| Transfers In | 6,997 | - | - | 62 | 7,059 |
| Transfers Out | (29) | (2,049) | - | (379) | (2,457) |
| Total Operating Transfers | <u>7,360</u> | <u>(2,049)</u> | <u>-</u> | <u>(317)</u> | <u>4,994</u> |
| Change in Net Position | <u>(10,007)</u> | <u>468</u> | <u>305</u> | <u>3,783</u> | <u>(5,451)</u> |
| Net Position - October 1 | <u>11,541</u> | <u>8,273</u> | <u>230</u> | <u>(4,280)</u> | <u>15,764</u> |
| Net Position - September 30 | <u>\$ 1,534</u> | <u>\$ 8,741</u> | <u>\$ 535</u> | <u>\$ (497)</u> | <u>\$ 10,313</u> |

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2022
(in thousands)

| | StarMetro | Solid Waste | Golf | Fire Services | Total |
|---|--------------------|-----------------|---------------|-------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Cash Received from Customers | \$ 4,082 | \$ 32,414 | \$ 1,493 | \$ 48,628 | \$ 86,617 |
| Cash Paid to Suppliers for Goods and Services | (8,841) | (13,343) | (395) | (4,253) | (26,832) |
| Cash Paid to Employees for Services | (14,297) | (6,214) | (765) | (33,923) | (55,199) |
| Cash Paid to Other Funds | (3,578) | (9,046) | (80) | (11,822) | (24,526) |
| Cash Received (Paid) for Other Revenues (Expenses) | (2) | - | - | - | (2) |
| Net Cash Provided by (Used for) Operating Activities | <u>(22,636)</u> | <u>3,811</u> | <u>253</u> | <u>(1,370)</u> | <u>(19,942)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers In from Other Funds | 6,997 | - | - | 62 | 7,059 |
| Transfers Out to Other Funds | (29) | (2,049) | - | (379) | (2,457) |
| Operating Grants Received | 5,900 | - | - | - | 5,900 |
| Cash Received From Interfund Balances | 10,975 | - | - | 3,191 | 14,166 |
| Net Cash Provided by (Used for) Noncapital Financing Activities | <u>23,843</u> | <u>(2,049)</u> | <u>-</u> | <u>2,874</u> | <u>24,668</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Capital Contributions | 392 | - | - | - | 392 |
| Acquisition, Construction, and Sale of Capital Assets | (561) | 1 | 4 | (279) | (835) |
| Principal Refunding Payments | (848) | - | - | - | (848) |
| Repayment of Loans/Advances from Other Funds | - | - | (72) | (885) | (957) |
| Interest Paid | (191) | - | (5) | (379) | (575) |
| Net Cash Provided by (Used for) Capital and Related Financing Activities | <u>(1,208)</u> | <u>1</u> | <u>(73)</u> | <u>(1,543)</u> | <u>(2,823)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest Received on Investments | 1 | 18 | 1 | - | 20 |
| Increase/Decrease in the Fair Value of Cash and Cash Equivalents | - | (257) | (30) | - | (287) |
| Net Cash Provided by (Used for) Investing Activities | <u>1</u> | <u>(239)</u> | <u>(29)</u> | <u>-</u> | <u>(267)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents/Investments | - | 1,524 | 151 | (39) | 1,636 |
| Cash and Cash Equivalents - October 1 | - | 5,854 | 280 | 39 | 6,173 |
| Cash and Cash Equivalents - September 30 | <u>\$ -</u> | <u>\$ 7,378</u> | <u>\$ 431</u> | <u>\$ -</u> | <u>\$ 7,809</u> |
| Classified As: | | | | | |
| Unrestricted Assets | <u>\$ -</u> | <u>\$ 7,378</u> | <u>\$ 431</u> | <u>\$ -</u> | <u>\$ 7,809</u> |
| | <u>\$ -</u> | <u>\$ 7,378</u> | <u>\$ 431</u> | <u>\$ -</u> | <u>\$ 7,809</u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | | | | | |
| Operating Income (Loss) | <u>\$ (23,633)</u> | <u>\$ 2,748</u> | <u>\$ 219</u> | <u>\$ 4,495</u> | <u>\$ (16,171)</u> |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | | | | | |
| Depreciation | 3,936 | 410 | 78 | 1,143 | 5,567 |
| Provision for Uncollectible Accounts | - | 104 | - | 4 | 108 |
| Other | (2) | - | - | - | (2) |
| Pension/OPEB Adjustment for GASB 68/75 | (912) | (495) | (24) | (351) | (1,782) |
| Increase (Decrease) in Accounts Receivable | (7) | (361) | - | (1,235) | (1,603) |
| Decrease in Inventory | (570) | - | 12 | - | (558) |
| Decrease in Due From Other Governments | (1,780) | 446 | - | (4,502) | (5,836) |
| (Decrease) in Accounts Payable | 335 | 934 | (37) | (867) | 365 |
| Increase (Decrease) in Compensated Absences | (3) | 25 | 5 | (57) | (30) |
| Total Adjustments | <u>997</u> | <u>1,063</u> | <u>34</u> | <u>(5,865)</u> | <u>(3,771)</u> |
| Net Cash Provided By (Used For) Operating Activities | <u>\$ (22,636)</u> | <u>\$ 3,811</u> | <u>\$ 253</u> | <u>\$ (1,370)</u> | <u>\$ (19,942)</u> |

See Independent Auditors' Report



**CITY OF
TALLAHASSEE**

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INTERNAL SERVICE FUNDS

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

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF NET POSITION
Internal Service Funds
September 30, 2022
(in thousands)

| | 800 Mhz | Technology and Innovation | Human Resources | Internal Loan | Pension Administration | Diversity and Inclusion |
|---|-----------------|---------------------------------|--------------------|------------------|---------------------------|-------------------------------|
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Cash and Cash Equivalents | \$ 1,070 | \$ - | \$ 99 | \$ 1,432 | \$ 35 | \$ 95 |
| Securities Lending Collateral | 6 | - | 1 | 8 | - | 1 |
| Receivables: | | | | | | |
| Other Receivables | 81 | 6 | 4 | - | - | - |
| Accrued Interest | 3 | - | - | 5 | - | - |
| Due From Other Governments | 127 | 21 | - | 17 | - | - |
| Inventory | - | - | - | - | - | - |
| Prepaid Expenses | - | - | - | - | - | - |
| Due From Other Funds | - | - | - | - | - | - |
| Total Current Assets | <u>1,287</u> | <u>27</u> | <u>104</u> | <u>1,462</u> | <u>35</u> | <u>96</u> |
| Noncurrent Assets: | | | | | | |
| Advances To Other Funds | - | - | - | 2,018 | - | - |
| Deposits | - | - | - | - | - | - |
| Derivative Instruments | - | - | - | - | - | - |
| Capital Assets: | | | | | | |
| Land and Construction in Progress | 440 | 4,338 | - | - | - | - |
| Other, Net of Accumulated Depreciation | 1,292 | 40,302 | 56 | - | - | - |
| Total Noncurrent Assets | <u>1,732</u> | <u>44,640</u> | <u>56</u> | <u>2,018</u> | <u>-</u> | <u>-</u> |
| Total Assets | <u>3,019</u> | <u>44,667</u> | <u>160</u> | <u>3,480</u> | <u>35</u> | <u>96</u> |
| Total Assets | <u>\$ 3,019</u> | <u>\$ 44,667</u> | <u>\$ 160</u> | <u>\$ 3,480</u> | <u>\$ 35</u> | <u>\$ 96</u> |
| LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Current Liabilities: | | | | | | |
| Obligations Under Securities Lending | 6 | - | 1 | 8 | - | 1 |
| Accounts Payable | 35 | 3,371 | 99 | 1 | 5 | 21 |
| Due To Other Funds | - | 18,601 | - | - | - | - |
| Due To Other Governments | 383 | - | - | - | - | - |
| Bonds Payable | - | 680 | - | - | - | - |
| Lease Payable | - | 1,998 | 4 | - | - | - |
| Compensated Absences | 39 | 675 | 241 | - | 36 | 74 |
| Total Current Liabilities | <u>463</u> | <u>25,325</u> | <u>345</u> | <u>9</u> | <u>41</u> | <u>96</u> |
| Noncurrent Liabilities: | | | | | | |
| Claims Payable | - | - | - | - | - | - |
| Deposits Payable | - | - | - | - | - | - |
| Bonds Payable | - | 5,355 | - | - | - | - |
| Lease Payable | - | 1,398 | 9 | - | - | - |
| Compensated Absences | - | 356 | 113 | - | - | 10 |
| Advances from Other Funds | - | 128 | 85 | - | 17 | - |
| Total Noncurrent Liabilities | <u>-</u> | <u>7,237</u> | <u>207</u> | <u>-</u> | <u>17</u> | <u>10</u> |
| Total Liabilities | <u>463</u> | <u>32,562</u> | <u>552</u> | <u>9</u> | <u>58</u> | <u>106</u> |
| Deferred Inflows of Resources | | | | | | |
| Accumulated Increase in Fair Value of Hedging Derivatives | - | - | - | - | - | - |
| Total Liabilities and Deferred Inflows of Resources | <u>463</u> | <u>32,562</u> | <u>552</u> | <u>9</u> | <u>58</u> | <u>106</u> |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 1,732 | 35,209 | 43 | - | - | - |
| Unrestricted: | 824 | (23,104) | (435) | 3,471 | (23) | (10) |
| Total Net Position | <u>2,556</u> | <u>12,105</u> | <u>(392)</u> | <u>3,471</u> | <u>(23)</u> | <u>(10)</u> |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | <u>\$ 3,019</u> | <u>\$ 44,667</u> | <u>\$ 160</u> | <u>\$ 3,480</u> | <u>\$ 35</u> | <u>\$ 96</u> |

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF NET POSITION
Internal Service Funds
September 30, 2022
(in thousands)

| Purchasing | Accounting | Garage | Risk Management | Revenue Collection | Utility Services | Environmental Services and Facilities Management | Wholesale Energy Services | Community Relations | Total |
|---------------|---------------|------------------|------------------|--------------------|------------------|--|---------------------------|---------------------|-------------------|
| \$ 132 | \$ 766 | \$ 12,673 | \$ 20,368 | \$ 195 | \$ 6,284 | \$ 1,391 | \$ 6,915 | \$ 87 | \$ 51,542 |
| 1 | 4 | 71 | 133 | 1 | 67 | 8 | 38 | - | 339 |
| 1 | 1 | 427 | 1 | 4 | - | 1 | 6,135 | - | 6,661 |
| - | 2 | 41 | 66 | - | 20 | 4 | 68 | - | 209 |
| - | - | 76 | - | 1 | 35 | - | 183 | - | 460 |
| - | - | 835 | - | - | - | - | 984 | - | 1,819 |
| - | - | - | 3,412 | - | - | - | - | - | 3,412 |
| - | - | - | - | 67 | - | - | 51,766 | - | 51,833 |
| <u>134</u> | <u>773</u> | <u>14,123</u> | <u>23,980</u> | <u>268</u> | <u>6,406</u> | <u>1,404</u> | <u>66,089</u> | <u>87</u> | <u>116,275</u> |
| - | - | - | - | - | - | - | - | - | 2,018 |
| - | - | - | - | - | - | - | 5,658 | - | 5,658 |
| - | - | - | - | - | - | - | 93,862 | - | 93,862 |
| 44 | - | - | - | - | - | 61 | - | - | 4,883 |
| <u>339</u> | <u>1</u> | <u>43,100</u> | <u>2</u> | <u>466</u> | <u>968</u> | <u>1,339</u> | <u>-</u> | <u>1</u> | <u>87,866</u> |
| <u>383</u> | <u>1</u> | <u>43,100</u> | <u>2</u> | <u>466</u> | <u>968</u> | <u>1,400</u> | <u>99,520</u> | <u>1</u> | <u>194,287</u> |
| <u>517</u> | <u>774</u> | <u>57,223</u> | <u>23,982</u> | <u>734</u> | <u>7,374</u> | <u>2,804</u> | <u>165,609</u> | <u>88</u> | <u>310,562</u> |
| <u>\$ 517</u> | <u>\$ 774</u> | <u>\$ 57,223</u> | <u>\$ 23,982</u> | <u>\$ 734</u> | <u>\$ 7,374</u> | <u>\$ 2,804</u> | <u>\$ 165,609</u> | <u>\$ 88</u> | <u>\$ 310,562</u> |
| 1 | 4 | 71 | 133 | 1 | 67 | 8 | 38 | - | 339 |
| 30 | 103 | 329 | 33 | 86 | 394 | 177 | 23,700 | 35 | 28,419 |
| - | - | - | - | - | - | - | 30,000 | - | 48,601 |
| - | - | 131 | 75 | - | - | - | - | - | 589 |
| - | - | - | - | - | - | - | - | - | 680 |
| - | - | - | - | - | 27 | - | - | - | 2,029 |
| <u>122</u> | <u>269</u> | <u>368</u> | <u>127</u> | <u>92</u> | <u>869</u> | <u>196</u> | <u>40</u> | <u>81</u> | <u>3,229</u> |
| <u>153</u> | <u>376</u> | <u>899</u> | <u>368</u> | <u>179</u> | <u>1,357</u> | <u>381</u> | <u>53,778</u> | <u>116</u> | <u>83,886</u> |
| - | - | - | 19,715 | - | - | - | - | - | 19,715 |
| - | - | - | - | - | - | - | 19,040 | - | 19,040 |
| - | - | - | - | - | - | - | - | - | 5,355 |
| - | - | - | - | - | - | - | - | - | 1,407 |
| 19 | 206 | 170 | 41 | 63 | 356 | 42 | 8 | - | 1,384 |
| <u>43</u> | <u>85</u> | <u>-</u> | <u>26</u> | <u>43</u> | <u>-</u> | <u>43</u> | <u>-</u> | <u>9</u> | <u>479</u> |
| <u>62</u> | <u>291</u> | <u>170</u> | <u>19,782</u> | <u>106</u> | <u>356</u> | <u>85</u> | <u>19,048</u> | <u>9</u> | <u>47,380</u> |
| <u>215</u> | <u>667</u> | <u>1,069</u> | <u>20,150</u> | <u>285</u> | <u>1,713</u> | <u>466</u> | <u>72,826</u> | <u>125</u> | <u>131,266</u> |
| - | - | - | - | - | - | - | 93,862 | - | 93,862 |
| <u>215</u> | <u>667</u> | <u>1,069</u> | <u>20,150</u> | <u>285</u> | <u>1,713</u> | <u>466</u> | <u>166,688</u> | <u>125</u> | <u>225,128</u> |
| 383 | 1 | 43,100 | 2 | 466 | 942 | 1,400 | - | 1 | 83,279 |
| <u>(81)</u> | <u>106</u> | <u>13,054</u> | <u>3,830</u> | <u>(17)</u> | <u>4,719</u> | <u>938</u> | <u>(1,079)</u> | <u>(38)</u> | <u>2,155</u> |
| <u>302</u> | <u>107</u> | <u>56,154</u> | <u>3,832</u> | <u>449</u> | <u>5,661</u> | <u>2,338</u> | <u>(1,079)</u> | <u>(37)</u> | <u>85,434</u> |
| <u>\$ 517</u> | <u>\$ 774</u> | <u>\$ 57,223</u> | <u>\$ 23,982</u> | <u>\$ 734</u> | <u>\$ 7,374</u> | <u>\$ 2,804</u> | <u>\$ 165,609</u> | <u>\$ 88</u> | <u>\$ 310,562</u> |

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Internal Service Funds
For the Fiscal Year Ended September 30, 2022
(in thousands)

| | 800 Mhz | Technology and Innovation | Human Resources | Internal Loan | Pension Administration | Diversity and Inclusion |
|--|-----------------|---------------------------------|--------------------|------------------|---------------------------|-------------------------------|
| OPERATING REVENUES | | | | | | |
| Charges for Services | \$ 1,836 | \$ 26,103 | \$ 5,106 | \$ - | \$ 936 | \$ 1,267 |
| Total Operating Revenues | <u>1,836</u> | <u>26,103</u> | <u>5,106</u> | <u>-</u> | <u>936</u> | <u>1,267</u> |
| OPERATING EXPENSES | | | | | | |
| Personnel Services | 612 | 11,137 | 3,506 | - | 601 | 1,025 |
| Contractual Services | 1,744 | 17,256 | 1,222 | - | 304 | 137 |
| Materials and Supplies | 5 | 137 | 26 | - | 13 | 5 |
| Other | 21 | 196 | 71 | - | 8 | 109 |
| Depreciation | 453 | 2,488 | 7 | - | - | - |
| Amortization | - | 2,078 | 4 | - | - | - |
| Total Operating Expenses | <u>2,835</u> | <u>33,292</u> | <u>4,836</u> | <u>-</u> | <u>926</u> | <u>1,276</u> |
| Operating Income (Loss) | <u>(999)</u> | <u>(7,189)</u> | <u>270</u> | <u>-</u> | <u>10</u> | <u>(9)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | |
| Net Investment Earnings | 7 | - | - | 6 | 1 | - |
| Change in Fair Value of Investments | (277) | - | - | - | (15) | - |
| Securities Lending: | | | | | | |
| Securities Lending Income | - | - | - | - | - | - |
| Interest Income | - | - | - | 38 | - | - |
| Interest Expense | - | - | - | - | - | - |
| Intergovernmental Revenues | 870 | - | - | - | - | - |
| Other Revenues | - | 737 | 27 | 1 | - | - |
| Interest Expense | - | (162) | (2) | - | - | - |
| Other Expenses | - | - | - | - | - | (17) |
| Total Non-Operating Revenues (Expenses) | <u>600</u> | <u>575</u> | <u>25</u> | <u>45</u> | <u>(14)</u> | <u>(17)</u> |
| Income (Loss) Before Capital Contributions and Transfers | <u>(399)</u> | <u>(6,614)</u> | <u>295</u> | <u>45</u> | <u>(4)</u> | <u>(26)</u> |
| TRANSFERS | | | | | | |
| Transfers In | 1 | 726 | 45 | - | - | - |
| Transfers Out | (726) | (1) | (321) | - | - | - |
| Total Net Transfers | <u>(725)</u> | <u>725</u> | <u>(276)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Change in Net Position | (1,124) | (5,889) | 19 | 45 | (4) | (26) |
| Net Position - October 1 | 3,680 | 17,994 | (411) | 3,426 | (19) | 16 |
| Net Position - September 30 | <u>\$ 2,556</u> | <u>\$ 12,105</u> | <u>\$ (392)</u> | <u>\$ 3,471</u> | <u>\$ (23)</u> | <u>\$ (10)</u> |

