

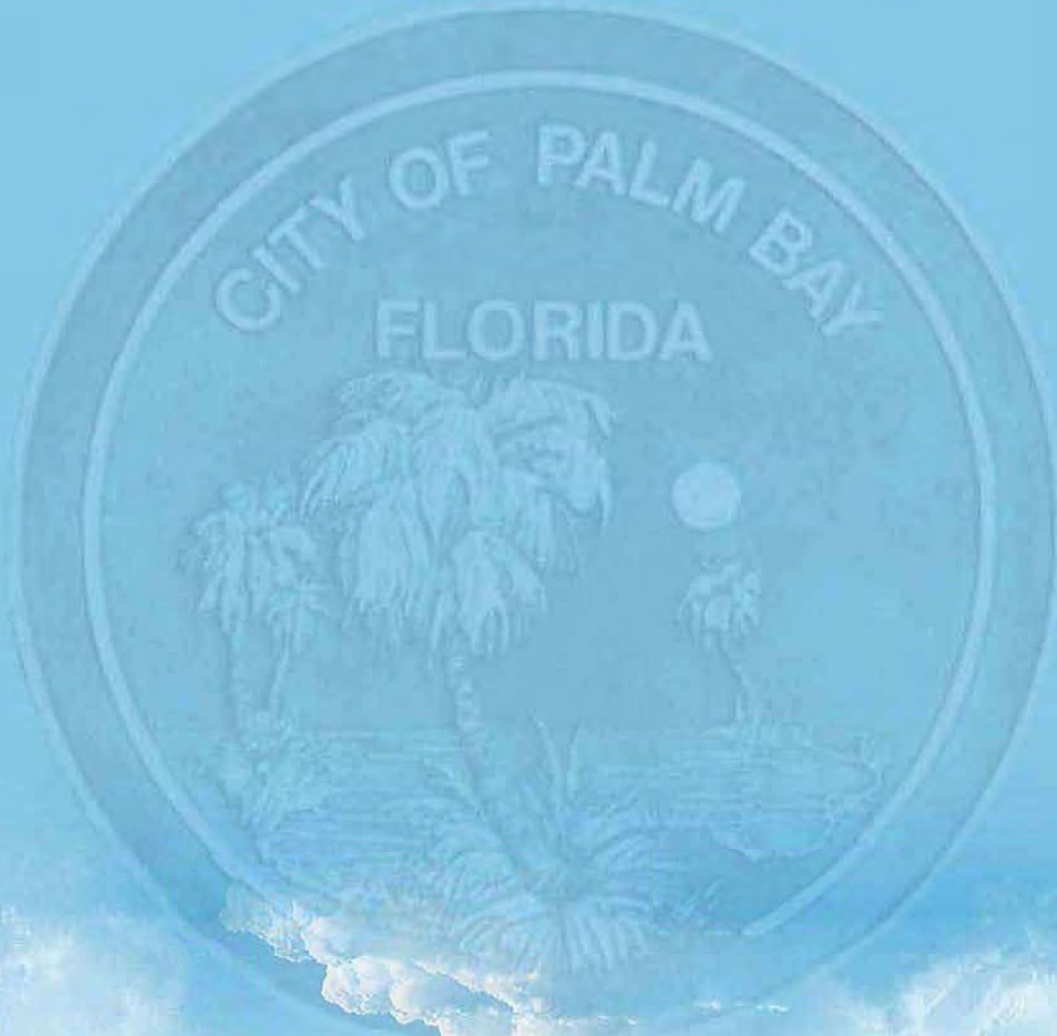


ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024

CITY OF PALM BAY, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2024



PREPARED BY: DEPARTMENT OF FINANCE



Down to Earth And Up To Great Things



Table of Contents

Introduction Section

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

Financial Section

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

Basic Financial Statements

Government-Wide Financial Statements:

Statement of Net Position	25
Statement of Activities	27

Fund Financial Statements

Governmental Funds:

Balance Sheet	28
Reconciliation of Balance Sheet Governmental Funds to the Statement of Net Position	30
Statement of Revenues, Expenditures and Changes in Fund Balance	31
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	33

Proprietary Funds:

Statement of Net Position	34
Statement of Revenues, Expenses and Changes in Fund Net Position	37
Statement of Cash Flows	38

Fiduciary Funds:

Statement of Fiduciary Net Position – Pension Trust Funds	40
Statement of Changes in Fiduciary Net Position – Pension Trust Funds	41

<i>Notes to Financial Statements</i>	43
---	----

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances-

Budget and Actual – General Fund	109
Budget and Actual – ARPA Fund	112
Budget and Actual – Bayfront Community Redevelopment Agency	113
Budget and Actual – Impact Fee Trust Fund	114
Schedule of Changes in Net Pension Liability & Related Ratios – City of Palm Bay Retirement System	115

Table of Contents

(Continued)

Financial Section (Continued)

Schedule of Proportionate Share of Net Pension Liability – FRS Retirement System	118
Schedule of Proportionate Share of Net Pension Liability – Health Insurance Subsidy....	119
Schedule of Contributions – City of Palm Bay Retirement System.....	120
Schedule of Contributions – Florida Retirement System.....	123
Schedule of Contributions – Health Insurance Subsidy.....	124
Schedule of Investment Return – PB Police, Fire and General Retirement System	125
Schedule of Changes in Total OPEB Liability and Related Ratios.....	126
Notes to Required Supplementary Information.....	127

Other Supplementary Information

Budget Comparison Schedule – Debt Service Fund	131
Budget Comparison Schedule – GO Road Program Fund.....	132

Nonmajor Governmental Funds

Combining Balance Sheet – Nonmajor Governmental Funds.....	138
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	140

Budgetary comparison schedules:

Law Enforcement Trust Fund.....	144
Palm Bay Municipal Foundation Fund.....	145
Code Enforcement Fund	146
SHIP Program Fund.....	147
Community Development Block Grant Fund.....	148
HOME Grant Fund.....	149
Neighborhood Stabilization Program Fund.....	150
CDBG - CV Coronavirus Fund	151
Opioid Settlement Fund.....	152
Special Wellness Fund	153
Miscellaneous Donations Fund	154
Environmental Fee Fund	155
Community Investment Fund.....	156
I-95 Interchange Fund.....	157
Road Maintenance CIP Fund	158
Connector Road I-95 CIP Fund.....	159
FDEM Hurricane LAP Fund	160

Internal Service Funds:

Combining Statement of Net Position.....	163
Combining Statement of Revenues, Expenses and Changes in Net Position.....	164
Combining Statement of Cash Flows	165

Table of Contents

(Continued)

Financial Sections (continued)

Fiduciary Funds:

Combining Statement of Fiduciary Net Position	168
Combining Statement of Changes in Fiduciary Net Position	169

Statistical Section

Government-Wide Information:

Schedule 1 – Net Position by Component – Last Ten Fiscal Years	173
Schedule 2 – Change in Net Position – Last Ten Fiscal Years	174

Fund information:

Schedule 3 – Fund Balances of Governmental Funds – Last Ten Fiscal Years	176
Schedule 4 – Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	177
Schedule 5 – Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	178
Schedule 6 – Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	179
Schedule 7 – Principal Property Taxpayers	180
Schedule 8 – Property Tax Valuations, Levies and Collections	181
Schedule 9 – Ratios of Outstanding Debt by Type	182
Schedule 10 – Computation of Direct and Overlapping Bonded Debt – General Obligation Bonds	183
Schedule 11 – Pledged Revenue Coverage – Last Ten Fiscal Years	184
Schedule 12 – Demographic and Economic Statistics – Last Ten Fiscal Years	185
Schedule 13 – Principal Employers in the City of Palm Bay	186
Schedule 14 – Full-Time Equivalent City Government Employees by Function/ Program – Last Ten Fiscal Years	187
Schedule 15 – Capital Asset Statistics – Last Ten Fiscal Years	188
Schedule 16 – Operating Indicators by Function/Program – Last Ten Fiscal Years	189
Schedule 17 – Impact Fee Collections and Balances – Last Ten Fiscal Years	190
Schedule 18 – Utility Debt Service Applicable to Transportation Projects – Last Ten Fiscal Years	191
Schedule 19 – Historical Public Service Tax Receipts by Category – Last Ten Fiscal Years	192
Schedule 20 – Certified Gallons of Taxable Fuel Sold in Brevard County, Florida and Local Option Gas Tax Revenue – Last Ten Years	193
Schedule 21 – Distribution of Brevard County, Florida Local Option Gas Tax Revenues	194
Schedule 22 – Utilities Debt Service Coverage – Last Ten Fiscal Years	195
Schedule 23 – Utility Rate Comparison with Neighboring Utilities	196
Schedule 24 – Ten Largest Customers of the Water and Wastewater System	197

Table of Contents
(Continued)

Compliance Section

Schedule of Expenditures of Federal Awards and State Financial Assistance 199
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance ... 201

Reports

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 202

Report on Compliance for the Major Federal
Program and State Project and Report on Internal Control over Compliance 204

Summary Schedule of Prior Audit Findings Schedule of Findings and Questioned
Costs 207
Management Letter 211

Independent Accountants' Report 213



May 29, 2025

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

We are pleased to submit the Annual Comprehensive Financial Report of the City of Palm Bay, Florida, for the fiscal year ended September 30, 2024. The purpose of this report is to provide City Council, citizens, financial institutions, and others with detailed information concerning the financial condition and performance of the City of Palm Bay. This report is submitted pursuant to Florida Statutes Section 218.39, Chapter 10.550 of the Rules of the Auditor General of the State of Florida, and Section 4.05 of the City Charter.

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

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

As required by Florida Statutes and the City Charter, an audit of the City's Annual Comprehensive Financial Report was performed by Forvis Mazars, LLP, a firm of licensed, independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Palm Bay for the fiscal year ended September 30, 2024, are free of material misstatement. The audit involved examining on a test basis, evidence regarding the amounts and disclosures in the financial statements, evaluating the appropriateness of the accounting principles



used and the reasonableness of significant accounting estimates made by management and evaluating the overall financial statement presentation.

The independent auditor concluded, based on the audit, that the City's financial statements for the fiscal year ended September 30, 2024, are fairly stated in conformity with GAAP. This is the most favorable conclusion and is commonly known as an unmodified or "clean" opinion. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE CITY OF PALM BAY

The City of Palm Bay was incorporated in 1960 with a population of 2,808. Palm Bay is now the largest city in Brevard County, the 2nd largest in Central Florida and the 15th largest in Florida, with more than 142,359 residents in 88 square miles. The City is located centrally on Florida's east coast, midway between Jacksonville and Miami. Port Canaveral and Kennedy Space Center, the nation's premiere spaceport, are nearby.

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

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



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

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

ECONOMIC CONDITION AND OUTLOOK

The City of Palm Bay experienced strong growth in new single-family infill, subdivisions, multi-family development, and commercial redevelopment in 2024. This growth pattern is anticipated to continue into the near future. The City's increased efforts to foster a more open-for-business environment should result in new job-creating development and redevelopment of key commercial corridors.

Home values in Palm Bay has appeared to of leveled off compared to last year. Single-family homes' taxable values have stabilized as reported by the Brevard County Property Appraiser's assessed values. In 2024, Palm Bay average single-family home values decreased by 1.5 percent compared to 2023.

The City of Palm Bay's taxable assessed value for tax year 2024 increased by 15% from 2023. New construction, which represents improvement to real property that was not on the tax roll in the prior year, added \$691,747,467 to the tax roll. This is the tenth year in a row that the assessed valuations have shown steady growth.

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

As of September 2024, the city has completed paving 440 miles or 56% of the 791 miles of roadway as part of the Road Bond Paving.

A 2016 voter-approved city charter amendment limits City Council's ability to increase millage rates. The City Council is restricted from setting millage rates at a level that would result in total ad valorem revenue growth exceeding the prior year ad valorem revenue by more than three percent, unless approved by a supermajority vote when an emergency or critical need exists. In November 2022, citizens re-affirmed the three percent cap. Even with this change, rate increases within the statutory limit remain in the city's independent legal control. For the FY 25 budget, Council did impose the three percent cap, while lowering the millage rate from 7.0171 to 6.7339.



LONG-TERM FINANCIAL PLANNING

Financial planning stimulates discussion about the long-term impact of decisions made today and how the City can position itself strategically to deliver a stable level of essential services to our residents over time. In fiscal year 2023, the City received an upgrade to the City's Long-Term Rating to an AA-/Stable rating.

FINANCIAL POLICIES

The City continues to exceed its policy to maintain the unrestricted fund balance for the General Fund equivalent to a minimum of a 2-month annual expense of the subsequent fiscal year's budgeted expenditures less capital outlay and transfers out as adopted by ordinance. Additionally, the City Council approved a stabilization fund of 4% for emergency use. The minimum required unrestricted fund balance at the end of FY 2024 was \$15,434,236, plus \$1,987,619 for the City's stabilization fund. The actual Fund Balance was \$55,401,752, of which \$39,975,592 was Unassigned. The City's investment policy strives to protect capital first and foremost, while providing for daily cash needs and then investment earnings. The City's portfolio on September 30, 2024, was \$435,081,792 million, excluding investments of the fiduciary funds.

FY 2024 MAJOR INITIATIVES

Department Initiatives

The Building Department continually enhances its 100% paper-free online permit program with Intuitive Municipal Solutions (iMS) and has introduced e-Permit Hub to the program. This new feature allows for online digital plan reviews. The new feature will go live in March 2025. The Internship Program currently has 4 Plans Examiners, and 1 Inspector enrolled in the fields of Electrical, Plumbing, and Mechanical. The department has completed its transition of front-line vehicles on the road daily to 1 electric F-150, 2 Ford Explorer hybrids, 1 Ford Escape hybrid, and 17 Ford Maverick hybrids.