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Internal Service Funds
For the Fiscal Year Ended September 30, 2022
(in thousands)

| Purchasing | Accounting | Garage | Risk Management | Revenue Collection | Utility Services | Environmental Services and Facilities Management | Wholesale Energy Services | Community Relations | Total |
|------------|------------|-----------|-----------------|--------------------|------------------|--|---------------------------|---------------------|------------|
| \$ 1,980 | \$ 5,863 | \$ 30,963 | \$ 13,281 | \$ 2,205 | \$ 20,129 | \$ 6,570 | \$ 216,678 | \$ 1,627 | \$ 334,544 |
| 1,980 | 5,863 | 30,963 | 13,281 | 2,205 | 20,129 | 6,570 | 216,678 | 1,627 | 334,544 |
| 1,662 | 4,137 | 5,597 | 1,612 | 1,409 | 13,535 | 2,745 | 443 | 1,240 | 49,261 |
| 316 | 1,237 | 2,652 | 388 | 551 | 5,373 | 2,255 | 186 | 340 | 33,961 |
| 9 | 15 | 9,893 | 6 | 128 | 593 | 274 | 216,293 | 72 | 227,469 |
| 16 | 71 | 302 | 14,436 | 23 | 470 | 386 | 6 | 9 | 16,124 |
| 22 | 1 | 8,495 | 1 | 28 | 64 | 15 | - | 1 | 11,575 |
| - | - | - | - | - | 27 | - | - | - | 2,109 |
| 2,025 | 5,461 | 26,939 | 16,443 | 2,139 | 20,062 | 5,675 | 216,928 | 1,662 | 340,499 |
| (45) | 402 | 4,024 | (3,162) | 66 | 67 | 895 | (250) | (35) | (5,955) |
| - | 2 | 80 | 89 | 5 | 14 | 7 | 281 | 1 | 493 |
| (17) | (95) | - | (1,672) | (132) | (587) | (15) | (7,750) | (24) | (10,584) |
| - | - | 2 | 2 | - | 4 | - | - | - | 8 |
| - | - | - | - | - | - | - | - | - | 38 |
| - | - | (1) | (1) | - | (2) | - | - | - | (4) |
| - | - | - | - | - | 36 | - | - | - | 906 |
| - | - | 725 | - | - | 12 | 3 | - | 3 | 1,508 |
| (1) | (2) | - | (1) | (1) | (1) | (1) | - | - | (171) |
| - | - | (243) | - | - | - | - | - | - | (260) |
| (18) | (95) | 563 | (1,583) | (128) | (524) | (6) | (7,469) | (20) | (8,066) |
| (63) | 307 | 4,587 | (4,745) | (62) | (457) | 889 | (7,719) | (55) | (14,021) |
| - | 5 | - | - | - | - | 9 | - | 1 | 787 |
| - | (382) | (16) | - | (91) | (506) | (1) | - | (3) | (2,047) |
| - | (377) | (16) | - | (91) | (506) | 8 | - | (2) | (1,260) |
| (63) | (70) | 4,571 | (4,745) | (153) | (963) | 897 | (7,719) | (57) | (15,281) |
| 365 | 177 | 51,583 | 8,577 | 602 | 6,624 | 1,441 | 6,640 | 20 | 100,715 |
| \$ 302 | \$ 107 | \$ 56,154 | \$ 3,832 | \$ 449 | \$ 5,661 | \$ 2,338 | \$ (1,079) | \$ (37) | \$ 85,434 |

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds
For the Fiscal Year Ended September 30, 2022
(in thousands)

| | 800 Mhz | Technology and Innovation | Human Resources | Internal Loan | Pension Administration | Diversity and Inclusion |
|---|-----------------|---------------------------------|--------------------|------------------|---------------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Cash Received for Interfund Services | \$ 1,749 | \$ 26,630 | \$ 5,106 | \$ - | \$ 936 | \$ 1,267 |
| Cash Received From Other Revenues | - | - | - | - | - | - |
| Cash Paid to Suppliers for Goods and Services | (1,830) | (17,401) | (1,410) | - | (403) | (283) |
| Cash Paid to Employees for Services | (617) | (11,317) | (3,496) | - | (593) | (1,048) |
| Net Cash Provided by (Used for) Operating Activities | <u>(698)</u> | <u>(2,088)</u> | <u>200</u> | <u>-</u> | <u>(60)</u> | <u>(64)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Transfers from Other Funds | 1 | - | 17 | - | (6) | 1 |
| Cash Received From Other Non-operating Revenues | 870 | 737 | 27 | - | - | - |
| Cash Received (Paid) From Interfund Balances | - | 726 | - | - | - | - |
| Cash Paid For Other Non-operating Expenses | - | - | - | - | - | (17) |
| Repayment of Advances To/From Other Funds | - | (41) | - | 651 | - | - |
| Transfers to Other Funds | (726) | 14,188 | (321) | - | - | - |
| Net Cash Provided by (Used for) Noncapital Financing Activities | <u>145</u> | <u>15,610</u> | <u>(277)</u> | <u>651</u> | <u>(6)</u> | <u>(16)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Loan Proceeds | - | 6,035 | - | - | - | - |
| Acquisition, Construction and Sale of Capital Assets | - | (19,395) | (20) | - | 2 | - |
| Interest Paid | - | (162) | (2) | - | - | 1 |
| Net Cash Provided by (Used for) Capital and Related Financing Activities | <u>-</u> | <u>(13,522)</u> | <u>(22)</u> | <u>-</u> | <u>2</u> | <u>1</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest Received on Investments | 7 | - | - | 44 | 1 | - |
| Increase (Decrease) in the Fair Value of Cash & Cash Equivalents | (277) | - | - | - | (15) | - |
| Net Cash Provided by (Used for) Investing Activities | <u>(270)</u> | <u>-</u> | <u>-</u> | <u>44</u> | <u>(14)</u> | <u>-</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (823) | - | (99) | 695 | (78) | (79) |
| Cash and Cash Equivalents - October 1 | 1,893 | - | 198 | 737 | 113 | 174 |
| Cash and Cash Equivalents - September 30 | <u>\$ 1,070</u> | <u>\$ -</u> | <u>\$ 99</u> | <u>\$ 1,432</u> | <u>\$ 35</u> | <u>\$ 95</u> |
| Operating Activities | | | | | | |
| Operating Income (Loss) | \$ (999) | \$ (7,189) | \$ 270 | \$ - | \$ 10 | \$ (9) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | | | | | | |
| Depreciation/Amortization | 453 | 4,566 | 11 | - | - | - |
| (Increase) Decrease in Accounts Receivable | (87) | (5) | - | - | - | - |
| (Increase) Decrease in Due From Other Governments | - | 532 | - | - | - | - |
| (Increase) Decrease in Inventory | - | - | - | - | - | - |
| Increase (Decrease) in Accounts Payable | (59) | 188 | (91) | - | (78) | (31) |
| Increase (Decrease) in Accrued Leave | (6) | (180) | 10 | - | 8 | (24) |
| (Increase) Decrease in Insurance Deposits | - | - | - | - | - | - |
| Total Adjustments | <u>301</u> | <u>5,101</u> | <u>(70)</u> | <u>-</u> | <u>(70)</u> | <u>(55)</u> |
| Net Cash Provided By (Used For) Operating Activities | <u>\$ (698)</u> | <u>\$ (2,088)</u> | <u>\$ 200</u> | <u>\$ -</u> | <u>\$ (60)</u> | <u>\$ (64)</u> |

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds
For the Fiscal Year Ended September 30, 2022
(in thousands)

| Purchasing | Accounting | Garage | Risk Management | Revenue Collection | Utility Services | Environmental Services and Facilities Management | Wholesale Energy Services | Community Relations | Total |
|------------|------------|-----------|-----------------|--------------------|------------------|--|---------------------------|---------------------|------------|
| \$ 1,975 | \$ 5,861 | \$ 30,939 | \$ 13,281 | \$ 2,210 | \$ 20,128 | \$ 6,568 | \$ 215,572 | \$ 1,627 | \$ 333,849 |
| 5 | - | - | - | - | - | - | - | - | 5 |
| (387) | (1,445) | (13,655) | (11,228) | (707) | (6,710) | (3,269) | (205,640) | (458) | (264,826) |
| (1,666) | (4,151) | (5,551) | (1,620) | (1,412) | (13,501) | (2,718) | (455) | (1,258) | (49,403) |
| (73) | 265 | 11,733 | 433 | 91 | (83) | 581 | 9,477 | (89) | 19,625 |
| (15) | 5 | - | 67 | (14) | - | - | - | 1 | 57 |
| - | - | 678 | - | - | 12 | 3 | - | - | 2,327 |
| - | - | - | - | - | - | - | - | - | 726 |
| - | - | (243) | - | - | - | - | (12) | - | (272) |
| - | (28) | - | - | - | - | (4) | (51,949) | - | (51,371) |
| - | (382) | (16) | - | (91) | (506) | (1) | - | (3) | 12,142 |
| (15) | (405) | 419 | 67 | (105) | (494) | (2) | (51,961) | (2) | (36,391) |
| - | - | - | - | - | - | - | - | - | 6,035 |
| 3 | 1 | (6,237) | (1) | - | (38) | (535) | 1 | 1 | (26,218) |
| - | (2) | (1) | (2) | (1) | (4) | (1) | - | - | (174) |
| 3 | (1) | (6,238) | (3) | (1) | (42) | (536) | 1 | 1 | (20,357) |
| (1) | 3 | 60 | 85 | 5 | 17 | 7 | 320 | 1 | 549 |
| (17) | (95) | - | (1,672) | (132) | (587) | (15) | 11,290 | (24) | 8,456 |
| (18) | (92) | 60 | (1,587) | (127) | (570) | (8) | 11,610 | (23) | 9,005 |
| (103) | (233) | 5,974 | (1,090) | (142) | (1,189) | 35 | (30,873) | (113) | (28,118) |
| 235 | 999 | 6,699 | 21,458 | 337 | 7,473 | 1,356 | 37,788 | 200 | 79,660 |
| \$ 132 | \$ 766 | \$ 12,673 | \$ 20,368 | \$ 195 | \$ 6,284 | \$ 1,391 | \$ 6,915 | \$ 87 | \$ 51,542 |
| \$ (45) | \$ 402 | \$ 4,024 | \$ (3,162) | \$ 66 | \$ 67 | \$ 895 | \$ (250) | \$ (35) | \$ (5,955) |
| 22 | 1 | 8,495 | 1 | 28 | 91 | 15 | - | 1 | 13,684 |
| - | (1) | (24) | - | 4 | - | (2) | (1,105) | - | (1,220) |
| - | - | - | - | - | - | - | - | - | 532 |
| - | - | (364) | - | - | - | - | (725) | - | (1,089) |
| (45) | (123) | (443) | 4,153 | (4) | (275) | (354) | 11,569 | (38) | 14,369 |
| (5) | (14) | 45 | (8) | (3) | 34 | 27 | (12) | (17) | (145) |
| - | - | - | (551) | - | - | - | - | - | (551) |
| (28) | (137) | 7,709 | 3,595 | 25 | (150) | (314) | 9,727 | (54) | 25,580 |
| (73) | 265 | 11,733 | 433 | 91 | (83) | 581 | 9,477 | (89) | 19,625 |

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**CITY OF
TALLAHASSEE**

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PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

| | |
|-------------------------------------|--|
| Pension Trust | Accounts for the accumulation of resources to be used for retirement annuity payments to City employees for the Defined Contribution Plan. The Defined Contribution Plan covers all employees. |
| Matched Annuity Pension Plan | Accounts for the accumulation of resources to be used for retirement annuity payments to City employees for the Defined Contribution Plan. The Defined Contribution Plan covers all employees. |
| OPEB Trust | Accounts for the accumulation of resources to be used for benefit payments for retirees' health care costs. |

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF NET POSITION
Pension and Other Employee Benefit Trust Funds
September 30, 2022
(in thousands)

| | Pension Trust Fund | Matched Annuity Pension Plan | OPEB Trust Fund | Total |
|--------------------------------------|-----------------------|---------------------------------|--------------------|---------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 19,036 | \$ 12 | \$ 360 | \$ 19,408 |
| Receivables | | | | |
| Other Receivables | - | 18 | - | 18 |
| Accrued Interest | 3,609 | - | 4 | 3,613 |
| Total Receivables | <u>3,609</u> | <u>18</u> | <u>4</u> | <u>3,631</u> |
| Investments, at Fair Value | | | | |
| Mutual Index Funds | - | 140,687 | - | 140,687 |
| Private Equities | 317,365 | - | - | 317,365 |
| Fixed Income Securities | 234,475 | - | - | 234,475 |
| Domestic Equities | 637,152 | - | 10,833 | 647,985 |
| International Equities | 142,926 | - | - | 142,926 |
| Private Credit Funds | 89,598 | - | - | 89,598 |
| Bank Loan | 92,881 | - | - | 92,881 |
| Alternative Investments | 333,302 | - | - | 333,302 |
| Timber | 127,710 | - | - | 127,710 |
| Total Investments | <u>1,975,409</u> | <u>140,687</u> | <u>10,833</u> | <u>2,126,929</u> |
| Securities Lending Collateral | 79,139 | - | 61 | 79,200 |
| Total Assets | <u>\$ 2,077,193</u> | <u>\$ 140,717</u> | <u>\$ 11,258</u> | <u>\$ 2,229,168</u> |
| LIABILITIES AND NET POSITION | | | | |
| Liabilities | | | | |
| Obligations Under Securities Lending | \$ 79,139 | \$ - | \$ 61 | \$ 79,200 |
| Total Liabilities | <u>79,139</u> | <u>-</u> | <u>61</u> | <u>79,200</u> |
| Net Position | | | | |
| Net Position Restricted for Pensions | <u>1,998,054</u> | <u>140,717</u> | <u>11,197</u> | <u>2,149,968</u> |
| Total Liabilities and Net Position | <u>\$ 2,077,193</u> | <u>\$ 140,717</u> | <u>\$ 11,258</u> | <u>\$ 2,229,168</u> |

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF CHANGES IN NET POSITION
Pension and Other Employee Benefit Trust Funds
For the Fiscal Year Ended September 30, 2022
(in thousands)

| | Pension Trust Fund | Matched Annuity Pension Plan | OPEB Trust Fund | Total |
|---|-----------------------|---------------------------------|--------------------|---------------------|
| ADDITIONS | | | | |
| Contributions: | | | | |
| Employer | \$ 42,330 | \$ 966 | \$ 2,295 | \$ 45,591 |
| Plan Members | 13,240 | - | - | 13,240 |
| Total Contributions | <u>55,570</u> | <u>966</u> | <u>2,295</u> | <u>58,831</u> |
| Investment Income (Loss) | | | | |
| From Investment Activities: | | | | |
| Gain/Loss on Sale of Investments | 44,560 | - | 262 | 44,822 |
| Change in Fair Value of Investments | (189,106) | (49,781) | (2,752) | (241,639) |
| Interest Income | 15,570 | 8,996 | 262 | 24,828 |
| Dividends | 23,836 | - | - | 23,836 |
| Total Investment (Loss) | <u>(105,140)</u> | <u>(40,785)</u> | <u>(2,228)</u> | <u>(148,153)</u> |
| Less Investment Expenses: | | | | |
| Investment Management Fees | 7,094 | - | 8 | 7,102 |
| Interest Expense | 103 | - | - | 103 |
| Net Income (Loss) from Investing Activities | <u>(56,767)</u> | <u>(39,819)</u> | <u>59</u> | <u>(96,527)</u> |
| From Securities Lending Activities: | | | | |
| Securities Lending Income | 1,284 | - | - | 1,284 |
| Less Securities Lending Expenses: | | | | |
| Investment Management Fees | 911 | - | - | 911 |
| Net Income from Securities Lending Activities | <u>373</u> | <u>-</u> | <u>-</u> | <u>373</u> |
| Total Net Investment Income (Loss) | <u>(56,394)</u> | <u>(39,819)</u> | <u>59</u> | <u>(96,154)</u> |
| Total Additions | <u>(56,394)</u> | <u>(39,819)</u> | <u>59</u> | <u>(96,154)</u> |
| DEDUCTIONS | | | | |
| Benefits | 115,157 | 5,646 | 2,143 | 122,946 |
| Refunds of Contributions | 930 | - | - | 930 |
| Administrative Expense | 931 | - | - | 931 |
| Total Deductions | <u>117,018</u> | <u>5,646</u> | <u>2,143</u> | <u>124,807</u> |
| Change in Net Position | <u>(173,412)</u> | <u>(45,465)</u> | <u>(2,084)</u> | <u>(220,961)</u> |
| Net Position - October 1 | 2,171,466 | 186,182 | 13,281 | 2,370,929 |
| Net Position - September 30 | <u>\$ 1,998,054</u> | <u>\$ 140,717</u> | <u>\$ 11,197</u> | <u>\$ 2,149,968</u> |