The Community & Economic Development Department has focused on encouraging redevelopment of key commercial corridors throughout the City awarding approximately \$48,257 in Commercial Property Enhancement Program grant funds to five (5) Palm Bay businesses, leveraging private investment and providing for improvements to the commercial frontage of local small businesses. As part of the quarterly Mayor's Business Spotlight, the City recognized Trattoria Bella, Amazing Glaze, Goff Orthodontics, and Marc's Auto. In April 2024, Palm Bay City Council adopted an addendum to the City of Palm Bay's Economic Development Strategic Plan providing an existing land use analysis report for an area of the Palm Bay known as 'the compound'. This analysis was conducted by the East Central Florida Regional Planning Council (ECFRPC) through a Memorandum of Understanding (MOU) and provided an analysis of land use characteristics of all properties located within the study area and an in-depth review of



prospective uses for the area including ecotourism, recreation, and manufacturing, among others. The Department continues to administer the City's Ad Valorem Tax (AVT) Abatement Program and Building Permit Fee Reduction Program for eligible commercial properties and affordable housing projects. The Department continues to administer the City's various State and Federal housing and community development entitlement grants providing continued support to non-profit public service agencies and public infrastructure improvement projects serving the City's low- and moderate-income population. Finally, the Department now houses a Veteran Services Officer, a contracted employee of the Veterans Administration located in Palm Bay City Hall to provide assistance to veterans. The department administers City's opioid settlement proceeds, awarding funding to public service agencies providing education, treatment, and prevention for Palm Bay residents and families impacted by opioid use disorder.

The Parks and Facilities Department has made significant investments in maintaining and updating existing City facilities and parks. A sampling of projects includes the replacement of the water chillers that service Police Headquarters and City Hall Annex, exterior renovations to Bill Madden Parks Restrooms, Castaway Restroom Renovations, completed design to improve electrical infrastructure at Fred Poppe Regional Park, elevator modification to improve safety, a new playground at West Pines Parks, and Veterans Park restroom and practice field renovations.

The Fire Rescue department created an Emergency Management Division to oversee and improve the City's overall emergency readiness. New Radios for the entire fire department have been purchased and placed in-service as required by the state mandate in preparation to operate on a digital platform prior to the deadline. The department purchased E-Hydraulic tools, and every frontline apparatus has a state-of-the-art set of battery operated "Jaws of Life".

Growth Management completed updates to the Land Development Code (LDC) aligning the changes with the guiding Goals, Objectives, and Policies of the City's Comprehensive Plan 2045. The updated LDC included making improvements to the City's website and iMS online application portal that assists streamlining processes for developers and residents and fostering interdepartmental cooperation. The department restructured existing positions creating a Code Officer 1 and Senior Planning Specialist for internal promotion opportunities. In addition, the department added a new FTE position – Engineer 1/Floodplain Manager, filled five Land Development positions and three Code Compliance positions. While Code Compliance redesigned office units to maximize performance of staff, Land Development created three new office spaces. This cooperative effort has shown measurable results:

- 129 Public Hearings (FLU, rezoning, code amendments, subdivisions, conditional uses, annexations, development agreements)
- 161 Administrative Reviews (site plans, RTAP, plats, variances, model homes)



- 7,486 Other (misc. structures, pre-app meetings, zoning reviews on building permits and business tax receipts, zoning verification letters)

The Human Resources Department is 100% Mental Health First Aid certified. All members of the Human Resources Department completed the Adult Mental Health First Aid certification program to receive their certification. The Health and Wellness Program was recently recognized as Cigna awarded the City of Palm Bay the GOLD Level Healthy Workforce Designation for 2024. The department established a dedicated team for Phase I of the City's new ERP System, focusing on business practice changes, data conversion, testing, and implementation of multiple modules, including HCM, Benefits, Talent, Absence Management, Time Tracking, and Compensation. This work is paving the way for a go-live date set for July 2025, with the new system—Workday.

The Information Technology Department implemented a Chatbot on the City's public-facing website. This initiative leverages AI (Artificial Intelligence) to provide real-time response regarding City services. The Chatbot can respond in 71 languages, which ensures visitors can communicate in their native language. The City continues to invest in innovative ways to provide residents, contractors, and visitors with a rich user experience when navigating the City's website.

The Police Department has enhanced its operational capabilities and support systems for both its personnel and the community it serves. In 2024, our impact in public safety has been to continue to increase awareness through community engagement and officer accountability through technology and outreach. The emphasis on body cameras and Red Speed School enforcement seems like a great way to enhance transparency and safety, especially for children. The launch of the Real Time Crime Center is also a major achievement, as it has strengthened the department's ability to respond quickly and effectively to emerging situations. Combined with the investment in the SWAT Truck and the summer program for underprivileged children, these initiatives show a commitment to both tactical preparedness and community enrichment.

The Procurement Department fully integrated the e-procurement software Bonfire for all its procurement requests. The application now serves as the central hub for managing the City's contracts, Certificate of Insurance (COI) tracking, and solicitations, streamlining processes for both City departments and vendors. To enhance vendor engagement and access, the Department hosted a Vendor Engagement Fair, which attracted 95 local and Palm Bay businesses interested in learning how to do business with the City.

Public Works completed numerous stormwater pipe replacement projects occurring in advance of the road program work. Box culverts were installed at Harper Blvd, Weldon Street and Rockabye Avenue. The pipelining program was continued, adding decades of life to existing lot lines and culvert pipes throughout the City. Seven baffle boxes were installed in various locations to reduce pollutant discharges into the Indian River Lagoon. Public Works met the requirements for the NPDES Permit, including the maintenance of our MS4 Systems. The GO Bond project has completed 440 miles or 56%



of roadways within the city. The Malabar Road Widening Project Development and Environment (PD&E) Study is complete, and a public hearing was hosted in November. Public Works installed a sidewalk along Nesbitt Street to benefit students attending the recently opened Pineapple Cove Academy.

The Recreation Department revitalized community engagement through a diverse and engaging calendar of programs and events, emphasizing inclusivity, active lifestyles, and cultural appreciation. Signature events such as the monthly concerts returned, providing regular entertainment for residents, while the Fall Fest, Veterans Day Parade, and Celebration, and Holiday Light Parade along a three-mile stretch of Malabar Road drew substantial crowds, reinforcing strong community participation. To promote health, wellness, and active lifestyles, the department hosted two golf tournaments, fifteen free Movies in the Park, and two 5K races, providing opportunities for residents to engage in recreational activities. Seasonal day camps at community centers continued to serve children and families, and the introduction of a new pickleball program, featuring monthly mixers, leagues, and youth initiatives, capitalized on the sport's growing popularity.