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**CITY OF
TALLAHASSEE**

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SUPPLEMENTARY INFORMATION

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

Capital Improvement Refunding Revenue Bonds, Series 2009

Capital Refunding Bonds, Series 2012

Capital Bonds, Series 2014

Capital Bonds, Series 2018

Capital Bonds, Series 2021

Energy System Revenue Bonds, Series 2010B

Energy System Refunding Revenue Bonds, Series 2015

Energy System Refunding Revenue Bonds, Series 2017

Energy System Revenue Bonds, Series 2018

Energy System Refunding Revenue Bonds, Series 2020

Energy System Refunding Revenue Bonds, Series 2022

Consolidated Utility System Revenue Bonds, Series 2010A

Consolidated Utility System Refunding Revenue Bonds, Series 2015

Consolidated Utility System Refunding Revenue Bonds, Series 2017

Consolidated Utility System Revenue Bonds, Series 2018

Consolidated Utility System Refunding Revenue Bonds, Series 2020

Consolidated Utility System Refunding Revenue Bonds, Series 2022

Transportation Improvement Bonds, Series 2019

CITY OF TALLAHASSEE, FLORIDA
CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS, SERIES 2009
SEPTEMBER 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|-----------------|
| 2023 | \$ 1,070 | \$ 280 | \$ 1,350 |
| 2024 | 1,110 | 240 | 1,350 |
| 2025 | 1,150 | 198 | 1,348 |
| 2026 | 1,195 | 155 | 1,350 |
| 2027 | 1,240 | 109 | 1,349 |
| 2028 | 550 | 76 | 626 |
| 2029 | 570 | 55 | 625 |
| 2030 | 590 | 34 | 624 |
| 2031 | <u>615</u> | <u>11</u> | <u>626</u> |
| Totals | <u>\$ 8,090</u> | <u>\$ 1,158</u> | <u>\$ 9,248</u> |

CITY OF TALLAHASSEE, FLORIDA
CAPITAL REFUNDING BONDS, SERIES 2012
SEPTEMBER 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|-----------------|
| 2023 | \$ 3,695 | \$ 378 | \$ 4,073 |
| 2024 | <u>3,875</u> | <u>194</u> | <u>4,069</u> |
| Totals | <u>\$ 7,570</u> | <u>\$ 572</u> | <u>\$ 8,142</u> |

CITY OF TALLAHASSEE, FLORIDA
CAPITAL BONDS, SERIES 2014
SEPTEMBER 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|-------------------|-------------------|-------------------|
| 2023 | \$ 1,855 | \$ 1,478 | \$ 3,333 |
| 2024 | 1,950 | 1,385 | 3,335 |
| 2025 | 2,045 | 1,287 | 3,332 |
| 2026 | 2,150 | 1,185 | 3,335 |
| 2027 | 2,255 | 1,078 | 3,333 |
| 2028 | 2,370 | 965 | 3,335 |
| 2029 | 2,490 | 846 | 3,336 |
| 2030 | 2,615 | 722 | 3,337 |
| 2031 | 2,745 | 591 | 3,336 |
| 2032 | 2,880 | 454 | 3,334 |
| 2033 | 3,025 | 310 | 3,335 |
| 2034 | 3,175 | 159 | 3,334 |
| | <u> </u> | <u> </u> | <u> </u> |
| Totals | <u>\$ 29,555</u> | <u>\$ 10,460</u> | <u>\$ 40,015</u> |

CITY OF TALLAHASSEE, FLORIDA
CAPITAL BONDS, SERIES 2018
SEPTEMBER 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|------------------|------------------|
| 2023 | \$ 1,015 | \$ 1,198 | \$ 2,213 |
| 2024 | 1,065 | 1,147 | 2,212 |
| 2025 | 1,115 | 1,094 | 2,209 |
| 2026 | 1,175 | 1,038 | 2,213 |
| 2027 | 1,230 | 979 | 2,209 |
| 2028 | 1,290 | 918 | 2,208 |
| 2029 | 1,355 | 853 | 2,208 |
| 2030 | 1,425 | 785 | 2,210 |
| 2031 | 1,495 | 714 | 2,209 |
| 2032 | 1,570 | 640 | 2,210 |
| 2033 | 1,650 | 561 | 2,211 |
| 2034 | 1,730 | 479 | 2,209 |
| 2035 | 1,820 | 392 | 2,212 |
| 2036 | 1,910 | 301 | 2,211 |
| 2037 | 2,005 | 205 | 2,210 |
| 2038 | <u>2,105</u> | <u>105</u> | <u>2,210</u> |
| Totals | <u>\$ 23,955</u> | <u>\$ 11,409</u> | <u>\$ 35,364</u> |

**CITY OF TALLAHASSEE, FLORIDA
 CAPITAL BONDS, SERIES 2021
 SEPTEMBER 30, 2022
 (in thousands)**

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|-----------------|
| 2023 | \$ 680 | \$ 59 | \$ 739 |
| 2024 | 865 | 66 | 931 |
| 2025 | 875 | 56 | 931 |
| 2026 | 885 | 45 | 930 |
| 2027 | 900 | 34 | 934 |
| 2028 | 910 | 23 | 933 |
| 2029 | <u>920</u> | <u>11</u> | <u>931</u> |
| Totals | <u>\$ 6,035</u> | <u>\$ 294</u> | <u>\$ 6,329</u> |

CITY OF TALLAHASSEE, FLORIDA
ENERGY SYSTEM REVENUE BONDS, SERIES 2010B
(FEDERALLY TAXABLE - BUILD AMERICA BONDS)
September 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|-------------------|-------------------|-------------------|
| 2023 | \$ - | \$ 7,299 | \$ 7,299 |
| 2024 | - | 7,299 | 7,299 |
| 2025 | - | 7,299 | 7,299 |
| 2026 | - | 7,299 | 7,299 |
| 2027 | - | 7,299 | 7,299 |
| 2028 | - | 7,299 | 7,299 |
| 2029 | 930 | 7,299 | 8,229 |
| 2030 | 1,855 | 7,243 | 9,098 |
| 2031 | 1,930 | 7,133 | 9,063 |
| 2032 | 1,240 | 7,017 | 8,257 |
| 2033 | 1,280 | 6,943 | 8,223 |
| 2034 | 1,335 | 6,867 | 8,202 |
| 2035 | 1,385 | 6,787 | 8,172 |
| 2036 | 9,110 | 6,705 | 15,815 |
| 2037 | 9,465 | 6,161 | 15,626 |
| 2038 | 30,070 | 5,596 | 35,666 |
| 2039 | 31,235 | 3,801 | 35,036 |
| 2040 | <u>32,445</u> | <u>1,936</u> | <u>34,381</u> |
| Totals | <u>\$ 122,280</u> | <u>\$ 117,282</u> | <u>\$ 239,562</u> |

CITY OF TALLAHASSEE, FLORIDA
ENERGY SYSTEM REVENUE REFUNDING REVENUE BONDS SERIES 2015
SEPTEMBER 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------------|------------------------|------------------------|
| 2023 | \$ <u>5,335</u> | \$ <u>3,211</u> | \$ <u>8,546</u> |
| Totals | \$ <u><u>5,335</u></u> | \$ <u><u>3,211</u></u> | \$ <u><u>8,546</u></u> |

CITY OF TALLAHASSEE, FLORIDA
ENERGY SYSTEM REFUNDING REVENUE BONDS, SERIES 2017
September 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|-------------------|------------------|-------------------|
| 2023 | \$ 3,515 | \$ 6,465 | \$ 9,980 |
| 2024 | 2,010 | 6,289 | 8,299 |
| 2025 | 4,900 | 6,188 | 11,088 |
| 2026 | 5,725 | 5,943 | 11,668 |
| 2027 | 6,000 | 5,657 | 11,657 |
| 2028 | 6,350 | 5,357 | 11,707 |
| 2029 | 12,500 | 5,040 | 17,540 |
| 2030 | 12,500 | 4,415 | 16,915 |
| 2031 | 12,500 | 3,790 | 16,290 |
| 2032 | 13,500 | 3,165 | 16,665 |
| 2033 | 14,500 | 2,490 | 16,990 |
| 2034 | 15,000 | 1,765 | 16,765 |
| 2035 | 7,520 | 1,015 | 8,535 |
| 2036 | 7,000 | 639 | 7,639 |
| 2037 | <u>5,775</u> | <u>289</u> | <u>6,064</u> |
| Totals | <u>\$ 129,295</u> | <u>\$ 58,507</u> | <u>\$ 187,802</u> |

CITY OF TALLAHASSEE, FLORIDA
ENERGY SYSTEM REVENUE BONDS, SERIES 2018
September 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|------------------|-------------------|
| 2023 | \$ 750 | \$ 4,933 | \$ 5,683 |
| 2024 | 1,415 | 4,896 | 6,311 |
| 2025 | 1,565 | 4,825 | 6,390 |
| 2026 | 1,715 | 4,746 | 6,461 |
| 2027 | 1,815 | 4,661 | 6,476 |
| 2028 | 1,920 | 4,570 | 6,490 |
| 2029 | 10,320 | 4,474 | 14,794 |
| 2030 | 11,520 | 3,958 | 15,478 |
| 2031 | 8,130 | 3,382 | 11,512 |
| 2032 | 4,375 | 2,975 | 7,350 |
| 2033 | 8,900 | 2,757 | 11,657 |
| 2034 | 4,200 | 2,312 | 6,512 |
| 2035 | 12,655 | 2,102 | 14,757 |
| 2036 | 5,600 | 1,469 | 7,069 |
| 2037 | 5,750 | 1,189 | 6,939 |
| 2038 | 1,015 | 901 | 1,916 |
| 2039 | 1,015 | 851 | 1,866 |
| 2040 | 1,100 | 800 | 1,900 |
| 2041 | 7,270 | 745 | 8,015 |
| 2042 | <u>7,630</u> | <u>382</u> | <u>8,012</u> |
| Totals | <u>\$ 98,660</u> | <u>\$ 56,928</u> | <u>\$ 155,588</u> |

CITY OF TALLAHASSEE, FLORIDA
ENERGY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020
SEPTEMBER 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|------------------|------------------|
| 2023 | \$ 10,520 | \$ 3,221 | \$ 13,741 |
| 2024 | 12,100 | 2,695 | 14,795 |
| 2025 | 10,190 | 2,090 | 12,280 |
| 2026 | 10,050 | 1,580 | 11,630 |
| 2027 | 10,540 | 1,077 | 11,617 |
| 2028 | <u>11,010</u> | <u>550</u> | <u>11,560</u> |
| Totals | <u>\$ 64,410</u> | <u>\$ 11,213</u> | <u>\$ 75,623</u> |

CITY OF TALLAHASSEE, FLORIDA
ENERGY SYSTEM REFUNDING REVENUE BONDS, SERIES 2022
September 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|------------------|------------------|
| 2023 | \$ 175 | \$ 2,106 | \$ 2,281 |
| 2024 | 6,225 | 1,656 | 7,881 |
| 2025 | 6,400 | 1,484 | 7,884 |
| 2026 | 6,570 | 1,307 | 7,877 |
| 2027 | 6,760 | 1,124 | 7,884 |
| 2028 | 6,940 | 937 | 7,877 |
| 2029 | 7,135 | 745 | 7,880 |
| 2030 | 7,330 | 547 | 7,877 |
| 2031 | 7,540 | 344 | 7,884 |
| 2032 | 4,890 | 135 | 5,025 |
| Totals | <u>\$ 59,965</u> | <u>\$ 10,385</u> | <u>\$ 70,350</u> |

CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED UTILITY SYSTEM REVENUE BONDS, SERIES 2010A
(FEDERALLY TAXABLE - BUILD AMERICA BONDS)
September 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|-------------------|------------------|-------------------|
| 2023 | \$ - | \$ 6,084 | \$ 6,084 |
| 2024 | - | 6,084 | 6,084 |
| 2025 | - | 6,085 | 6,085 |
| 2026 | - | 6,085 | 6,085 |
| 2027 | 3,415 | 6,085 | 9,500 |
| 2028 | 3,530 | 5,911 | 9,441 |
| 2029 | 3,650 | 5,732 | 9,382 |
| 2030 | 3,765 | 5,547 | 9,312 |
| 2031 | 5,745 | 5,357 | 11,102 |
| 2032 | 5,945 | 5,057 | 11,002 |
| 2033 | 6,145 | 4,747 | 10,892 |
| 2034 | 6,355 | 4,426 | 10,781 |
| 2035 | 6,570 | 4,094 | 10,664 |
| 2036 | 6,795 | 3,752 | 10,547 |
| 2037 | 7,025 | 3,397 | 10,422 |
| 2038 | 18,715 | 3,030 | 21,745 |
| 2039 | 19,350 | 2,054 | 21,404 |
| 2040 | <u>20,010</u> | <u>1,044</u> | <u>21,054</u> |
| Totals | <u>\$ 117,015</u> | <u>\$ 84,571</u> | <u>\$ 201,586</u> |

CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED UTILITY SYSTEM REFUNDING REVENUE BONDS SERIES 2015
September 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------------|------------------------|------------------------|
| 2023 | <u>\$ 2,485</u> | <u>\$ 1,797</u> | <u>\$ 4,282</u> |
| Totals | <u><u>\$ 2,485</u></u> | <u><u>\$ 1,797</u></u> | <u><u>\$ 4,282</u></u> |

CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2017
September 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|------------------|-------------------|
| 2023 | \$ 4,395 | \$ 4,740 | \$ 9,135 |
| 2024 | 4,615 | 4,520 | 9,135 |
| 2025 | 4,845 | 4,290 | 9,135 |
| 2026 | 5,085 | 4,047 | 9,132 |
| 2027 | 5,340 | 3,793 | 9,133 |
| 2028 | 5,610 | 3,526 | 9,136 |
| 2029 | 5,885 | 3,246 | 9,131 |
| 2030 | 6,180 | 2,951 | 9,131 |
| 2031 | 6,495 | 2,642 | 9,137 |
| 2032 | 6,815 | 2,318 | 9,133 |
| 2033 | 7,155 | 1,977 | 9,132 |
| 2034 | 7,515 | 1,619 | 9,134 |
| 2035 | 7,890 | 1,243 | 9,133 |
| 2036 | 8,280 | 849 | 9,129 |
| 2037 | <u>8,695</u> | <u>435</u> | <u>9,130</u> |
| Totals | <u>\$ 94,800</u> | <u>\$ 42,196</u> | <u>\$ 136,996</u> |

CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED UTILITY SYSTEM REVENUE BONDS, SERIES 2018
September 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|------------------|------------------|
| 2023 | \$ 1,670 | \$ 1,974 | \$ 3,644 |
| 2024 | 1,750 | 1,890 | 3,640 |
| 2025 | 1,840 | 1,803 | 3,643 |
| 2026 | 1,930 | 1,711 | 3,641 |
| 2027 | 2,030 | 1,614 | 3,644 |
| 2028 | 2,130 | 1,513 | 3,643 |
| 2029 | 2,235 | 1,406 | 3,641 |
| 2030 | 2,345 | 1,294 | 3,639 |
| 2031 | 2,465 | 1,177 | 3,642 |
| 2032 | 2,590 | 1,054 | 3,644 |
| 2033 | 2,715 | 924 | 3,639 |
| 2034 | 2,855 | 789 | 3,644 |
| 2035 | 2,995 | 646 | 3,641 |
| 2036 | 3,145 | 496 | 3,641 |
| 2037 | 3,305 | 339 | 3,644 |
| 2038 | <u>3,470</u> | <u>174</u> | <u>3,644</u> |
| Totals | <u>\$ 39,470</u> | <u>\$ 18,804</u> | <u>\$ 58,274</u> |

CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020
September 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|------------------|
| 2023 | \$ 2,430 | \$ 523 | \$ 2,953 |
| 2024 | 2,550 | 402 | 2,952 |
| 2025 | 2,675 | 274 | 2,949 |
| 2026 | <u>2,810</u> | <u>141</u> | <u>2,951</u> |
| Totals | <u>\$ 10,465</u> | <u>\$ 1,340</u> | <u>\$ 11,805</u> |

CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2022
SEPTEMBER 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|------------------|
| 2023 | \$ 105 | \$ 1,269 | \$ 1,374 |
| 2024 | 2,955 | 1,003 | 3,958 |
| 2025 | 3,040 | 918 | 3,958 |
| 2026 | 3,130 | 830 | 3,960 |
| 2027 | 3,215 | 740 | 3,955 |
| 2028 | 3,370 | 647 | 4,017 |
| 2029 | 3,530 | 549 | 4,079 |
| 2030 | 3,700 | 447 | 4,147 |
| 2031 | 2,015 | 341 | 2,356 |
| 2032 | 2,175 | 282 | 2,457 |
| 2033 | 2,350 | 219 | 2,569 |
| 2034 | 2,530 | 151 | 2,681 |
| 2035 | <u>2,710</u> | <u>78</u> | <u>2,788</u> |
| Totals | <u>\$ 34,825</u> | <u>\$ 7,474</u> | <u>\$ 42,299</u> |

CITY OF TALLAHASSEE, FLORIDA
TRANSPORTATION IMPROVEMENT BOND, SERIES 2019
September 30, 2022
(in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|-----------------|
| 2023 | \$ 867 | \$ 126 | \$ 993 |
| 2024 | 887 | 106 | 993 |
| 2025 | 907 | 86 | 993 |
| 2026 | 928 | 65 | 993 |
| 2027 | 949 | 44 | 993 |
| 2028 | <u>970</u> | <u>22</u> | <u>992</u> |
| Totals | <u>\$ 5,508</u> | <u>\$ 449</u> | <u>\$ 5,957</u> |



**CITY OF
TALLAHASSEE**

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STATISTICAL SECTION

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

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

STATISTICAL SECTION
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| These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | |
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Sources: Unless otherwise noted, the information in these schedules is derived from the City's Annual Comprehensive Financial Reports for the relevant year.

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Governmental activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 652,995 | \$ 683,773 | \$ 718,180 | \$ 731,038 | \$ 729,969 | \$ 762,798 | \$ 729,307 | \$ 742,216 | \$ 756,332 | \$ 836,872 |
| Restricted | 94,221 | 93,264 | 82,797 | 83,814 | 114,361 | 100,167 | 99,999 | 99,012 | 62,644 | 36,648 |
| Unrestricted | (124,652) | (164,776) | (150,599) | (113,386) | (121,288) | (65,648) | (56,664) | (56,651) | (2,497) | 57,367 |
| Total governmental activities net position | \$ 622,564 | \$ 612,261 | \$ 650,378 | \$ 701,466 | \$ 723,042 | \$ 797,317 | \$ 772,642 | \$ 784,577 | \$ 816,479 | \$ 930,887 |
| Business activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 829,331 | \$ 866,359 | \$ 895,189 | \$ 899,679 | \$ 884,077 | \$ 863,179 | \$ 840,415 | \$ 809,395 | \$ 763,439 | \$ 772,446 |
| Restricted | 263,086 | 233,085 | 195,053 | 231,785 | 219,942 | 202,210 | 194,185 | 201,116 | 198,491 | 190,295 |
| Unrestricted | 159,214 | 162,577 | 194,659 | 170,891 | 152,743 | 198,232 | 199,519 | 202,099 | 210,447 | 196,515 |
| Total Business activities net position | \$ 1,251,631 | \$ 1,262,021 | \$ 1,284,901 | \$ 1,302,355 | \$ 1,256,762 | \$ 1,263,621 | \$ 1,234,119 | \$ 1,212,610 | \$ 1,172,377 | \$ 1,159,256 |
| Primary government | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 1,482,326 | \$ 1,550,132 | \$ 1,613,369 | \$ 1,630,717 | \$ 1,614,046 | \$ 1,625,977 | \$ 1,569,722 | \$ 1,551,611 | \$ 1,519,771 | \$ 1,609,318 |
| Restricted | 357,307 | 326,349 | 277,850 | 315,599 | 334,303 | 302,377 | 294,184 | 300,128 | 261,135 | 226,943 |
| Unrestricted | 34,562 | (2,199) | 44,060 | 57,505 | 31,455 | 132,584 | 142,855 | 145,448 | 207,950 | 253,882 |
| Total primary government net position | \$ 1,874,195 | \$ 1,874,282 | \$ 1,935,279 | \$ 2,003,821 | \$ 1,979,804 | \$ 2,060,938 | \$ 2,006,761 | \$ 1,997,187 | \$ 1,988,856 | \$ 2,090,143 |

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 21,134 | \$ 37,418 | \$ 43,265 | \$ 32,747 | \$ 21,049 | \$ 26,625 | \$ 15,295 | \$ 32,352 | \$ 16,581 | \$ 20,184 |
| Public Safety | 64,359 | 92,546 | 95,816 | 70,088 | 55,737 | 77,197 | 68,901 | 61,703 | 75,241 | 57,636 |
| Transportation | 16,628 | 18,692 | 23,029 | 24,197 | 42,106 | 20,164 | 20,530 | 19,928 | 35,786 | 19,430 |
| Human Services | 13,436 | 10,398 | 9,073 | 4,893 | 4,971 | 4,652 | 3,565 | 3,097 | 2,516 | 3,428 |
| Economic Development | 2,630 | 15,709 | 10,933 | 6,587 | 6,956 | 7,238 | 8,996 | 7,337 | 5,616 | 9,564 |
| Physical Environment | 5,691 | 6,683 | 7,217 | 16,786 | 5,530 | 7,693 | 7,943 | 1,489 | 2,528 | 2,829 |
| Culture and Recreation | 23,637 | 21,187 | 22,188 | 26,536 | 24,331 | 27,620 | 26,396 | 22,289 | 23,414 | 21,906 |
| Unallocated Depreciation on Infrastructure | 35,031 | 34,173 | 33,277 | 32,395 | 31,810 | 28,297 | 29,228 | 27,477 | 26,633 | 26,413 |
| RTU Amortization Expense | 284 | - | - | - | - | - | - | - | - | - |
| Interest on Long-Term Debt | 3,563 | 3,542 | 3,890 | 4,635 | 3,610 | 3,572 | 4,058 | 4,966 | 2,805 | 2,718 |
| Total governmental activities expenses | \$ 186,393 | \$ 240,348 | \$ 248,688 | \$ 218,864 | \$ 196,100 | \$ 203,058 | \$ 184,912 | \$ 180,638 | \$ 191,120 | \$ 164,108 |
| Business-type activities | | | | | | | | | | |
| Electric | \$ 292,336 | \$ 252,323 | \$ 272,743 | \$ 252,552 | \$ 240,872 | \$ 228,137 | \$ 247,370 | \$ 248,266 | \$ 256,301 | \$ 237,358 |
| Gas | 24,611 | 21,751 | 21,927 | 21,741 | 21,019 | 20,962 | 20,744 | 28,480 | 25,304 | 27,452 |
| Sewer | 74,193 | 77,383 | 83,571 | 52,753 | 76,701 | 51,629 | 53,274 | 46,804 | 51,258 | 48,374 |
| Water | 40,512 | 40,472 | 36,486 | 36,345 | 31,888 | 32,093 | 29,401 | 24,770 | 25,133 | 26,509 |
| Airport | 21,163 | 20,658 | 20,784 | 19,851 | 18,517 | 18,053 | 16,885 | 19,120 | 16,733 | 13,840 |
| StarMetro | 30,007 | 27,085 | 26,962 | 23,869 | 21,547 | 20,753 | 22,018 | 21,397 | 20,706 | 20,851 |
| Solid Waste | 28,876 | 29,798 | 27,654 | 26,441 | 24,551 | 21,285 | 20,874 | 20,700 | 25,346 | 22,016 |
| Golf | 1,279 | 1,057 | 926 | 968 | 1,271 | 864 | 927 | 973 | 1,012 | 1,023 |
| Stormwater Management | 20,186 | 20,965 | 14,886 | 19,618 | 16,893 | 15,440 | 14,944 | 14,837 | 14,585 | 13,939 |
| Fire Services | 50,547 | 48,090 | 48,437 | 45,836 | 43,698 | 42,475 | 40,797 | 36,787 | 41,237 | 33,256 |
| Total business-type activities expenses | \$ 583,710 | \$ 539,582 | \$ 554,376 | \$ 499,974 | \$ 496,957 | \$ 451,691 | \$ 467,234 | \$ 462,134 | \$ 477,615 | \$ 444,618 |
| Total primary government expenses | \$ 770,103 | \$ 779,930 | \$ 803,064 | \$ 718,838 | \$ 693,057 | \$ 654,749 | \$ 652,146 | \$ 642,772 | \$ 668,735 | \$ 608,726 |

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|--------------------|
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | \$ 2,360 | \$ 2,259 | \$ 2,293 | \$ 2,310 | \$ 2,230 | \$ 2,991 | \$ 2,520 | \$ 2,192 | \$ 2,106 | \$ 2,074 |
| Public Safety | 1,623 | 1,263 | 1,537 | 1,261 | 1,876 | 2,026 | 2,051 | 2,487 | 2,649 | 3,377 |
| Transportation | 4,082 | 3,181 | 3,388 | 2,961 | 2,572 | 2,550 | 2,698 | 2,540 | 2,484 | 2,911 |
| Human Services | 1,143 | 1,143 | 1,745 | 1,421 | 1,072 | 953 | 1,022 | 965 | 888 | 787 |
| Economic Development | 224 | 56 | 3 | 8 | 11 | 10 | 14 | - | - | - |
| Physical Environment | 2,642 | 2,286 | 1,072 | 1,323 | 1,133 | 1,174 | 1,004 | 1,187 | 1,057 | 980 |
| Culture and Recreation | 3,971 | 3,125 | 2,598 | 3,846 | 3,755 | 3,745 | 3,903 | 3,956 | 3,895 | 3,956 |
| Operating Grants and Contributions | 13,485 | 20,234 | 13,251 | 7,173 | 4,384 | 10,270 | 8,250 | 1,549 | 566 | 5,705 |
| Capital Grants and Contributions | 3,609 | 5,118 | 4,243 | 1,160 | - | - | - | 13 | 1 | 5,073 |
| Total Governmental Activities Program Revenues | \$ 33,139 | \$ 38,665 | \$ 30,130 | \$ 21,463 | \$ 17,033 | \$ 23,719 | \$ 21,462 | \$ 14,889 | \$ 13,646 | \$ 24,863 |
| Business-type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Electric | \$ 322,217 | \$ 275,631 | \$ 271,250 | \$ 284,736 | \$ 281,375 | \$ 269,704 | \$ 268,262 | \$ 286,271 | \$ 280,317 | \$ 257,511 |
| Gas | 32,228 | 27,034 | 27,035 | 26,984 | 29,122 | 25,889 | 26,963 | 34,564 | 33,225 | 32,731 |
| Sewer | 79,708 | 73,002 | 71,413 | 69,325 | 68,180 | 63,351 | 61,759 | 62,184 | 60,126 | 59,624 |
| Water | 44,303 | 40,725 | 41,481 | 38,226 | 35,293 | 34,342 | 33,290 | 30,787 | 29,631 | 28,137 |
| Airport | 15,164 | 11,396 | 11,012 | 14,466 | 13,176 | 13,241 | 14,090 | 12,840 | 13,328 | 11,564 |
| StarMetro | 6,075 | 4,261 | 4,048 | 4,757 | 5,786 | 5,007 | 5,548 | 4,705 | 4,954 | 4,759 |
| Solid Waste | 32,327 | 31,144 | 29,393 | 25,686 | 24,674 | 24,215 | 22,508 | 23,553 | 24,751 | 23,252 |
| Golf | 1,608 | 1,146 | 759 | 955 | 765 | 794 | 786 | 771 | 885 | 894 |
| Stormwater Management | 20,871 | 21,043 | 21,110 | 22,722 | 19,250 | 18,198 | 17,946 | 18,380 | 17,552 | 17,669 |
| Fire Services | 52,853 | 46,310 | 45,553 | 45,239 | 43,021 | 42,777 | 41,469 | 32,772 | 32,260 | 32,660 |
| Operating Grants and Contributions | 9,346 | 8,390 | 26,101 | 4,620 | 4,853 | 4,825 | 8,977 | 5,465 | 9,295 | 5,861 |
| Capital Grants and Contributions | 37,099 | 15,160 | 15,496 | 10,332 | 14,251 | 13,347 | 12,865 | 16,395 | 14,767 | 11,584 |
| Total Business-type Activities Program Revenues | \$ 653,799 | \$ 555,242 | \$ 564,651 | \$ 548,048 | \$ 539,746 | \$ 515,690 | \$ 514,463 | \$ 528,687 | \$ 521,091 | \$ 486,246 |
| Total Primary Government Program Revenues | \$ 686,938 | \$ 593,907 | \$ 594,781 | \$ 569,511 | \$ 556,779 | \$ 539,409 | \$ 535,925 | \$ 543,576 | \$ 534,737 | \$ 511,109 |
| Net (Expenses) Revenues | | | | | | | | | | |
| Governmental Activities | \$ (153,254) | \$ (201,683) | \$ (218,558) | \$ (197,401) | \$ (179,067) | \$ (179,339) | \$ (163,450) | \$ (165,749) | \$ (177,474) | \$ (139,245) |
| Business-Type Activities | 70,089 | 15,660 | 10,275 | 48,074 | 42,789 | 63,999 | 47,229 | 66,553 | 43,476 | 41,628 |
| Total Primary Government Net Expenses | \$ (83,165) | \$ (186,023) | \$ (208,283) | \$ (149,327) | \$ (136,278) | \$ (115,340) | \$ (116,221) | \$ (99,196) | \$ (133,998) | \$ (97,617) |

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes, Levied for General Purposes | \$ 51,416 | \$ 50,169 | \$ 47,198 | \$ 44,152 | \$ 41,485 | \$ 39,430 | \$ 38,908 | \$ 32,947 | \$ 31,528 | \$ 31,520 |
| Public Service Tax | 24,756 | 24,432 | 24,385 | 24,263 | 23,692 | 22,812 | 22,950 | 23,728 | 23,429 | 22,835 |
| Permits and Fees | 4,291 | 3,582 | 3,484 | 4,229 | 4,441 | 5,817 | 6,182 | 5,101 | 5,123 | 4,972 |
| Grants and Contributions Not Restricted to Specific Programs | 40,335 | 35,095 | 35,173 | 33,306 | 32,478 | 85,024 | 30,154 | 28,304 | 27,942 | 24,046 |
| Unrestricted Investment Earnings | 1,186 | 1,997 | 3,062 | 3,352 | 2,763 | 2,438 | 3,204 | 3,044 | 1,740 | 4,084 |
| Net Securities Lending Income | 6 | 3 | 3 | 2 | 2 | 2 | 5 | - | 5 | 14 |
| Net Increase (Decrease) in Fair Value of Investments | (3,231) | (619) | 450 | 1,248 | (806) | (526) | 178 | 14 | 131 | (1,658) |
| Miscellaneous | 3,943 | 7,834 | 3,844 | 7,781 | 8,828 | 14,251 | 14,475 | 7,634 | 13,052 | 1,806 |
| Transfers | 40,855 | 41,073 | 57,371 | 56,756 | 36,971 | 34,766 | 35,459 | 33,075 | 31,021 | 29,104 |
| Total Governmental Activities | \$ 163,557 | \$ 163,566 | \$ 174,970 | \$ 175,089 | \$ 149,854 | \$ 204,014 | \$ 151,515 | \$ 133,847 | \$ 133,971 | \$ 116,723 |
| Business-Type Activities: | | | | | | | | | | |
| Grants and Contributions, not restricted to specific programs | \$ 2,008 | \$ 2,008 | \$ 2,004 | \$ 1,997 | \$ 1,989 | \$ 1,983 | \$ 1,985 | \$ - | \$ - | \$ - |
| Unrestricted Investment Earnings | 2,436 | 6,430 | 14,063 | 12,415 | 7,234 | 5,539 | 7,525 | 6,684 | 5,332 | 6,857 |
| Net Securities Lending Income | 19 | 12 | 14 | 10 | 7 | 5 | 11 | - | 38 | 30 |
| Net Increase (Decrease) in Fair Value of Investments | (46,942) | (6,544) | 5,856 | 16,446 | (8,700) | (3,418) | 739 | 52 | 202 | (7,495) |
| Miscellaneous | 2,855 | 627 | 205 | 1,856 | 23,655 | (337) | 1,094 | 19 | 2,058 | - |
| Transfers | (40,855) | (41,073) | (57,371) | (56,756) | (36,971) | (34,766) | (35,459) | (33,075) | (31,021) | (29,104) |
| Total Business-type Activities | \$ (80,479) | \$ (38,540) | \$ (35,229) | \$ (24,032) | \$ (12,786) | \$ (30,994) | \$ (24,105) | \$ (26,320) | \$ (23,391) | \$ (29,712) |
| Total Primary Government | \$ 83,078 | \$ 125,026 | \$ 139,741 | \$ 151,057 | \$ 137,068 | \$ 173,020 | \$ 127,410 | \$ 107,527 | \$ 110,580 | \$ 87,011 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ 10,303 | \$ (38,117) | \$ (43,588) | \$ (22,312) | \$ (29,213) | \$ 24,675 | \$ (11,935) | \$ (31,902) | \$ (43,503) | \$ (22,522) |
| Business Activities | (10,390) | (22,880) | (24,954) | 24,042 | 30,003 | 33,005 | 23,124 | 40,233 | 20,085 | 11,916 |
| Total Primary Government | \$ (87) | \$ (60,997) | \$ (68,542) | \$ 1,730 | \$ 790 | \$ 57,680 | \$ 11,189 | \$ 8,331 | \$ (23,418) | \$ (10,606) |

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 1,553 | \$ 1,241 | \$ 1,154 | \$ 1,500 | \$ 1,186 | \$ 1,147 | \$ 1,513 | \$ 809 | \$ 819 | \$ 700 |
| Spendable: | | | | | | | | | | |
| Committed | 21,033 | 21,011 | 16,846 | - | 23,306 | 26,492 | 25,251 | 25,420 | 21,414 | 20,552 |
| Assigned | 251 | 2,012 | 2,578 | - | 3,076 | 5,192 | 2,479 | 2,479 | 2,545 | 1,741 |
| Unassigned | 1,972 | 2,565 | 2,481 | 1,541 | 804 | 2,952 | 6,544 | 1,041 | 2,472 | 1,575 |
| Total General Fund | \$ 24,809 | \$ 26,829 | \$ 23,059 | \$ 3,041 | \$ 28,372 | \$ 35,783 | \$ 35,787 | \$ 29,749 | \$ 27,250 | \$ 24,568 |
| All Other Governmental Funds | | | | | | | | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Non-Spendable | 503 | 205 | - | 594 | - | 620 | 584 | 580 | 626 | 1,226 |
| Spendable: | | | | | | | | | | |
| Restricted | 48,743 | 54,465 | 44,290 | 59,785 | 58,904 | 39,487 | 39,331 | 44,722 | 56,705 | 29,526 |
| Committed | 27,737 | 27,826 | 16,033 | 21,256 | 25,322 | 23,160 | 24,227 | 23,715 | 25,673 | 26,627 |
| Assigned | - | - | - | - | 1,990 | 57 | 161 | - | - | 2,136 |
| Unassigned | (6,916) | (1,172) | (613) | - | 283 | 1,060 | (91) | (148) | (605) | (1,073) |
| Total all Other Governmental Funds | \$ 70,067 | \$ 81,324 | \$ 59,710 | \$ 81,635 | \$ 86,499 | \$ 64,384 | \$ 64,212 | \$ 68,869 | \$ 82,399 | \$ 58,442 |