The Utilities Department continues to manage multiple significant projects to meet the water, and sewer demands of both existing and future customers. At the South Regional Campus, construction continues on the new South Regional Water Reclamation Facility (SRWRF) and the expansion of the South Regional Water Treatment Plant (SRWTP), both of which have experienced pandemic-related delays. At the North Regional Campus, the design for the expansion of the North Regional Water Treatment Plant is underway. In addition to infrastructure projects, the Utilities Department has made progress in regulatory compliance and monitoring efforts. The initial set of data for the Lead and Copper Rule Revisions (LCRR) service line material inventory was submitted. Required samples for the Unregulated Contaminant Monitoring Rule 5 (UCMR5) were completed, and sampling for PFAS chemicals has begun. Furthermore, claim forms were submitted for the Aqueous Film-Forming Foam (AFFF) Products Liability Litigation (MDL 2873).

FUTURE PROJECTS

The City continues to move forward with the construction of Building "E" on the City Hall Complex grounds. The building will be 3 stories and approximately 39,000 sq ft. The additional space will be used to meet the space needs of the Building, Utilities, and Information Technology Departments.

The Building Department is planning on moving into the new Building "E". This will allow the department to move back to the City Hall complex from a strip center across the street. The Community & Economic Development will continue to administer the City's CDBG, HOME, and SHIP entitlement funds, supporting both existing and new affordable housing. It will also oversee opioid settlement proceeds and lead economic development programs and initiatives that promote commercial and industrial growth, attract private capital investment, and create jobs. Additionally, the Department continues to coordinate with internal and external resource partners to pursue grant opportunities for critical



infrastructure that supports economic growth and quality of life. In 2025, it will continue working with the East Central Florida Regional Planning Council on two U.S. Environmental Protection Agency grant awards, a technical assistance project focused on 'the compound', and a Brownfields Assessment Grant for the environmental testing of critical parcels in Palm Bay.

Parks and Facilities projects include shoreline revetment and improvements at Castaways Point and Stearns Park, new basketball and tennis/ pickleball court surfaces at Liberty Park and Fred Lee Park, boardwalk replacements at Castaways and Goode Park, and renovations at Sacrifice Park. Additional projects include the Police Department roof replacement, elevator modernization at Building "B" and Police Headquarters, Fred Poppe Park Playground replacement, and a new generator at Public Works Building D to support emergency operations.

The Fire Department is in the process of building Fire Station 7, expected to be complete in Fall 2025. Fire Station 7 serves as a prototype for future stations, helping streamline design, reduce costs, and save time. Temporary Fire Station 9, which is going in the SE part of the city, will be completed later this fiscal year. Fire Station 8, planned for northwest Palm Bay near St. Johns Heritage Parkway and Malabar Road, is in the design phase.

Growth Management continues to work on process improvement initiatives, including Pre-Application Meetings, Concurrency/Level of Service indicators for all development applications, site work inspections, Phase 2 Land Development Code updates, and integrating the Digital Plan Room with iMS. Code Compliance continues to educate residents on City ordinances and supports the City Attorney's Office by identifying nuisance and foreclosed properties. The Department also invests in staff development through budgeted training, seminars, and mentoring.

The Human Resources Department plans to launch the HR portion of Workday and complete all necessary training certifications, required security measures, and develop policies to transition from name-based to FDLE and FBI fingerprint-based criminal background checks at both the local and national levels. Additionally, new leadership training will be introduced for all levels of supervisors and managers to strengthen team management and leadership skills.

The Information Technology Department is planning on systematically moving the department over to the new Building "E" and launching Phase II of the ERP system that includes Finance and Procurement.

The Police Department remains proactive in meeting the demands of Palm Bay's rapid growth, with a continued focus on increasing staffing, especially in the Southeast and Northwest sectors, to ensure effective and responsive public safety. The division of the South District into Southeast and Southwest areas will allow for more targeted resource deployment based on regional needs.



To better serve the community, the City and Police Department should begin planning for a new headquarters. The current facility is outdated and no longer meets the operational, technological, or space requirements of a modern law enforcement agency. A new building would support future growth, improve efficiency, and enhance public safety services. Key projects like the Police Range and the development of a multipurpose training center reflect the department's commitment to advanced training and evolving policing practices. As law enforcement tools and tactics continue to evolve, modern facilities are essential for maintaining readiness and community safety.

The Procurement Department is focused on establishing accessible consultant contracts for City use, successfully soliciting a library for multiple disciplines, and a Construction Manager at Risk library, which will be awarded soon.

Public Works has completed all of Phases 1, 2, and 3 of the road bond projects. The remaining Phase 4 projects are scheduled to go out to bid in FY 25. A maintenance plan is in place to extend the life of newly paved roads. Stormwater crews will continue installing pipes ahead of Phase 4 paving and are also lining failing pipes citywide to extend their service life. Construction is underway at the Babcock Street at St. Johns Heritage Parkway intersection to add turn lanes and mast arm traffic signals, with completion expected by April. Stormwater Utility funds will support the spin casting repair of the drainage structures under Malabar Road. Engineering design is underway for the widening of St. Johns Heritage Parkway from Malabar Road to North of Emerson Drive using State allocated funding along with Transportation Impact Funding. We anticipate receiving Federal funds from the Local Agency Program through the Florida Department of Transportation to design the widening of Malabar Road from Minton to St. Johns Heritage Parkway. Public Works will use CDBG funding to construct a sidewalk on Eldron Blvd from Diane Avenue to San Filippo Drive enhancing pedestrian safety in the southeast. Additionally, Florida Department of Environmental Protection grant funding will support the installation of more Nutrient Separating Baffle Boxes to reduce pollutants in the Indian River Lagoon. Over the next five years, stormwater utility and grant funds will also support water quality improvements outlined in the Turkey Creek Restoration Feasibility Study.

The Recreation Department remains committed to expanding and enhancing recreational programs to meet the evolving needs of the community. The department will continue to diversify its programming across community centers, the aquatic center, and city parks, ensuring that residents of all ages have access to quality recreational opportunities. Plans for FY 2025 include the introduction of new family-oriented events, such as semi-formal dances, designed to offer unique social and recreational experiences. Additionally, enhancements to the city's day camp programs will be implemented to provide a more enriching and structured experience for participants. A key focus for the upcoming year will be strengthening private-public partnerships to support expanded programming, sponsorship opportunities, and additional resources for community initiatives. Increased staff training initiatives will also be prioritized to ensure that personnel remain equipped



with the latest skills and certifications to enhance program delivery. Furthermore, the department will work closely with the Parks and Facilities Department to explore recreational facility upgrades. By maintaining a strong commitment to program innovation, community engagement, and accessibility, the Recreation Department aims to elevate Palm Bay's quality of life and ensure sustainable growth in recreational opportunities for all residents.