Note: In accordance with requirements of GASB Statement 54, which was effective for periods beginning after June 15, 2010, fund balances are classified based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|--------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|--------------------|-------------------|--------------------|
| REVENUES | | | | | | | | | | |
| Taxes | \$ 76,170 | \$ 74,602 | \$ 71,582 | \$ 68,419 | \$ 65,174 | \$ 62,243 | \$ 61,858 | \$ 56,675 | \$ 54,962 | \$ 54,357 |
| Licenses and Permits | 6,964 | 5,819 | 4,455 | 5,574 | 5,576 | 6,978 | 7,168 | 6,176 | 6,047 | 5,745 |
| Intergovernmental Revenues | 56,720 | 59,133 | 52,907 | 40,116 | 42,405 | 49,151 | 42,605 | 33,231 | 39,032 | 34,350 |
| Charges for Services | 12,640 | 10,745 | 9,620 | 10,044 | 9,151 | 8,830 | 9,385 | 9,043 | 8,789 | 9,184 |
| Fines and Forfeitures | 1,082 | 879 | 998 | 726 | 826 | 970 | 1,119 | 1,550 | 1,713 | 2,478 |
| Net Investment Earnings | 1,091 | 1,956 | 2,736 | 3,174 | 2,602 | 2,169 | 2,841 | 2,847 | 1,550 | 3,748 |
| Securities Lending Income | 15 | 3 | 6 | 8 | 4 | 6 | 11 | - | 10 | 49 |
| Net Inc (Dec) in the Fair Value of Investments | (2,939) | (584) | 422 | 1,163 | (822) | (429) | 145 | 12 | 126 | (1,491) |
| Miscellaneous Revenues | 11,360 | 10,881 | 16,881 | 13,770 | 13,209 | 14,889 | 16,070 | 15,631 | 12,765 | 13,013 |
| Total Revenues | \$ 163,103 | \$ 163,434 | \$ 159,607 | \$ 142,994 | \$ 138,125 | \$ 144,807 | \$ 141,202 | \$ 125,165 | \$ 124,994 | \$ 121,433 |
| EXPENDITURES | | | | | | | | | | |
| General Government | \$ 32,516 | \$ 40,905 | \$ 33,918 | \$ 44,974 | \$ 28,938 | \$ 28,611 | \$ 28,589 | \$ 30,497 | \$ 28,660 | \$ 26,007 |
| Public Safety | 83,748 | 74,633 | 74,553 | 70,743 | 69,665 | 66,808 | 64,603 | 58,615 | 57,281 | 55,861 |
| Transportation | 34,047 | 27,996 | 43,221 | 35,952 | 38,194 | 31,212 | 32,026 | 33,231 | 34,270 | 51,224 |
| Human Services | 14,005 | 9,690 | 8,507 | 4,718 | 4,954 | 4,487 | 3,415 | 2,955 | 2,375 | 3,284 |
| Economic Environment | 8,155 | 15,641 | 10,903 | 7,296 | 8,837 | 7,178 | 8,093 | 7,636 | 8,621 | 9,194 |
| Physical Environment | 6,590 | 6,852 | 6,712 | 21,843 | 5,670 | 9,681 | 9,515 | 3,390 | 2,406 | 2,890 |
| Cultural and Recreation | 23,878 | 20,479 | 20,405 | 25,527 | 23,948 | 23,306 | 23,770 | 21,986 | 22,486 | 21,242 |
| Securities Lending Expense: | | | | | | | | | | |
| Interest | 7 | - | 1 | 6 | 1 | 2 | 2 | - | - | 33 |
| Agent Fees | - | - | - | - | - | - | 1 | - | - | 3 |
| Debt Service: | | | | | | | | | | |
| Principal Retired | 10,215 | 9,266 | 8,873 | 8,189 | 7,325 | 8,119 | 7,530 | 6,620 | 6,050 | 5,320 |
| Interest and Fiscal Charges | 4,309 | 4,339 | 4,624 | 5,315 | 3,948 | 4,226 | 4,502 | 5,324 | 3,105 | 2,956 |
| Bond Issuance Costs | 40 | 84 | - | - | 210 | 5 | - | - | 263 | 236 |
| Advance Refunding Escrow | - | - | - | - | - | - | - | - | - | 10,340 |
| Total Expenditures | \$ 217,510 | \$ 209,885 | \$ 211,717 | \$ 224,563 | \$ 191,690 | \$ 183,635 | \$ 182,046 | \$ 170,254 | \$ 165,523 | \$ 188,590 |
| Excess of Revenues Over (Under) | (54,407) | (46,451) | (52,110) | (81,569) | (53,565) | (38,828) | (40,844) | (45,089) | (40,529) | (67,157) |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Transfers In | 65,909 | \$ 71,147 | \$ 86,390 | \$ 73,682 | \$ 62,845 | \$ 60,433 | \$ 59,942 | \$ 55,167 | \$ 52,970 | \$ 53,159 |
| Transfers Out | (24,777) | (29,959) | (28,874) | (27,674) | (26,383) | (24,283) | (24,823) | (21,426) | (20,283) | (23,143) |
| Sale of Capital Assets | - | 3,641 | 187 | 4,630 | 838 | 2,846 | 5,370 | 317 | 579 | 3,055 |
| Proceeds from Loans from Other Funds | - | 11,260 | - | - | - | - | 1,736 | - | - | - |
| Refunding Bond Issue | - | - | - | - | 30,969 | - | - | - | 33,902 | 58,164 |
| Payments to Refunded Bond Escrow Agent | - | - | - | - | - | - | - | - | - | (58,164) |
| Total Other Financing Sources (Uses) | \$ 41,132 | \$ 56,089 | \$ 57,703 | \$ 50,638 | \$ 68,269 | \$ 38,996 | \$ 42,225 | \$ 34,058 | \$ 67,168 | \$ 33,071 |
| Net Change in Fund Balances | \$ (13,275) | \$ 9,638 | \$ 5,593 | \$ (30,931) | \$ 14,704 | \$ 168 | \$ 1,381 | \$ (11,031) | \$ 26,639 | \$ (34,086) |
| Debt Services as a Percentage of Noncapital Expenditures | 6.99 % | 6.78 % | 6.73 % | 5.62 % | 6.60 % | 10.05 % | 7.22 % | 7.12 % | 6.59 % | 5.17 % |

See Independent Auditors' Report

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

| Fiscal Year | Real Property | Personal Property | Centrally Assessed Property | Less: Tax-Exempt Property | Total Taxable Assessed Value ⁽¹⁾ | Total Direct Tax Rate | Estimated Actual Taxable Value ⁽²⁾ | Taxable Assessed Value as a Percentage of Actual Taxable Value ⁽³⁾ |
|-------------|---------------|-------------------|-----------------------------|---------------------------|---|-----------------------|---|---|
| 2013 | \$ 14,506,724 | \$ 1,650,817 | \$ 5,617 | \$ 7,364,930 | \$ 8,798,228 | 3.70 % | \$ 19,015,479 | 46.27 % |
| 2014 | 14,499,790 | 1,654,905 | 5,923 | 7,342,511 | 8,818,107 | 3.70 | 19,012,492 | 46.38 |
| 2015 | 15,242,081 | 1,696,448 | 6,113 | 7,718,416 | 9,226,226 | 3.70 | 19,934,875 | 46.28 |
| 2016 | 15,744,126 | 1,701,380 | 6,175 | 7,857,175 | 9,594,506 | 4.20 | 20,531,389 | 46.73 |
| 2017 | 16,904,533 | 1,637,177 | 6,532 | 8,074,382 | 10,473,860 | 4.10 | 21,821,461 | 48.00 |
| 2018 | 16,898,065 | 1,635,772 | 6,447 | 8,077,231 | 10,463,053 | 4.10 | 21,812,098 | 47.97 |
| 2019 | 18,947,903 | 1,732,595 | 6,539 | 8,741,897 | 11,945,140 | 4.10 | 24,337,690 | 49.08 |
| 2020 | 20,053,175 | 1,731,585 | 2,647 | 9,059,939 | 12,727,468 | 4.10 | 21,787,407 | 58.42 |
| 2021 | 20,954,844 | 1,748,069 | 2,706 | 9,442,398 | 13,263,221 | 4.10 | 26,712,493 | 49.65 |
| 2022 | 23,273,656 | 1,773,526 | 2,086 | 10,562,193 | 14,487,075 | 4.10 | 29,470,575 | 49.16 |

Source: Leon County Property Appraiser

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

⁽¹⁾ Total assessed values less exemptions

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

⁽³⁾ Calculated Figure

See Independent Auditors' Report

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

| Fiscal Year | Direct | | Overlapping | | | Total |
|-------------|---------------------|--------------------------|--------------|-------------|---------------------------|-------|
| | City of Tallahassee | Leon County School Board | Debt Service | Leon County | N.W. Fla Water Management | |
| | Operating | Operating | | Operating | Operating | |
| 2013 | 3.70 | 7.71 | - | 8.31 | 0.04 | 19.76 |
| 2014 | 3.70 | 7.35 | - | 8.31 | 0.04 | 19.40 |
| 2015 | 3.70 | 7.38 | - | 8.31 | 0.04 | 19.43 |
| 2016 | 4.20 | 7.20 | - | 8.81 | 0.04 | 20.25 |
| 2017 | 4.10 | 6.85 | - | 8.31 | 0.04 | 19.30 |
| 2018 | 4.10 | 6.34 | - | 8.31 | 0.04 | 18.79 |
| 2019 | 4.10 | 6.17 | - | 8.31 | 0.04 | 18.62 |
| 2020 | 4.10 | 6.17 | - | 8.31 | 0.04 | 18.62 |
| 2021 | 4.10 | 6.25 | - | 8.31 | 0.03 | 18.69 |
| 2022 | 4.10 | 5.84 | - | 8.31 | 0.03 | 18.28 |

Source: Leon County Tax Collector

**CITY OF TALLAHASSEE, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
(in thousands)**

| Tax payer | Type of Business | 2022 | | | 2013 | | |
|-------------------------------------|------------------|------------------------|------|--|------------------------|------|---|
| | | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Smith Interest General Partnership | Retail | \$ 161,889 | 1 | 19.98 % | \$ 123,878 | 1 | 18.30 % |
| Capital Regional Medical Center | Medical | 95,158 | 2 | 11.73 % | N/A | | - % |
| The Standard At Tallahassee, LLC. | Real Estate | 74,776 | 3 | 9.23 % | N/A | | - % |
| District Joint Venture, LLC | Real Estate | 72,158 | 4 | 8.90 % | N/A | | - % |
| Presbyterian Retirement Communities | Non-Profit | 97,863 | 5 | 12.08 % | N/A | | - % |
| Talquin Electric Cooperative, Inc. | Utilities | 74,251 | 6 | 9.16 % | 64,928 | 6 | 9.59 % |
| Florida Gas Transmisson Co. | Utilities | 70,489 | 7 | 8.70 % | 77,460 | 3 | 11.44 % |
| Grove Park Apartments, LLC. | Real Estate | 54,180 | 8 | 6.69 % | N/A | | - % |
| Walmart | Retail | 55,551 | 9 | 6.85 % | 50,006 | 7 | 7.39 % |
| Comcast CableVision, Inc. | Communications | 54,144 | 10 | 6.68 % | 37,592 | 9 | 5.55 % |
| Tallahassee Medical Center, LLC | Medical | N/A | | - % | 68,643 | 4 | 10.14 % |
| DRA CRT Tallahassee Centre | Retail | N/A | | - % | 59,539 | 5 | 8.79 % |
| St. Joe Company | Real Estate | N/A | | - % | 45,236 | 8 | 6.68 % |
| Century Link (Embarq, Sprint) | Communications | N/A | | - % | 114,254 | 2 | 16.88 % |
| Capital City Bank | Financial Svcs | N/A | | - % | 35,457 | 10 | 5.24 % |
| Total | | \$ 810,459 | | 100.00 % | \$ 676,993 | | 100.00 % |

Source: Leon County Tax Collector

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

| Fiscal Year Ended September 30, | Total Tax Levy Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|------------------------------------|-------------------------------|---|-----------------------|------------------------------------|---------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2013 | \$ 32,648 | \$ 31,458 | 96.4 | \$ 55 | \$ 31,513 | 96.5 |
| 2014 | 32,673 | 31,471 | 96.3 | 53 | 31,524 | 96.5 |
| 2015 | 34,392 | 32,891 | 95.6 | 47 | 32,938 | 95.8 |
| 2016 | 40,352 | 38,837 | 96.2 | - | 38,837 | 96.2 |
| 2017 | 40,857 | 39,628 | 97.0 | 71 | 39,699 | 97.2 |
| 2018 | 42,970 | 41,410 | 96.4 | 72 | 41,482 | 96.5 |
| 2019 | 45,858 | 44,123 | 96.2 | 29 | 44,152 | 96.3 |
| 2020 | 49,015 | 47,197 | 96.3 | 13 | 47,210 | 96.3 |
| 2021 | 52,138 | 50,042 | 96.0 | 27 | 50,069 | 96.0 |
| 2022 | 59,053 | 52,254 | 88.5 | 29 | 52,283 | 88.5 |

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total Valuations | \$25,049,989 | \$22,705,619 | \$21,787,407 | \$20,687,037 | \$18,540,284 | \$18,548,241 | \$17,451,681 | \$16,944,644 | \$16,160,618 | \$16,163,157 |
| Exemptions | | | | | | | | | | |
| Agricultural Adjustment | \$ 83,771 | \$ 79,918 | \$ 64,748 | \$ 44,422 | \$ 46,859 | \$ 46,859 | \$ 49,272 | \$ 42,463 | \$ 37,998 | \$ 38,173 |
| Government Exemption | 5,765,135 | 5,557,954 | 5,498,771 | 5,291,477 | 5,042,044 | 5,040,624 | 4,963,425 | 4,839,361 | 4,641,924 | 4,620,454 |
| Institutional Exemption | 1,000,453 | 848,798 | 776,875 | 740,842 | 629,419 | 631,059 | 616,233 | 667,825 | 658,118 | 643,767 |
| Individual/Homestead Exemptions | 1,459,440 | 1,455,966 | 1,421,990 | 1,394,483 | 1,347,750 | 1,347,729 | 1,322,310 | 1,319,847 | 1,329,354 | 1,354,810 |
| Other Exemptions & Adjustments | 2,253,395 | 1,499,762 | 1,297,554 | 1,270,673 | 1,011,159 | 1,008,110 | 905,934 | 848,920 | 675,118 | 707,727 |
| Total Exemption and Adjustments | \$10,562,194 | \$ 9,442,398 | \$ 9,059,938 | \$ 8,741,897 | \$ 8,077,231 | \$ 8,074,381 | \$ 7,857,174 | \$ 7,718,416 | \$ 7,342,512 | \$ 7,364,931 |
| Taxable Valuation | \$14,487,795 | \$13,263,221 | \$12,727,469 | \$11,945,140 | \$10,463,053 | \$10,473,860 | \$ 9,594,507 | \$ 9,226,228 | \$ 8,818,106 | \$ 8,798,226 |
| Millage Levied | 4.100 | 4.100 | 4.100 | 4.100 | 4.100 | 4.100 | 4.200 | 3.700 | 3.700 | 3.700 |
| Total Taxes Levied | \$ 59,361 | \$ 52,138 | \$ 49,015 | \$ 48,975 | \$ 42,914 | \$ 40,857 | \$ 40,352 | \$ 34,392 | \$ 32,673 | \$ 32,648 |
| Less: Adjustments & Discount | 615 | 1,882 | 1,753 | 1,644 | 1,545 | 1,457 | 1,433 | 1,214 | 1,145 | 1,129 |
| Net Taxes Levied | \$ 58,746 | \$ 50,256 | \$ 47,262 | \$ 47,331 | \$ 41,369 | \$ 39,400 | \$ 38,919 | \$ 33,178 | \$ 31,528 | \$ 31,519 |
| Net Collected ⁽¹⁾⁽²⁾ | \$ 52,254 | \$ 50,042 | \$ 47,197 | \$ 44,123 | \$ 41,410 | \$ 39,431 | \$ 38,908 | \$ 32,891 | \$ 31,511 | \$ 31,507 |

Source: Leon County Property Appraiser

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

(2) Net collected includes penalties or late payments.

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(in thousands)

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---------------------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities: | | | | | | | | | | |
| General Revenue Bonds | \$ 75,205 | \$ 78,585 | \$ 87,595 | \$ 96,215 | \$ 104,155 | \$ 83,915 | \$ 91,825 | \$ 99,355 | \$ 105,975 | \$ 71,800 |
| Unamortized Premiums/Discounts | 8,786 | 10,230 | 11,610 | 12,928 | 14,143 | 11,317 | 12,343 | 13,107 | 13,753 | 8,745 |
| Bank of America Loan Payable | 264 | 525 | 780 | 1,033 | 1,282 | 1,527 | 1,736 | - | - | - |
| Public Improvement Revenue Note | 7,310 | 7,310 | - | - | - | - | - | - | - | - |
| Redevelopment Revenue Note | 3,410 | 3,950 | - | - | - | - | - | - | - | - |
| Total Governmental Activities | \$ 94,975 | \$ 100,600 | \$ 99,985 | \$ 110,176 | \$ 119,580 | \$ 96,759 | \$ 105,904 | \$ 112,462 | \$ 119,728 | \$ 80,545 |
| Business-Type Activities: | | | | | | | | | | |
| Energy System | \$ 479,945 | \$ 498,025 | \$ 515,690 | \$ 564,335 | \$ 582,427 | \$ 494,988 | \$ 539,447 | \$ 557,345 | \$ 581,028 | \$ 594,510 |
| Consolidated Utility System | 299,060 | 308,585 | 318,295 | 330,350 | 339,185 | 330,495 | 338,180 | 345,455 | 323,440 | 329,970 |
| Transportation Improvement Bond | 5,508 | 6,356 | 7,185 | 7,995 | - | - | - | - | - | - |
| Unamortized Premiums/Discounts | 73,386 | 92,059 | 96,783 | 86,236 | 89,164 | 52,974 | 29,857 | 31,187 | 14,877 | 15,492 |
| AMI Loan Payable | 6,345 | 9,335 | 12,211 | 14,977 | 17,639 | 20,634 | 23,514 | 26,282 | 28,941 | 33,332 |
| Bank of America Loan Payable | 128 | 254 | 378 | 500 | 621 | 739 | 840 | - | - | - |
| Republic Parking Loan | - | - | - | 331 | 367 | 401 | - | - | - | - |
| Total Business-Type Activities | \$ 864,372 | \$ 914,614 | \$ 950,542 | \$ 1,004,724 | \$ 1,029,403 | \$ 900,231 | \$ 931,838 | \$ 960,269 | \$ 948,286 | \$ 973,304 |
| Total Primary Government | \$ 959,347 | \$ 1,015,214 | \$ 1,050,527 | \$ 1,114,900 | \$ 1,148,983 | \$ 996,990 | \$ 1,037,742 | \$ 1,072,731 | \$ 1,068,014 | \$ 1,053,849 |
| Per Capita | \$ 4,790 | \$ 5,118 | \$ 5,289 | \$ 5,697 | \$ 5,258 | \$ 5,249 | \$ 5,471 | \$ 5,595 | \$ 5,604 | \$ 5,830 |

CITY OF TALLAHASSEE, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
For the Fiscal Year Ended September 30, 2022
Last Ten Fiscal Years
(in thousands)

| Fiscal Year ended Sept. 30 | General Revenue Bonds | Percentage of Actual Taxable Value of Property ⁽¹⁾ | Per Capita ⁽²⁾ |
|-------------------------------|--------------------------|---|---------------------------|
| 2013 | \$ 71,800 | 0.38 % | \$ 391 |
| 2014 | 105,975 | 0.56 | 577 |
| 2015 | 99,355 | 0.50 | 528 |
| 2016 | 91,825 | 0.45 | 484 |
| 2017 | 83,915 | 0.38 | 443 |
| 2018 | 104,155 | 0.54 | 615 |
| 2019 | 96,215 | 0.45 | 558 |
| 2020 | 87,595 | 0.46 | 499 |
| 2021 | 78,585 | 0.29 | 396 |
| 2022 | 75,205 | 0.26 | 375 |

Source: City of Tallahassee, Accounting Services

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

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

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2022
(in thousands)

| Government Unit | Debt Outstanding | Estimated Percentage Applicable ⁽¹⁾ | Estimated Share of Overlapping Debt |
|--|---------------------|--|--|
| Debt repaid with property taxes: | | | |
| Leon County School Board ⁽²⁾ | \$ 122,969 | 63 | \$ 77,470 |
| Debt repaid with non self-supporting revenue debt: | | | |
| Leon County ⁽³⁾ | 46,980 | 68 | <u>31,946</u> |
| Subtotal, Overlapping Debt | | | 109,416 |
| City Direct Debt | 94,97 | 100 | <u>94,975</u> |
| Total Direct and Overlapping Debt | | | <u><u>\$ 204,391</u></u> |

⁽¹⁾ The applicable percentage is based on the geographical boundaries within Leon County

⁽²⁾ Leon County School Board

⁽³⁾ Leon County

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
LEGAL DEBT MARGIN
September 30, 2022
(in thousands)

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

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

| Fiscal Year Ending | Gross Revenue ⁽¹⁾ | Operating Expenses ⁽²⁾ | Net Revenue Available for Debt Service | Debt Service Requirements ⁽³⁾ | | | Coverage |
|--------------------------|---------------------------------|--------------------------------------|--|--|-----------|-----------|----------|
| | | | | Principal | Interest | Total | |
| 2013 | \$ 286,876 | \$ 202,640 | \$ 84,236 | \$ 12,846 | \$ 30,687 | \$ 43,533 | 1.93 |
| 2014 | 310,314 | 211,408 | 98,906 | 13,482 | 30,048 | 43,530 | 2.27 |
| 2015 | 314,807 | 217,485 | 97,322 | 11,058 | 26,703 | 37,761 | 2.58 |
| 2016 | 298,689 | 202,714 | 95,975 | 17,898 | 28,794 | 46,692 | 2.06 |
| 2017 | 326,028 | 170,978 | 155,050 | 191,754 | 25,734 | 217,488 | 0.71 |
| 2018 | 314,604 | 198,297 | 116,307 | 17,536 | 29,854 | 47,390 | 2.45 |
| 2019 | 318,751 | 202,032 | 116,719 | 18,092 | 29,795 | 47,887 | 2.44 |
| 2020 | 304,599 | 203,585 | 101,014 | 128,840 | 29,486 | 158,326 | 0.64 |
| 2021 | 301,294 | 192,562 | 108,732 | 17,665 | 27,582 | 45,247 | 2.40 |
| 2022 | 354,134 | 231,229 | 122,905 | 19,925 | 25,153 | 45,078 | 2.73 |

⁽¹⁾ Total operating revenues plus operating interest earned.

⁽²⁾ Total operating expenses exclusive of depreciation.

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

See Independent Auditors' Report

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

| Fiscal Year Ending | Gross Revenues ⁽¹⁾ | Operating Expenses ⁽²⁾ | Net Revenue Available for Debt Service | Debt Service Requirements ⁽³⁾ | | | Coverage |
|-----------------------|----------------------------------|--------------------------------------|--|--|-----------|-----------|----------|
| | | | | Principal | Interest | Total | |
| 2013 | \$ 92,737 | \$ 51,176 | \$ 41,561 | \$ 6,265 | \$ 16,684 | \$ 22,949 | 1.81 |
| 2014 | 99,063 | 51,802 | 47,261 | 6,695 | 15,747 | 22,442 | 2.11 |
| 2015 | 101,087 | 52,429 | 48,658 | 6,695 | 15,747 | 22,442 | 2.17 |
| 2016 | 103,063 | 54,501 | 48,562 | 7,275 | 17,251 | 24,526 | 1.98 |
| 2017 | 106,599 | 59,553 | 47,046 | 7,685 | 16,878 | 24,563 | 1.92 |
| 2018 | 112,656 | 59,843 | 52,813 | 151,755 | 15,008 | 166,763 | 0.32 |
| 2019 | 120,573 | 59,337 | 61,236 | 8,835 | 17,103 | 25,938 | 2.36 |
| 2020 | 125,598 | 66,943 | 58,655 | 26,930 | 16,915 | 43,845 | 1.34 |
| 2021 | 127,617 | 71,207 | 56,410 | 9,710 | 16,211 | 25,921 | 2.18 |
| 2022 | 136,955 | 70,634 | 66,321 | 10,390 | 15,010 | 25,400 | 2.61 |

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

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

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

See Independent Auditors' Report

**CITY OF TALLAHASSEE, FLORIDA
DEMOGRAPHIC STATISTICS
Last Ten Fiscal Years**

| Year | Estimated ⁽¹⁾ Population | Airline Passengers | Electric KWH Sold (000's) | Water Consumed (Gals) (Millions) | Gas Used (Cu. Ft.) (Millions) | Housing Units | Leon County School (2) Enrollment |
|------|--|--------------------|------------------------------|--|----------------------------------|---------------|---|
| 2013 | 183,727 | 697,633 | 2,638,092 | 8,492 | 2,714 | 85,475 | 34,738 |
| 2014 | 183,784 | 708,433 | 2,763,936 | 8,801 | 2,931 | 86,242 | 34,955 |
| 2015 | 187,996 | 690,533 | 2,677,292 | 8,540 | 2,930 | 86,735 | 34,797 |
| 2016 | 189,675 | 699,035 | 2,623,259 | 8,705 | 2,719 | 89,252 | 33,300 |
| 2017 | 189,625 | 717,559 | 2,693,286 | 9,145 | 2,705 | 89,798 | 33,993 |
| 2018 | 192,381 | 796,214 | 2,798,286 | 8,578 | 2,916 | 91,703 | 34,012 |
| 2019 | 195,713 | 851,689 | 2,857,242 | 8,643 | 2,963 | 92,349 | 34,085 |
| 2020 | 198,627 | 513,719 | 2,787,057 | 10,070 | 2,767 | 93,295 | 34,000 |
| 2021 | 198,371 | 539,609 | 2,784,362 | 9,534 | 3,006 | 96,521 | 32,000 |
| 2022 | 200,289 | 607,645 | 2,891,167 | 8,724 | 2,912 | 94,161 | 33,952 |

| Year | City Personal Income (3) (Thousands) | Per Capita Personal Income (3) | Number of Labor | | Unemployment Rate | |
|------|--|--------------------------------------|-----------------|--------------|-------------------|---------------|
| | | | Force (4) | Employed (4) | Unemployed (4) | (Percent) (4) |
| 2013 | N/A | N/A | 97,523 | 91,785 | 5,738 | 5.9 |
| 2014 | N/A | N/A | 101,034 | 95,302 | 5,732 | 5.7 |
| 2015 | N/A | N/A | 99,331 | 94,321 | 5,010 | 5.0 |
| 2016 | N/A | N/A | 99,879 | 94,852 | 5,027 | 5.0 |
| 2017 | N/A | N/A | 101,300 | 95,674 | 5,626 | 4.0 |
| 2018 | N/A | N/A | 101,793 | 98,162 | 3,631 | 3.6 |
| 2019 | N/A | N/A | 102,904 | 99,510 | 3,394 | 3.3 |
| 2020 | N/A | N/A | 90,583 | 86,053 | 4,530 | 4.7 |
| 2021 | N/A | N/A | 99,280 | 95,606 | 3,673 | 3.8 |
| 2022 | N/A | N/A | 104,912 | 101,738 | 3,174 | 3.0 |

Source: City records, except as noted.

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

⁽²⁾Leon County School Board

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

⁽⁴⁾Florida Department of Economic Opportunity

N/A - Not Available

See Independent Auditors' Report

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

| Employer | Type of Business | 2022 ⁽¹⁾ | | | 2013 ⁽²⁾ | | |
|--|------------------|---------------------|------|----------------|---------------------|------|----------------|
| | | Number of Employees | Rank | % age of Total | Number of Employees | Rank | % age of Total |
| State of Florida | Government | 18,352 | 1 | 30.6 | 19,322 | 1 | 35.8 |
| Florida State University | Education | 16,610 | 2 | 27.7 | 14,436 | 2 | 26.8 |
| Tallahassee Memorial Hospital | Healthcare | 5,993 | 3 | 10.0 | 4,483 | 4 | 8.3 |
| Leon County School Board | Education | 4,300 | 4 | 7.2 | 4,496 | 3 | 8.3 |
| City of Tallahassee | Government | 2,951 | 5 | 4.9 | 2,800 | 5 | 5.2 |
| Walmart Stores, Inc. | Retail | 2,701 | 6 | 4.5 | - | - | - |
| Publix Super Markets | Retail | 2,487 | 7 | 4.2 | 1,983 | 6 | 3.7 |
| Florida A&M University | Education | 2,173 | 8 | 3.6 | 1,774 | 8 | 3.3 |
| Leon County | Government | 1,807 | 9 | 3.0 | 1,718 | 9 | 3.2 |
| Tallahassee Community College ⁽³⁾ | Education | 1,424 | 10 | 2.4 | 1,862 | 7 | 3.5 |
| Capital Regional Medical Center | Healthcare | 1,100 | 11 | 1.8 | 1,038 | 10 | 1.9 |
| Total | | <u>59,898</u> | | <u>100.0</u> | <u>53,912</u> | | <u>100.0</u> |

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

⁽¹⁾ Data from employers or Website

⁽²⁾ Data from Leon County CAFR 2008.

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

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

| Function/Program | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| City Commission & Appointed Officials | 123 | 123 | 114 | 110 | 111 | 124 | 134 | 134 | 133 | 130 |
| Administration & Professional Services | 75 | 72 | 72 | 70 | 67 | 62 | 184 | 183 | 181 | 179 |
| Aviation | 54 | 54 | 54 | 54 | 55 | 55 | 55 | 53 | 53 | 53 |
| Communications | 9 | 9 | 9 | 9 | 9 | 8 | 14 | 14 | 13 | 13 |
| Customer Services | 162 | 130 | 126 | 130 | 17 | 17 | 1 | 1 | 1 | 1 |
| Human Resources & Workforce | | | | | | | | | | |
| Development | 30 | 28 | 35 | 35 | 35 | 35 | - | - | - | - |
| Technology and Innovations | 101 | 98 | 96 | 99 | 99 | 100 | - | - | - | - |
| Real Estate Management | 7 | 7 | 8 | 8 | 7 | 11 | - | - | - | - |
| Housing and Community Resilience | 32 | 17 | 17 | 16 | 18 | 20 | 36 | 36 | 37 | 37 |
| Economic Vitality/Minority & Women | | | | | | | | | | |
| Business Enterprise | - | - | - | 8 | - | - | - | - | - | - |
| Energy Services - Electric & Gas | 330 | 330 | 330 | 325 | 328 | 336 | 303 | 302 | 298 | 298 |
| Emergency Preparedness & Facilities | | | | | | | | | | |
| Security | 1 | 1 | 3 | 4 | 4 | 5 | 1 | 1 | 1 | 1 |
| Energy Services | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 30 | 29 |
| Environmental Services & Facilities | | | | | | | | | | |
| Management | 26 | 23 | 23 | 22 | 22 | 12 | 14 | 14 | 14 | 13 |
| Ethics | 2 | 2 | 2 | 2 | 2 | N/A | 1 | N/A | N/A | N/A |
| Fire | 301 | 301 | 300 | 299 | 299 | 297 | 296 | 280 | 280 | 280 |
| Fleet | 84 | 82 | 81 | 82 | 82 | 82 | 80 | 61 | 59 | 58 |
| TEMPO | 10 | 9 | 3 | - | - | - | - | - | - | - |
| Growth Management | 72 | 71 | 71 | 77 | 77 | 80 | 63 | 63 | 63 | 62 |
| Community Relations | 11 | 9 | 9 | 10 | - | - | - | - | - | - |
| Parks & Recreation & Neighborhood Affairs | 208 | 177 | 180 | 178 | 177 | 173 | 173 | 171 | 171 | 170 |
| Planning/PLACE | 23 | 24 | 25 | 25 | 25 | 27 | 26 | 26 | 26 | 26 |
| Police | 485 | 482 | 483 | 483 | 483 | 466 | 466 | 433 | 427 | 427 |
| Public Works | N/A | N/A | N/A | N/A | N/A | - | 286 | 285 | 286 | 283 |
| Community Beautification & Waste | | | | | | | | | | |
| Management | 152 | 147 | 146 | 151 | 151 | 148 | 83 | 84 | 87 | 88 |
| Sustainability & Community Preparedness | - | 15 | 15 | - | - | - | - | - | - | - |
| StarMetro | 146 | 140 | 140 | 139 | 140 | 141 | 148 | 170 | 170 | 170 |
| Utility Services | - | - | - | - | 129 | 135 | 148 | 145 | 120 | 120 |
| Underground Utilities & Public Infrastructure | 507 | 505 | 513 | 516 | 514 | 531 | 362 | 361 | 361 | 362 |
| Total | 2,951 | 2,856 | 2,855 | 2,852 | 2,851 | 2,865 | 2,874 | 2,817 | 2,811 | 2,800 |

Source: City of Tallahassee Budget
 Note: The City was reorganized in FY 2009, combining some departments and creating new departments. Deleted departments are shown with "0" FTE employees.
 "N/A" = not applicable

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

| Function/Program | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Police | | | | | | | | | | |
| Arrests | 4,243 | 3,459 | 3,145 | 5,828 | 6,267 | 7,044 | 5,998 | 5,933 | 6,053 | 5,360 |
| Traffic violations | 11,654 | 5,352 | 5,663 | 10,990 | 9,710 | 15,459 | 14,716 | 13,652 | 13,039 | 30,166 |
| Parking violations | 18,722 | 13,924 | 11,144 | 10,470 | 13,804 | 14,891 | 18,886 | 15,948 | 17,872 | 17,146 |
| Fire | | | | | | | | | | |
| Emergency responses | 33,739 | 30,957 | 27,687 | 19,789 | 28,015 | 27,379 | 27,849 | 24,704 | 22,075 | 22,820 |
| Fires reported | 1,088 | 906 | 926 | 1,041 | 1,033 | 989 | 1,225 | 1,047 | 1,153 | 1,206 |
| Gas | | | | | | | | | | |
| Daily average consumption (MCF) | 7,978 | 8,236 | 7,582 | 8,090 | 7,988 | 7,411 | 7,450 | 8,027 | 8,030 | 7,436 |
| Number of service connections | 34,890 | 34,342 | 33,378 | 32,528 | 31,471 | 30,638 | 30,355 | 29,659 | 29,275 | 28,576 |
| Water | | | | | | | | | | |
| Daily average consumption (MGD) | 24 | 26 | 28 | 27 | 25 | 26 | 26 | 26 | 26 | 26 |
| Number of service connections | 88,183 | 87,891 | 87,007 | 86,299 | 86,528 | 84,783 | 75,334 | 83,554 | 83,384 | 83,095 |
| Electric | | | | | | | | | | |
| Net System Energy Generated (K W H) (Millions) | 2,891 | 2,784 | 2,787 | 2,857 | 2,798 | 2,693 | 2,630 | 2,773 | 2,763 | 2,638 |
| Average number residential customers | 107,327 | 92,342 | 91,805 | 91,125 | 89,798 | 89,070 | 99,793 | 88,112 | 87,674 | 87,862 |
| Average residential monthly bill | 127 | 119 | 117 | 117 | 119 | 108 | 113 | 123 | 121 | 113 |
| Sewage | | | | | | | | | | |
| Daily average treatment (MDG) | 17 | 16 | 16 | 19 | 16 | 17 | 17 | 16 | 16 | 18 |
| Number of service connections | 75,927 | 75,741 | 74,892 | 74,146 | 74,322 | 72,614 | 72,070 | 71,556 | 71,440 | 71,172 |
| Transit | | | | | | | | | | |
| Total revenue miles | 1,919,608 | 1,870,628 | 1,932,618 | 2,267,715 | 2,141,697 | 2,133,772 | 2,254,316 | 2,246,364 | 2,591,582 | 2,140,779 |
| Passengers trips | 2,269,186 | 1,095,127 | 2,014,966 | 3,448,266 | 3,289,053 | 3,302,667 | 3,759,543 | 4,260,333 | 4,241,111 | 4,585,634 |
| Solid Waste | | | | | | | | | | |
| Number of customers | 64,291 | 65,017 | 57,389 | 64,117 | 61,547 | 52,528 | 63,455 | 63,455 | 63,284 | 63,190 |
| Refuse collected (in tons) | 152,341 | 156,743 | 151,366 | 153,907 | 149,560 | 149,560 | 139,778 | 144,488 | 119,659 | 117,392 |
| Recyclables collected (in tons) | 11,478 | 12,577 | 12,337 | 12,491 | 13,297 | 13,297 | 24,474 | 24,474 | 33,752 | 96,405 |
| Airport | | | | | | | | | | |
| Number of passengers | 822,709 | 539,609 | 513,719 | 851,689 | 796,214 | 717,559 | 699,035 | 690,533 | 708,433 | 697,633 |