The Utilities Department will continue to focus on major construction activities throughout FY25. The South Regional Water Treatment Plant expansion from 6.0 MGD to 8.0 MGD has been designed and is currently out to bid, with construction expected to be completed by the end of 2026. The expansion of the South Regional Water Reclamation Facility from 1.0 MG to 2.0 MG is in the design phase. Various rehabilitation and repair projects are also planned or underway to ensure the department can continue to meet the needs of existing and future customers. At the North Regional Campus, the North Regional Water Treatment Reverse Osmosis Plant is currently in design, and efforts are underway to secure a Construction Manager at Risk contractor. The first phase of this project will provide a capacity of 3.3 MGD, with construction expected to be completed in 2027. The Utilities Department has been working closely with the Florida Department of Environmental Protection to ensure compliance with the requirements of FDEP's Final Order in OGC Case No. 23-0112 to 0135. As a result of this collaboration, a new permit has been issued, confirming that no significant upgrades will be required at the North Regional Wastewater Treatment Plant. However, increased targets have been established for the North Regional Water Reclamation Facility, which will need to be addressed.

Although the City's Basin Management Action Plan obligations may still create financial impacts, such as sewer mainline extensions, targeted wastewater treatment plant modifications, and major private septic upgrades, efforts will remain closely coordinated with the appropriate agencies to ensure compliance and successful implementation.

AWARDS

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Palm Bay for its Annual Financial Report for the fiscal year ended September 30, 2023. This was the 39th consecutive year that the City has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Government Finance Officers Association of the United States and Canada presented an award for Distinguished Budget Presentation to the City of Palm Bay for its annual budget for the fiscal year beginning October 1, 2023, for the 35th year. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.



ACKNOWLEDGEMENTS

The preparation of this report has been accomplished with the efficient and dedicated service of the City's Finance and Accounting staff. I would like to express my appreciation to all members of the Finance Department staff, as well as other staff members who contributed to its preparation. I would also like to thank the Mayor and City Council for their continued support of City staff as we work to build a strong foundation to achieve our City's mission to provide quality services, promote economic growth, and ensure a safe and secure environment for Palm Bay residents and the public.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "L. Wojciechowski".

Larry Wojciechowski
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Palm Bay
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

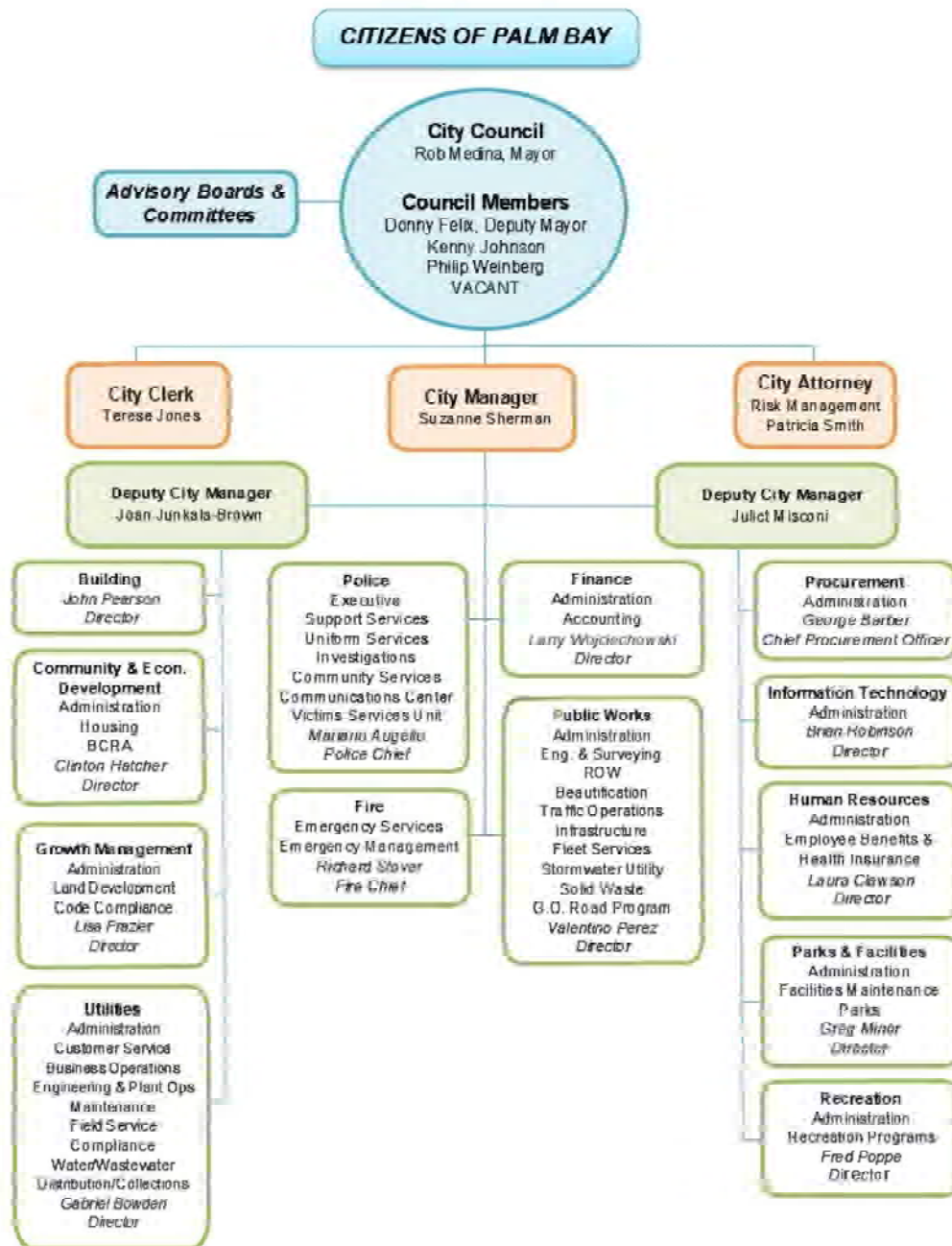
September 30, 2023

Christopher P. Morrill

Executive Director/CEO

FY 2024 CITY OF PALM BAY ORGANIZATIONAL STRUCTURE

CITY OF PALM BAY, FLORIDA



LIST OF PRINCIPAL OFFICIALS

As of 9/30/2024

MAYOR	ROB MEDINA
DEPUTY MAYOR	DONNY FELIX
COUNCIL MEMBER, SEAT #3	PHILIP WEINBERG
COUNCIL MEMBER, SEAT #4	KENNY JOHNSON
COUNCIL MEMBER, SEAT #5	VACANT
CITY ATTORNEY	PATRICIA SMITH
CITY CLERK	TERESE JONES
CITY MANAGER	SUZANNE SHERMAN
DEPUTY CITY MANAGER	JOAN JUNKALA-BROWN
DEPUTY CITY MANAGER	JULIET MISCONI
CHIEF BUILDING OFFICIAL	JOHN PEARSON
CHIEF PROCUREMENT OFFICER	GEORGE BARBER
COMMUNITY & ECONOMIC DEVELOPMENT DIRECTOR	CLINTON HATCHER
FINANCE DIRECTOR	LARRY WOJCIECHOWSKI
FIRE CHIEF	RICHARD STOVER
GROWTH MANAGEMENT DIRECTOR	LISA FRAZIER
HUMAN RESOURCES DIRECTOR	LAURA CLAWSON
INFORMATION TECHNOLOGY DIRECTOR	BRIAN ROBINSON
PARKS & FACILITIES DIRECTOR	GREG MINOR
POLICE CHIEF	MARIANO AUGELLO
PUBLIC WORKS DIRECTOR - ACTING	VALENTINO PEREZ
RECREATION DIRECTOR	FRED POPPE
UTILITIES DIRECTOR	GABRIEL BOWDEN