Source: Various city departments
N / A - Not Available

See Independent Auditors' Report
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CITY OF TALLAHASSEE, FLORIDA
CAPITAL ASSETS STATISTICS BY FUNCTION / PROGRAM
Last Ten Fiscal Years

| Function / Program | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicular units | | | | | | | | | | |
| Marked vehicles | 299 | 306 | 356 | 326 | 309 | 300 | 306 | 289 | 284 | 284 |
| Motorcycles | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Unmarked vehicles | 161 | 164 | 167 | 144 | 150 | 152 | 153 | 137 | 143 | 137 |
| Bicycle patrol units | 27 | 25 | 25 | 25 | 25 | 16 | 16 | 16 | 15 | 15 |
| Fire stations | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 15 | 15 |
| Gas | | | | | | | | | | |
| Gas lines (in miles) | 975 | 963 | 950 | 930 | 923 | 910 | 905 | 885 | 881 | 878 |
| Plant Capacity (MCF) | 24,000 | 24,000 | 24,000 | 24,000 | 24,000 | 24,000 | 24,000 | 24,000 | 24,000 | 24,000 |
| Water | | | | | | | | | | |
| Water mains (in miles) | 1,211 | 1,211 | 1,211 | 1,211 | 1,211 | 1,202 | 1,201 | 1,212 | 1,206 | 1,203 |
| Deep Wells | 22 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 |
| Plant Capacity (MGD) | 79 | 79 | 79 | 76 | 76 | 76 | 76 | 74 | 76 | 74 |
| Electric | | | | | | | | | | |
| Generating plants | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Generating capacity (MW) | 799 | 799 | 702 | 702 | 711 | 711 | 746 | 746 | 746 | 794 |
| Transmission lines (in miles) | 219 | 219 | 219 | 219 | 214 | 214 | 214 | 204 | 204 | 204 |
| Number of street lights | 20,073 | 19,660 | 19,302 | 19,302 | 18,825 | 18,825 | 18,710 | 18,589 | 18,188 | 18,125 |
| Distribution lines (in miles) | 2,044 | 2,044 | 2,023 | 2,023 | 1,995 | 1,995 | 1,942 | 2,937 | 2,937 | 2,927 |
| Sewage | | | | | | | | | | |
| Number of lift stations | 112 | 110 | 110 | 110 | 110 | 107 | 107 | 109 | 111 | 109 |
| Sanitary sewers (in miles) | 1,077 | 1,064 | 1,064 | 1,059 | 1,050 | 1,039 | 1,039 | 1,049 | 1,046 | 1,042 |
| Number of disposal plants | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Capacity of treatment plans (MGD) | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 31 |
| Transit | | | | | | | | | | |
| Bus Plaza | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Buses | 55 | 55 | 55 | 55 | 58 | 65 | 65 | 58 | 58 | 58 |
| Refuse Collection | | | | | | | | | | |
| Collection trucks | 83 | 83 | 82 | 73 | 73 | 73 | 69 | 69 | 67 | 65 |
| Parks and recreation | | | | | | | | | | |
| Community centers and specialty center | 12 | 12 | 12 | 12 | 11 | 11 | 11 | 11 | 11 | 11 |
| Summer playgrounds and camps | 65 | 46 | 46 | 46 | 43 | 43 | 43 | 43 | 43 | 43 |
| Athletic fields | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 |
| Golf courses | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Swimming pools | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Park acreage | 3,881 | 3,881 | 3,881 | 3,881 | 3,881 | 3,881 | 3,529 | 3,529 | 3,529 | 3,529 |
| Fitness trails | 75 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Tennis/racquetball courts | 70 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 |
| Gymnasiums, center sites | 9 | 9 | 9 | 9 | 7 | 7 | 7 | 7 | 7 | 7 |
| Gymnasiums, school sites | 5 | 5 | 5 | 5 | 5 | 5 | 4 | 4 | 4 | 4 |
| Airport | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other public works | | | | | | | | | | |
| Traffic signals ⁽¹⁾ | 88 | 85 | 85 | 85 | 73 | 73 | 73 | 73 | 73 | 71 |

Source: Various city departments

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

CITY OF TALLAHASSEE, FLORIDA
Miscellaneous Statistical Data
September 30, 2022

| | | |
|--|--------|--|
| Governance | | |
| Date of Incorporation | 1825 | |
| Date Present Charter Adopted | 1996 | |
| Form of Government: Commission-Manager | | |
| Commission Composed of: Mayor and Four Commissioners | | |
| Terms of Office: | | |
| Mayor - Four Years (Elected by Tallahassee Citizens) | | |
| Commissioners - Four Years (Elected by Tallahassee Citizens) | | |
| Manager (Appointed by Commission) | | |
| Transportation: | | |
| Airlines, Bus Lines, and Railroad Freight and Passenger | | |
| Communications: | | |
| Newspapers, Radio Stations, Television Stations; | | |
| Cable Television and Telephone Service | | |
| Climate | | |
| Average Annual Temperature - in °F | 67.7 | |
| Average Annual Rainfall - in inches | 63.2 | |
| Area - in square miles | 103.29 | |
| Education: | | |
| Number of Public Schools ⁽¹⁾ | 50 | |
| Number of Public School Instructors ⁽¹⁾ | 1,902 | |
| Number of Public School Students, (PK-12) ⁽¹⁾ | 33,952 | |
| Number of Vocational-Technical Schools ⁽¹⁾ | 1 | |
| Number of Community Colleges | 1 | |
| Number of Universities | 2 | |
| Number of College-level Instructors ⁽⁴⁾ | 9,570 | |
| Number of College-level Students ⁽²⁾ | 68,277 | |
| Major Annual Events: | | |
| Springtime Tallahassee Festival | | |
| Fourth of July "Celebrate America" | | |
| North Florida Fair | | |
| Market Days | | |
| Winter Festival | | |
| Culture, Recreation, and Health: | | |
| Conference Center, Civic Center, and Theaters | | |
| Seating Capacity (Leon County Civic Center and | 13,375 | |
| Museums | 12 | |
| Libraries (including branches) | 20 | |
| Skating Rinks | 2 | |
| Golf Courses | 9 | |
| Hospital Beds ⁽³⁾ | 1,212 | |

Source: City of Tallahassee Records except as noted below:

⁽¹⁾ Leon County /School Board

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

⁽³⁾ Tallahassee Memorial Healthcare and Capital Regional Medical Center

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

CITY OF TALLAHASSEE, FLORIDA
Schedule of Insurance
September 30, 2022

| Line of Coverage | Carrier | Limits/Coverage | Deductible/Retention | Effective | Expiration | Premium | Policy # |
|-----------------------------|---------------------------------------|---|---|-----------|------------|---|--------------------|
| Surety | Auto-Owners Insurance Co. | James Cooke Bond | | 9/8/2022 | 9/8/2023 | Premium \$ 259.00 | 66117834 |
| Airport Operators Liability | Global Aerospace | <p>Per Occurrence - \$100,000,000</p> Damage to Premises Rented to You - \$1,000,000 Personal and Advertising Injury Aggregate - \$25,000,000 Products-Completed Operations Aggregate - \$100,000,000 Hangar keepers' Each Aircraft - \$100,000,000 Hangar keepers' Each Aircraft - \$100,000,000 Non-Owned Aircraft - \$100,000,000 \$1,000,000 - Maximum Aggregate Limit \$1,000,000 - Security and Privacy Liability \$1,000,000 - Regulatory Action \$1,000,000 - Network Interruption \$1,000,000 - Event Management \$1,000,000 - Cyber Extortion | \$0 Each Occurrence or Offense Deductible,\$0 Aggregate Deductible | 10/1/2022 | 10/1/2023 | Premium \$ 50,615.95 | 15001414 |
| Cyber Liability | AIG Specialty Insurance Co. | \$6,000,000/\$8,000,000 - Professional Liability \$1,000,000/\$1,000,000 - Abuse/Molestation \$25,000 - First Diagnosis Cancer Benefit \$75,000 - Cancer Death Benefit | \$350,000 Each Incident | 10/1/2022 | 10/1/2023 | Premium \$ 65,126.15 | 01-593-78-84 |
| EMS Liability | General Star Indemnity Co | \$1,000,000 for all Claims Settlement Program Limit of Liability \$250,000 HIPAA Limit of Liability \$1,000,000 502 (c) Penalties Limit of Liability \$250,000 | \$0 Each Claim | 10/1/2022 | 10/1/2023 | Premium \$ 79,021.00 | IIG927317F |
| Firefighter Cancer Benefit | ACE American Insurance Co. | Statutory AD&D Coverage | \$0 | 10/1/2022 | 10/1/2023 | Premium \$ 60,136.00 | PTP N17937674 |
| Fiduciary Firefighters | Travelers Casualty and Surety | Statutory - Workers' Compensation \$1,000,000 - Employers Liability | \$0 Retention | 10/1/2021 | 10/1/2024 | Premium & Annual Installment \$ 4,322.50 | 106176744 |
| Broker/Agency Fee Casualty | Public Risk Insurance Agency | Limit Per Breakdown: \$100,000,000 Total Insured Values: \$397,290,690 *See Policy for complete Limits/Sublimits | Property Damage: \$25,000 Business Income: 24 Hour Waiting Period Extra Expense: Included in Business Income & Spoilage: Included in PD | 10/1/2017 | 10/1/2020 | Annual Installments \$ 36,000 | |
| AD&D | ACE American Insurance Co. | | | 10/1/2021 | 10/1/2023 | Premium \$ 42,017.00 | ADD N17938459 |
| Boiler & Machinery | Liberty Mutual Fire Insurance Company | | | 5/1/2022 | 5/1/2023 | Premium: \$17,497.00 FL EMPA: \$ 4,000 Policy Fee: \$ 120,000 TOTAL: \$17,621.00 | YB2-L9L-474411-012 |
| X5 Workers' Compensation | Safety National Casualty Co. | | \$1,250,000 Per Occurrence Retention | 10/1/2022 | 10/1/2023 | Premium \$ 287,754.00 | SP 4067373 |

**CITY OF TALLAHASSEE, FLORIDA
Schedule of Insurance
September 30, 2022**

| Line of Coverage | Carrier | Limits/Coverage | Deductible/Retention | Effective | Expiration | Premium | Policy # |
|-----------------------------|--|---|--|-----------|------------|--|--|
| Crime | Travelers Casualty and Surety | \$1,000,000 - Employee Theft Per Loss Coverage \$1,000,000 - Employee theft Per Employee Coverage \$1,000,000 - Forgery or Alteration \$1,000,000 - On Premises \$1,000,000 - In Transit \$1,000,000 - Money Orders & Counterfeit Money \$1,000,000 - Computer Crime \$1,000,000 - Funds Transfer Fraud EXCLUDED - Social Engineering Fraud \$100,000 Telecommunication Fraud \$25,000 - Personal Accounts Protection \$25,000 - Identity Fraud Expense Reimbursement \$5,000 - Claim Expense \$1,000,000 for all Claims | \$75,000 \$75,000 \$75,000 \$75,000 \$75,000 \$75,000 \$75,000 n/a \$75,000 \$0 \$0 \$0 | 10/1/2022 | 10/1/2023 | Premium \$12,086.96 | 106175065 |
| Fiduciary General Employees | Travelers Casualty and Surety | Settlement Program Limit of Liability \$250,000 HIPAA Limit of Liability \$1,000,000 502 (c) Penalties Limit of Liability \$250,000 | \$0 Retention | 10/1/2022 | 10/1/2023 | Premium \$26,212.31 | 106176742 |
| Fiduciary Police Officers | Travelers Casualty and Surety | Settlement Program Limit of Liability \$250,000 HIPAA Limit of Liability \$1,000,000 502 (c) Penalties Limit of Liability \$250,000 | \$1,000 Retention | 10/1/2021 | 10/1/2024 | Premium & Annual Installment \$5,536.60 | 106176738 |
| Terrorism | Lloyd's of London | First Loss Per Occurrence: \$350,000,000 *See Policy for complete Coverage Extensions | Deductible: Nil *See Policy for Waiting Period(s) | 5/1/2022 | 5/1/2023 | Premium: \$92,500.00 FL EMPA: \$4.00 TOTAL: \$92,504 | B0621MCITY061 22 |
| Property - Municipal | See Separate Tab for placement | Per Occurrence: \$250,000,000 Total Insured Value: \$397,284,690 *See Policy for complete Limits/Sublimits | All Other Perils: \$100,000 *See Policy for complete Deductibles | 5/1/2022 | 5/1/2023 | Premium: \$1,069,497.00 FL EMPA: \$36.00 Policy Fee: \$ 1,800.00 TOTAL: \$1,071,033.00 | Various See Separate Tab for placement |
| Fine Arts | Travelers Property & Casualty Company of America | Total Limit of Insurance for all Scheduled Items: \$123,500 *See Policy for complete Limits/Sublimits | Per Covered Loss: \$1,000 *See Policy for complete Deductibles | 8/19/2022 | 8/19/2023 | Premium: \$2,582.00 | QT-660- 5T508694-TIL- 22 |
| Property - Utility | Factory Mutual Insurance Company | Per Occurrence: \$1,000,000,000 *See Policy for complete Limits/Sublimits | Various *See Policy for complete Deductibles | 5/1/2022 | 5/1/2023 | Premium: \$4,631,754.00 FL FIGA: \$ 32,422.00 FL Fire Fee: \$ 2,600.00 TOTAL: \$4,666,817.00 | 1097176 |

This document is intended as a summary of insurance coverages only. Refer to the actual policy for coverage details.



**CITY OF
TALLAHASSEE**

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SINGLE AUDIT AND OTHER REPORTS

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

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

Schedule of Findings and Questioned Costs

Schedule of Expenditures of Federal Awards and State Financial Assistance

Schedule of Expenditures of Passenger Facility Charges

Independent Accountant's Report

Independent Auditor's Management Letter



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Tallahassee, Florida (the “City”) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated April 28, 2023.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

Report on Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated April 28, 2023.

Purpose of this Report

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

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
April 28, 2023



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

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

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

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

We have audited the compliance of the City of Tallahassee, Florida (the “City”) with the types of compliance requirements described in the U.S. Office of Management and Budget (“OMB”) *Compliance Supplement*, the requirements described in the Department of Financial Services’ *State Projects Compliance Supplement*, and the requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration (the “Guide”) that could have a direct and material effect on each of the City’s major federal programs, major state projects, and the passenger facility charge program for the year ended September 30, 2022. The City’s major federal programs and major state projects are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to in the first paragraph that could have a direct and material effect on each of the City’s major federal programs, major state projects, and the passenger facility charge program for the year ended September 30, 2022.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*; and the Guide. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

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

Responsibility 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, state projects, and the passenger facility charge program.

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, Chapter 10.550, *Rules of the Auditor General*; and the Guide 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, major state project, and the passenger facility charge program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, and the Guide, 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, Chapter 10.550, *Rules of the Auditor General*, and the Guide, 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.

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

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, state project, or the passenger facility charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program, state project, or the passenger facility charge program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program, state project, or the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

We have audited the basic financial statements of the City as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 28, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, and schedule of passenger facility charges are presented for purposes of additional analysis, as required by the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, and the Guide, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
April 28, 2023

CITY OF TALLAHASSEE, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2022

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

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

Federal Awards and State Financial Assistance

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

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

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

Identification of Major Federal Programs and Major State Projects

| <u>AL Number</u> | <u>Name of Federal Programs</u> |
|---------------------|---|
| 20.106 | Airport Improvement Program |
| 20.507 & 20.526 | Federal Transit Cluster |
| 21.027 | Coronavirus State and Local Fiscal Recovery Funds |
| <u>CSFA Numbers</u> | <u>Name of State Projects</u> |
| 55.004 | Aviation Grant Programs |

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

| | | |
|---|--------------|--------|
| Auditee qualified as low-risk auditee pursuant to the Uniform Guidance? | <u>X</u> Yes | ___ No |
|---|--------------|--------|

CITY OF TALLAHASSEE, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

For the Year Ended September 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

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

None reported.

SECTION IV - PRIOR YEAR AUDIT FINDINGS

None reported.

City of Tallahassee, Florida
Schedule of Expenditures Federal Awards and State Financial Assistance
For the fiscal year ending September 30, 2023

| Federal State Program Title | AL or CSFA No | FAIN/State Grant Number | Pass-Through Grantor Award Number | 21/22 Expenditures | FN | Subrecipient Expenditures |
|--|---------------|--------------------------|--------------------------------------|--------------------|----|------------------------------|
| <u>FEDERAL AWARDS</u> | | | | | | |
| <u>US DEPARTMENT OF HOUSING & URBAN DEV</u> | | | | | | |
| Community Development Clock Grants/Entitlement Grants | 14.218 | B-18-MC-12-0019 | N/A | 2,744 | | |
| Community Development Clock Grants/Entitlement Grants | 14.218 | B-19-MC-12-0019 | N/A | 72,001 | | |
| Community Development Clock Grants/Entitlement Grants | 14.218 | B-20-MW-12-0019 | N/A | 555,309 | | 553,299 |
| Community Development Clock Grants/Entitlement Grants | 14.218 | B-20-MC-12-0019 | N/A | 358,541 | | 95,650 |
| Community Development Clock Grants/Entitlement Grants | 14.218 | B-21-MC-12-0019 | N/A | 937,650 | | 318,740 |
| TOTAL CDBG - ENTITLEMENT GRANTS CLUSTER | | | | <u>1,926,244</u> | | <u>967,690</u> |
| Home Investment Partnerships Program | 14.239 | M-19-MC-12-0221 | N/A | 196,510 | | 189,010 |
| Home Investment Partnerships Program | 14.239 | M-20-MC-12-0221 | N/A | 161,681 | | 73,626 |
| Emergency Solutions Grant Program | 14.231 | E19-MC-12-0019 | N/A | 649,771 | | 630,697 |
| Emergency Solutions Grant Program | 14.231 | E20-MC-12-0019 | N/A | 13,066 | | 13,066 |
| Emergency Solutions Grant Program | 14.231 | E21-MC-12-0019 | N/A | 157,760 | | 130,389 |
| TOTAL US DEPARTMENT OF HOUSING & URBAN DEV | | | | <u>3,105,031</u> | | <u>2,004,477</u> |
| <u>US DEPARTMENT OF JUSTICE</u> | | | | | | |
| Public Safety Partnership and Community Policing Grants | 16.710 | 2016ULWX0030 | N/A | 454,585 | | |
| Public Safety Partnership and Community Policing Grants | 16.710 | 15JCOPS-21-GG-02309-SPPS | N/A | 132,500 | | |
| Public Safety Partnership and Community Policing Grants | 16.710 | 15JCOPS-21-GG-02462-SPPS | N/A | 70,878 | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2019-DJ-BX-0756 | N/A | 73,138 | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2020-DJ-BX-0819 | N/A | 28,995 | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 15PBJA-21-GG-01353-JAGX | N/A | 37,117 | | |
| <u>Pass through Florida Department of Law Enforcement:</u> | | | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | N/A | 2020-JAGC-LEON-6-5R-117 | 11,126 | | |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | N/A | 2021-JAGC-LEON-1-3B-063 | 25,861 | | |
| Prosecution - Gun Violence Prosecution | 16.609 | N/A | 8H002 | 2,404 | | |
| National Asset Forfeiture Strategic Plan | 16.unknown | N/A | N/A | 47,248 | | |
| <u>Pass through Florida Department of Juvenile Justice:</u> | | | | | | |
| Juvenile Justice and Delinquency Prevention | 16.540 | N/A | 10531 | 61,500 | | |
| TOTAL US DEPARTMENT OF JUSTICE | | | | <u>945,352</u> | | |
| <u>US DEPARTMENT OF TRANSPORTATION</u> | | | | | | |
| <u>FEDERAL AVIATION ADMINISTRATION</u> | | | | | | |
| Airport Improvement Program | 20.106 | 3-12-0077-44-2020 | N/A | 486 | | |
| Airport Improvement Program | 20.106 | 3-12-0077-46-2021 | N/A | 1,188,553 | | |
| Airport Improvement Program | 20.106 | 3-12-0077-47-2021 | N/A | 88,940 | | |
| Airport Improvement Program | 20.106 | 3-12-0077-48-2022 | N/A | 1,008,881 | | |
| Airport Improvement Program | 20.106 | 3-12-0077-49-2022 | N/A | 1,059 | | |
| Airport Improvement Program | 20.106 | 3-12-0077-50-2022 | N/A | 1,501,736 | | |
| Airport Improvement Program | 20.106 | 3-12-0077-51-2022 | N/A | 219,565 | | |
| <u>FEDERAL TRANSIT ADMINISTRATION</u> | | | | | | |
| <u>Transit Services Programs Cluster</u> | | | | | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | FL-2017-078 | N/A | 22,662 | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | FL-2021-045 | N/A | 13,030 | | |
| Total Transit Services Programs Cluster | | | | <u>35,691</u> | | |
| <u>Federal Transit Cluster</u> | | | | | | |
| Federal Transit Formula Grant | 20.507 | FL-2020-089 | N/A | 262,335 | | |
| Federal Transit Formula Grant | 20.507 | FL-2021-038 | N/A | 453,085 | | |
| Bus and Bus Facilities Formula Program | 20.526 | FL-2021-038 | N/A | 137,499 | | |
| Federal Transit Formula Grant | 20.507 | FL-2021-034 | N/A | (18,998) | | |
| Federal Transit Formula Grant | 20.507 | FL-2022-043 | N/A | 2,537,559 | 6 | |
| Bus and Bus Facilities Formula Program | 20.526 | FL-2019-102 | N/A | 30,000 | | |
| Bus and Bus Facilities Formula Program | 20.526 | FL-2020-100 | N/A | 103,406 | | |
| Total Federal Transit Cluster | | | | <u>3,504,885</u> | | |

City of Tallahassee, Florida
Schedule of Expenditures Federal Awards and State Financial Assistance
For the fiscal year ending September 30, 2023

| Federal State Program Title | AL or CSFA No | FAIN/State Grant Number | Pass-Through Grantor Award Number | 21/22 Expenditures | FN | Subrecipient Expenditures |
|--|---------------|-------------------------|--------------------------------------|--------------------|----|------------------------------|
| <u>Pass through Florida Department of Transportation:</u> | | | | | | |
| Public Transportation for Nonurbanized Areas | 20.509 | N/A | G1M19 | 359,832 | | |
| Public Transportation for Nonurbanized Areas | 20.509 | N/A | G2C87 | 113,627 | | |
| <u>Pass through Florida Department of Transportation: Highway Planning and Construction Cluster</u> | | | | | | |
| Highway Planning and Construction | 20.205 | N/A | G1C59 | 99,250 | | |
| <u>Pass through University of North Florida</u> | | | | | | |
| Highway Planning and Construction | 20.205 | N/A | G1X15 | 10,675 | | |
| <u>Pass through Capital Region Transportation Planning Agency</u> | | | | | | |
| Florida Department of Transportation | 20.205 | N/A | G1L15 | 32,508 | | |
| Total Highway Planning and Const Cluster | | | | 142,433 | | |
| TOTAL US DEPARTMENT OF TRANSPORTATION | | | | 8,165,689 | | |
| <u>US DEPARTMENT OF TREASURY</u> | | | | | | |
| Coronavirus State and Local Fiscal Recovery Fund (SLFRF) | 21.027 | SLF-6650 | N/A | 7,365,895 | | 1,798,076 |
| <u>US DEPARTMENT OF HOMELAND SECURITY</u> | | | | | | |
| <u>Pass through Florida Division of Emergency Management</u> | | | | | | |
| Homeland Security Grant Program | 97.067 | N/A | R0293 | 43,277 | | |
| Homeland Security Grant Program | 97.067 | N/A | R0050 | 4,194 | | |
| Homeland Security Grant Program | 97.067 | N/A | R0292 | 8,698 | | |
| Disaster Grants-Public Assistance (Presidentially Declared Disasters) | 97.036 | N/A | 4337 | (16,363) | | |
| Disaster Grants-Public Assistance (Presidentially Declared Disasters) | 97.036 | N/A | 4486 | 30,384 | | |
| Hazzard Mitigation Grant (HMGP) | 97.039 | N/A | H0001 | 283,431 | | |
| Hazzard Mitigation Grant (HMGP) | 97.039 | N/A | H0575 | 34,984 | | |
| Hazzard Mitigation Grant (HMGP) | 97.039 | N/A | H0620 | 28,933 | | |
| Hazzard Mitigation Grant (HMGP) | 97.039 | N/A | H0637 | 1,372 | | |
| Hazzard Mitigation Grant (HMGP) | 97.039 | N/A | H0649 | 7,169 | | |
| TOTAL US DEPARTMENT OF HOMELAND SECURITY | | | | 426,079 | | |
| TOTAL FEDERAL AWARDS EXPENDED | | | | 20,008,046 | | 3,802,554 |
| <u>STATE AWARDS</u> | | | | | | |
| <u>NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT</u> | | | | | | |
| Florida Springs Grant Program | 37.052 | 17-056 | N/A | 23,412 | | |
| <u>FLORIDA HOUSING FINANCE CORPORATION</u> | | | | | | |
| State Housing Initiatives Partnership Program (SHIP) | 40.901 | N/A | N/A | 139,017 | | 136,767 |
| State Housing Initiatives Partnership Program (SHIP) | 40.901 | N/A | N/A | 246,535 | | 174,445 |
| TOTAL FLORIDA HOUSING FINANCE CORPORATION | | | | 385,553 | | 311,212 |
| <u>FLORIDA DEPARTMENT OF TRANSPORTATION</u> | | | | | | |
| Florida Comm For The Transportation Disadvantaged Trip & Equip | 55.001 | G1X86 | N/A | 378,846 | | |
| Florida Comm For The Transportation Disadvantaged Trip & Equip | 55.001 | G2A22 | N/A | 141,075 | | |
| Aviation Grant Programs | 55.004 | G2244 | N/A | 1,095,047 | | |
| Aviation Grant Programs | 55.004 | G0X71 | N/A | - | | |
| Aviation Grant Programs | 55.004 | G1363 | N/A | 390,394 | | |
| Aviation Grant Programs | 55.004 | G1991 | N/A | 1,793,450 | | |
| Aviation Grant Programs | 55.004 | G1921 | N/A | 49,662 | | |
| Aviation Grant Programs | 55.004 | G1540 | N/A | 68,971 | | |
| Aviation Grant Programs | 55.004 | G1A07 | N/A | 79,123 | | |
| Aviation Grant Programs | 55.004 | G1C03 | N/A | 1,082,617 | | |
| Florida Department of Transportation | 55.010 | G2397 | N/A | 1,483,584 | | |
| TOTAL FLORIDA DEPARTMENT OF TRANSPORTATION | | | | 6,562,769 | | |
| <u>FLORIDA DEPARTMENT OF LAW ENFORCEMENT</u> | | | | | | |
| Florida Department of Law Enforcement | 71.010 | Z4001 | N/A | 8,908 | | |
| Florida Department of Law Enforcement | 71.010 | 4C002 | N/A | - | | |
| Identify Theft and Fraud Grant Program | 71.042 | 8F005 | N/A | 5,432 | | |
| Florida Incident Based Reporting System | 71.043 | 2021-FBSFA-F2-024 | N/A | 134,976 | | |
| TOTAL FLORIDA DEPARTMENT OF LAW ENFORCEMENT | | | | 149,316 | | |
| <u>FLORIDA DEPARTMENT OF JUVENILE JUSTICE</u> | | | | | | |
| Florida Department of Juvenile Justice | 80.029 | 10729 | N/A | 239,085 | | |
| TOTAL STATE AWARDS EXPENDED | | | | 7,360,134 | | 311,212 |
| TOTAL FINANCIAL ASSISTANCE EXPENDED | | | | 27,368,180 | | 4,113,766 |

City of Tallahassee, Florida
 Schedule of Expenditures Federal Awards and State Financial Assistance
 For the fiscal year ending September 30, 2023

| Federal State Program Title | AL or CSFA No | FAIN/State Grant Number | Pass-Through Grantor Award Number | 21/22 Expenditures | FN | Subrecipient Expenditures |
|-----------------------------|---------------|-------------------------|--------------------------------------|--------------------|----|------------------------------|
|-----------------------------|---------------|-------------------------|--------------------------------------|--------------------|----|------------------------------|

NOTES

- 1) The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (Schedule) presents the activity of all federal programs and state projects of the City of Tallahassee for the year ended September 30, 2022. All expenditures related to federal awards and state projects received directly from federal and state agencies, as well as federal awards and state projects passed through other governmental agencies, are included in the accompanying Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2, US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.550, Rules of the Florida Auditor General.
- 2) The Schedule was prepared on the modified accrual basis of accounting.
- 3) No federal or state financial assistance was expended in non-cash assistance.
- 4) The City has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.
- 5) Housing loans outstanding at year end:

| | | |
|---|--------|--------------|
| Community Development Block Grant – Entitlement | 14.218 | 524,587 |
| Home Investment Partnerships Program | 14.239 | 3,595,947 |
| State Housing Initiatives Partnership Program | 40.901 | 1,586,468 |
| | | \$ 5,707,002 |
- 6) Expenditures for the following awards included expenditures incurred through September 30, 2020:

| | | | |
|-------------------------------|--------|-------------|--------------|
| Federal Transit Formula Grant | 20.507 | FL-2022-043 | \$ 3,685,877 |
|-------------------------------|--------|-------------|--------------|
- 7) Statement in accordance with Chapter 341.052, Florida Statutes, Florida Department of Transportation, Public Transit Block Grant funds did not exceed local revenue; were not expended for depreciation or amortization of capital assets; and did not supplant local tax revenues made available for operations in the previous year.

City of Tallahassee
 Schedule of Expenditures of Passenger Facility Charges
 For the Year Ended September 30, 2022

| Program Title | Expenditures |
|--|------------------|
| Passenger Facility Charges Used: | |
| Passenger Facility Charge Application #06-06-C-00-TLH: | |
| Project 9: Terminal Rehabilitation - Phase II | \$ - |
| | - |
| Passenger Facility Charge Application #16-07-C-00-TLH: | |
| Project 1: Terminal Rehabilitation | 1,034,176 |
| Project 2: Terminal PLB Design, Acquisition and Installation | 3,343,748 |
| Project 4: Multiple-User Passenger Information Display Systems | 105,091 |
| | 4,483,015 |
| Total Passenger Facility Charges Used | \$ 4,483,015 |



INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the compliance of the City of Tallahassee, Florida (the "City") with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2022. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

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

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

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
April 28, 2023



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the basic financial statements of the City of Tallahassee, Florida (the "City") as of and for the year ended September 30, 2022, and have issued our report thereon dated April 28, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program, Major State Project, and the Passenger Facility Charge Program and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance and Schedule of Passenger Facility Charges Required by the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, and *Passenger Facility Charge Audit Guide for Public Agencies*; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 28, 2023, should be considered in conjunction with this management letter.

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

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with the preceding audit, the current year status of prior audit findings is as follows:

2021-001 – Interfund Activity Accounting

Current Year Status: Corrective action has taken place and we consider this comment fully resolved.

2019-003 – Utility Accounts Receivable Aging Reports

Criteria:

Utility accounts receivable aging reports are an important tool to determine if the City’s customer accounts receivable is properly valued. It can also be used to assist the City with determining if there are any issues with collections.

Condition:

During our testing of utility accounts receivable, it was noted that the City was not able to produce a detailed utility accounts receivable aging by customer.

Cause:

The City’s Customer Information System (“CIS”) does not have the capability to generate the report.

Effect:

The City may not be able to properly analyze its utility customer A/R including: the general aging of receivables, are there significant aged credit balances and which customers are significantly past due.

Recommendation:

The City is currently considering upgrading to a new CIS software. We recommend that the City require that the detailed accounts receivable customer aging reports be part of the reporting package for the new CIS software. We also recommend that the City include the Financial Services Department (“FSD”) as part of the evaluation and conversion team for any new CIS software.

Current Year Status:

Repeated in the current year, the City is currently in the process of upgrading to a new CIS software.

Views of responsible officials and plan corrective action:

The City’s Financial Services staff have continued to be part of the evaluation, conversion, and implementation team for the new Utility Billing system capable of producing detailed accounts receivable reports. The system went live on February 13 and the aged receivables report at March 31, 2023 has been produced and the review and reconciliation process is in progress.

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Special District Component Units

Section 10.554(1)(i)5.c, *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, see Attachment A for required information on the dependent special districts that are included in the reporting entity. The information in Attachment A has not been subject to auditing procedures, therefore no assurance is given on the provided information.

Additional Matters

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

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

Purpose of this Letter

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

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
April 28, 2023

Attachment A

| Special District Component Units - Reporting Requirements | | | |
|---|--|--|--|
| As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(j)6, Rules of the Auditor General | | | |
| | Reporting Requirements from Section 218.39 (3)(b), Florida Statutes | Blended Component Unit | Discretely Presented Component Unit |
| | | Community Redevelopment Agency | Downtown Improvement District |
| | The total number of district employees compensated in the last pay period of the district's fiscal year as of September 30, 2022. | 5 | 2 |
| | The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as of September 30, 2022. | 6 | 4 |
| | All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as of September 30, 2022. | \$499,051 | \$135,692 |
| | All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as of September 30, 2022. | \$2,800,130 | \$46,342 |
| | Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as of September 30, 2022. | Short Hike, LLC dba Amicus Brewing - \$297,220 Frenchtown Squared CDC - \$344,026 LeMoynne Studios - \$100,000 | None |
| | A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as of September 30, 2022. | Refer to separately issued Financial Statements | See Attachment B |

Attachment B

**CITY OF TALLAHASSEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule
Downtown Improvement Authority
September 30, 2022
(in thousands)**

| | Budgeted Amounts | | Actual Amounts (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|---|------------------|-------------|-------------------------------------|---|
| | Original | Final | | |
| Budgetary Fund Balance - October 1 | \$ - | \$ - | \$ - | \$ - |
| Resources | | | | |
| Taxes | 231 | 231 | 234 | (2) |
| Licenses and Permits | - | - | - | - |
| Intergovernmental Revenues | - | - | - | - |
| Charges for Services | 98 | 98 | 118 | (20) |
| Fines and Forfeitures | - | - | - | - |
| Interest Earned | 2 | 2 | 1 | 1 |
| Miscellaneous | 17 | 17 | 10 | 7 |
| Transfers from Other Funds | - | - | - | - |
| Amounts Available for Appropriations | <u>348</u> | <u>348</u> | <u>363</u> | <u>14</u> |
| Charges to Appropriations | | | | |
| General Government | - | - | - | - |
| Public Safety | - | - | - | - |
| Transportation | - | - | - | - |
| Human Services | - | - | - | - |
| Economic Development | 348 | 338 | 351 | (12) |
| Physical Environment | - | - | - | - |
| Culture and Recreation | - | - | - | - |
| Debt Service | - | - | - | - |
| Transfers to Other Funds | - | 10 | - | 10 |
| Total Charges to Appropriations | <u>348</u> | <u>348</u> | <u>351</u> | <u>(2)</u> |
| Budgetary fund balance, September 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 12</u> | <u>\$ 12</u> |



**CITY OF
TALLAHASSEE**

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