Independent Auditor's Report

Honorable Mayor and City Council
City of Palm Bay, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Palm Bay, Florida (the "City") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Police and Firefighters' Retirement System, which represent 73%, 76%, and 49% of the assets, net position, and revenues of the aggregate remaining fund information as of September 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Police and Firefighters' Retirement System, are based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Forvis Mazars, LLP

**Orlando, Florida
May 29, 2025**

The City of Palm Bay, Florida's (the "City") Management's Discussion and Analysis (the "MD&A") presents this overview and analysis of the City's financial activities for the fiscal year ended September 30, 2024. Please read it in conjunction with the letter of transmittal in the introductory section, and the City's financial statements following the MD&A.

Financial Highlights

On September 30, 2024, assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2024 by \$481.8 million (net position).

- Governmental funds reported combined ending fund balances of \$234.1 million, as compared to \$212.1 million as of September 30, 2023.
- General Fund reported an *unassigned* balance of \$40.0 million or 42.9% of the total 2024 General Fund expenditures and transfers out.
- Outstanding long-term debt decreased by \$9.35 million during fiscal year 2024. This was primarily due to a reduction in Utility series 2001 bonds and utilities series 2016 note.
- The City's business-type activities reported total net position of \$290.6 million, which is an increase of \$32.7 million in comparison to the prior year. Approximately 19.3% of the total, or \$56.9 million, is *unrestricted*.

Overview of the Financial Statements

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

- 1) government-wide financial statements,
- 2) fund financial statements, and
- 3) notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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



Government-wide financial statements

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

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

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

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

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

Fund financial statements

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

Governmental funds

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

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

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

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

Proprietary funds

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

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

The City's proprietary fund financial statements are presented on pages 34-39.

Fiduciary funds

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

The City's fiduciary fund financial statements are presented on pages 40-41.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 42-106 of this report.

Other information

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$481.8 million at the close of the fiscal year ended September 30, 2024. At the end of the fiscal year, the City is able to report positive balances in two categories of net position, both in business-type activities and government as a whole.

As shown in the table below, the largest portion of the City's net position \$265.9 million or (55%) reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets, except for some properties held for resale, are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City has *restricted net position* of \$174.7 million for capital improvement projects and special revenues. These resources are subject to external restrictions on how the funds may be used. Unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The City had \$41.2 million of unrestricted net position as of September 30, 2024.

There was a net increase of \$30.72 million in net position regarding the City's governmental activities.

There was a net increase of \$32.7 in net position reported regarding the City's business-type activities, which include the Utilities Fund, Solid Waste Fund, Stormwater Utility Fund and the Building Inspections Fund. A detailed explanation is provided on page 14 of this report.

Net Position

	Governmental Activities		Business-type Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	304,064,566	282,170,683	160,974,038	128,589,296	465,038,604	410,759,979
Capital Assets (Net)	213,250,909	199,948,217	199,046,675	186,855,401	412,297,584	386,803,618
Total Assets	517,315,475	482,118,900	360,020,713	315,444,697	877,336,188	797,563,597
Deferred Outflow of Resources						
Unamortized loss on refunding	13,291,285	14,185,687	—	74,757	13,291,285	14,260,444
Deferred Outflows for Pensions	15,931,802	36,170,127	—	—	15,931,802	36,170,127
Deferred Outflows for OPEB	1,415,199	1,961,543	446,903	619,435	1,862,102	2,580,978
Total Deferred Outflows of Resources	30,638,286	52,317,357	446,903	694,192	31,085,189	53,011,549
Current and Other Liabilities	28,256,272	31,212,847	23,346,625	14,901,254	51,602,897	46,114,101
Long-Term Liabilities	320,769,418	334,020,620	46,006,180	42,674,489	366,775,598	376,695,109
Total Liabilities	349,025,690	365,233,467	69,352,805	57,575,743	418,378,495	422,809,210
Deferred Inflow of Resources						
Deferred Inflows from Refunding	141,546	153,341	—	—	141,546	153,341
Deferred Inflows Related to Pensions	901,060	1,236,520	—	—	901,060	1,236,520
Deferred Inflows Related to OPEB	1,570,280	1,974,415	495,875	623,497	2,066,155	2,597,912
Deferred Inflows Related to Leases	5,099,989	5,347,327	—	—	5,099,989	5,347,327
Total Deferred Inflows of Resources	7,712,875	8,711,603	495,875	623,497	8,208,750	9,335,100
Net Position:						
Net Investment in Capital Assets	105,360,794	101,315,534	160,565,158	169,305,206	265,925,952	270,620,740
Restricted	101,566,512	68,182,257	73,141,700	69,237,638	174,708,212	137,419,895
Unrestricted (Deficit)	(15,712,113)	(9,006,604)	56,912,083	19,396,807	41,199,970	10,390,203
Total Net Position*	\$ 191,215,193	\$ 160,491,187	\$ 290,618,941	\$ 257,939,651	\$ 481,834,134	\$ 418,430,838

There was an overall increase in the City’s net position of \$63.4 million which primarily resulted additions to construction in progress for utilities water plant expansion and various infrastructure projects. A comparative analysis of government-wide changes in net position is as follows:

	Governmental Activities		Business-type Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues						
Charges for Services	\$ 32,737,360	\$ 32,097,079	\$ 74,745,222	\$ 70,127,095	\$ 107,482,582	\$ 102,224,174
Operating Grants and Contributions	6,727,475	5,929,855	—	93,838	6,727,475	6,023,693
Capital Grants and Contributions	3,200,000	556,609	\$15,691,268	10,116,972	18,891,268	10,673,581
General Revenues						
Property Taxes	61,967,137	56,145,684	—	—	61,967,137	56,145,684
Other Taxes	28,347,610	27,625,724	—	—	28,347,610	27,625,724
Other	32,363,455	28,011,642	6,865,872	4,567,146	39,229,327	32,578,788
Total Revenues	165,343,037	150,366,593	97,302,362	84,905,051	262,645,399	235,271,644
Expenses:						
General Government	32,669,094	26,682,060	—	—	32,669,094	26,682,060
Public Safety	61,963,714	57,713,891	—	—	61,963,714	57,713,891
Physical Environment	715,987	655,120	—	—	715,987	655,120
Transportation	22,552,652	14,129,877	—	—	22,552,652	14,129,877
Economic Environment	5,251,951	4,942,951	—	—	5,251,951	4,942,951
Culture/Recreation	3,204,066	2,975,379	—	—	3,204,066	2,975,379
Interest on Long-Term Debt	8,308,168	6,312,137	—	—	8,308,168	6,312,137
Water and Wastewater	—	—	31,418,028	27,544,424	31,418,028	27,544,424
Building Inspections	—	—	5,195,612	4,812,291	5,195,612	4,812,291
Stormwater	—	—	12,717,382	5,949,957	12,717,382	5,949,957
Solid Waste	—	—	15,245,448	13,859,494	15,245,448	13,859,494
Total expenses	134,665,632	113,411,415	64,576,470	52,166,166	199,242,102	165,577,581
Change in Net Position before transfers	30,677,405	36,955,178	32,725,892	32,738,885	63,403,297	69,694,063
Transfers	46,601	1,427,781	(46,601)	(1,427,781)	—	—
Change in Net Position	30,724,006	38,382,959	32,679,291	31,311,104	63,403,297	69,694,063
Net Position, beginning of year	160,491,187	122,108,228	257,939,650	226,628,546	418,430,837	348,736,774
Net Position, end of year	\$ 191,215,193	\$ 160,491,187	\$ 290,618,941	\$ 257,939,650	\$ 481,834,134	\$ 418,430,837

Governmental Activities

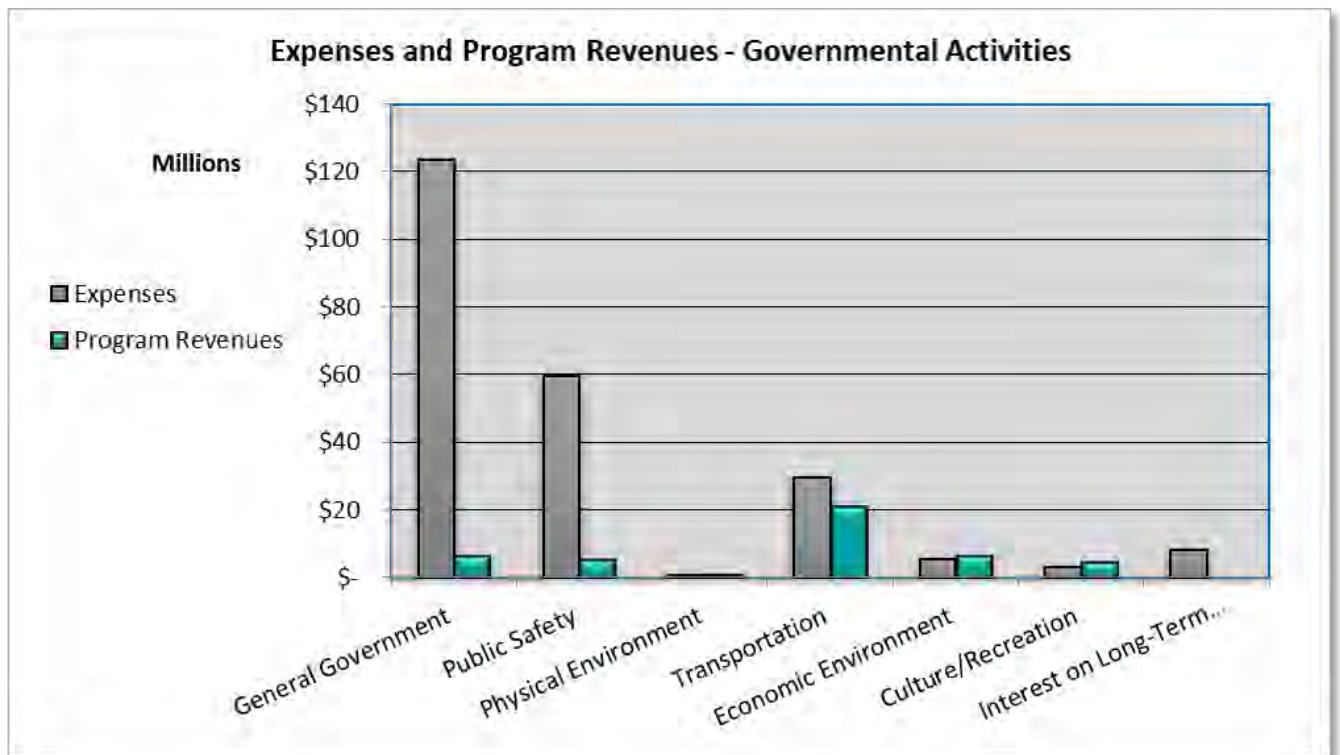
Governmental activities increased the City’s net position by \$30.7 million, and revenues from governmental activities increased by \$15 million or 10.0%. The main reasons were (a) increase in charges for services. In particular impact fees from construction and development. (b) Property tax collection based on increases in assessed valuation.

The following tables show the components of program and general revenues as a percentage of total governmental activities by function. General Government had the largest allocation at 24.3%, which includes administrative activities, followed by Public safety which includes police and fire at 46.0% . Allocations to transportation activities which is predominately public works related transactions accounted for 16.7% of the allocation.

Expenses and Program Revenues - Governmental Activities

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
General Government	\$ 32,669,094	24.3 %	\$ 6,206,144	14.5 %	\$ (26,462,950)
Public Safety	61,963,714	46.0 %	4,841,518	11.3 %	(57,122,196)
Physical Environment	715,987	0.5 %	769,088	1.8 %	53,101
Transportation	22,552,652	16.7 %	20,491,826	48.0 %	(2,060,826)
Economic Environment	5,251,951	3.9 %	6,194,380	14.5 %	942,429
Culture/Recreation	3,204,066	2.4 %	4,161,879	9.8 %	957,813
Interest on Long-Term Debt	8,308,168	6.2 %	—	0.0 %	(8,308,168)
	\$ 134,665,632	100 %	\$ 42,664,835	100 %	\$ (92,000,797)

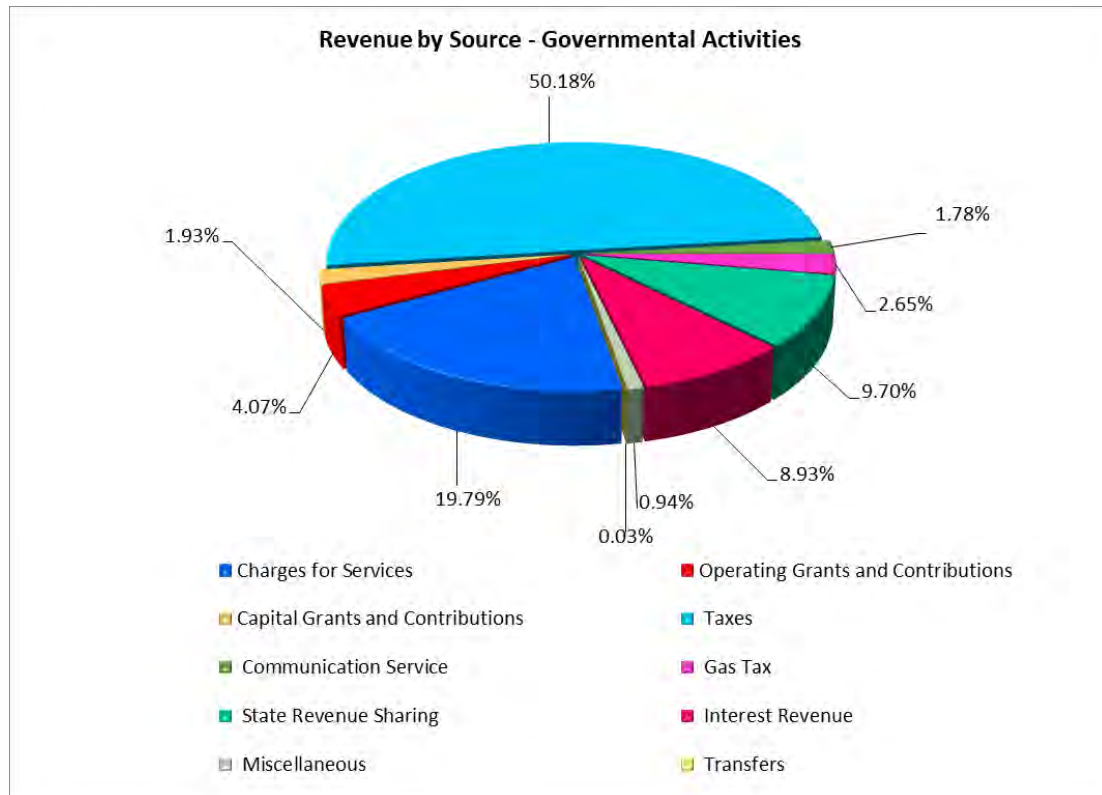
The following chart compares expenses and program revenues for the governmental activities:



The following table and chart show revenues by source of governmental activities by percent of total revenues. Property taxes accounted for 37.47% of the revenues used to fund governmental functions. Combined revenue from other forms of taxes totaled 17.14%, while state revenue sharing sources provided 9.70% of the total revenue source.

Revenue by Source - Governmental Activities

Program Revenues	Revenues	% of Total
Charges for Services	\$ 32,737,360	19.79 %
Operating Grants and Contributions	6,727,475	4.07 %
Capital Grants and Contributions	3,200,000	1.93 %
General Revenues		
Property Tax	61,967,137	37.47 %
Franchise Fees	8,189,409	4.95 %
Utility Service Tax	12,832,319	7.76 %
Communication Service Tax	2,935,974	1.78 %
Gas Tax	4,389,908	2.65 %
State Revenue Sharing	16,043,272	9.70 %
Interest Earnings	14,770,443	8.93 %
Miscellaneous	1,549,740	0.94 %
Transfers	46,601	0.03 %
	<u>\$ 165,389,638</u>	<u>100.00 %</u>



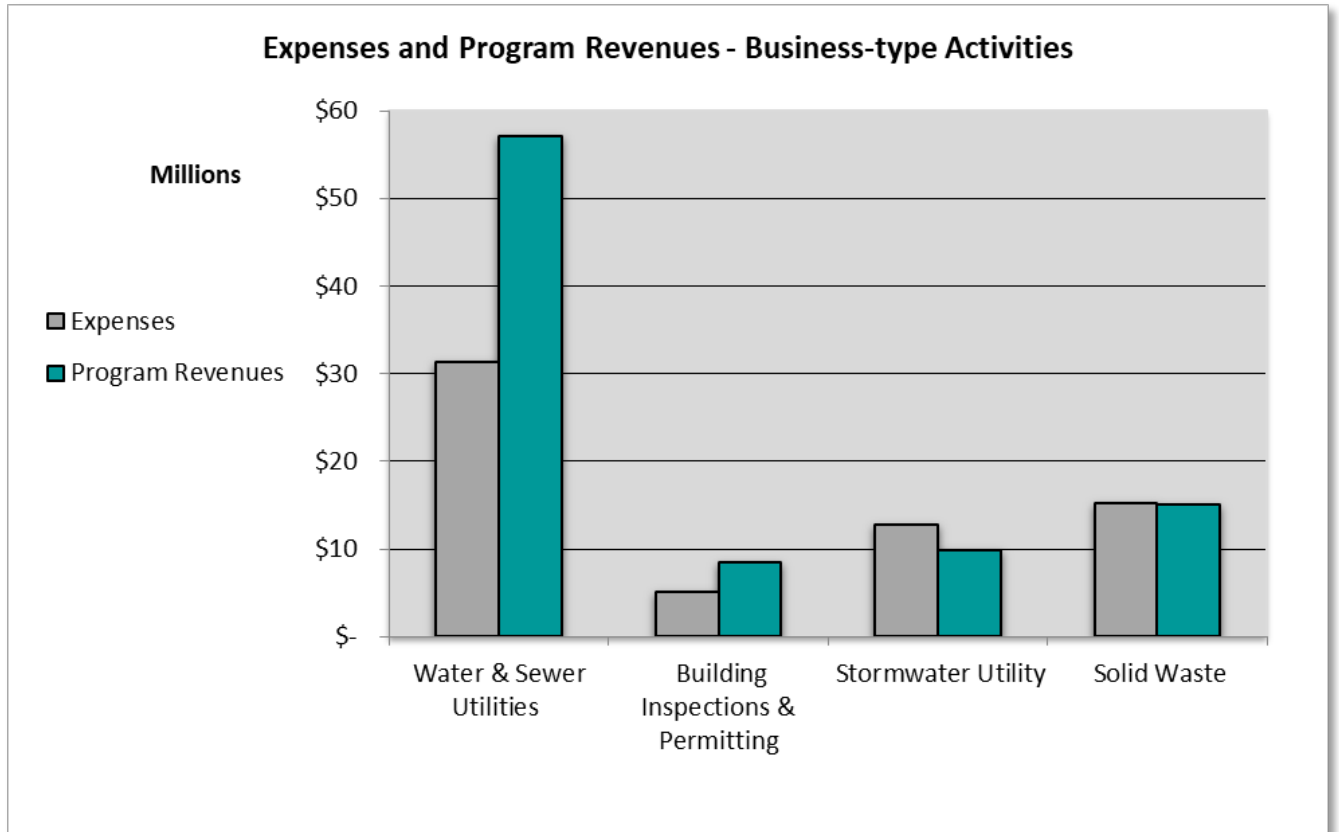
Business-type activities

As previously mentioned, business-type activities increased the City’s total net position by \$32.7 million. This change resulted in large part from increased water and sewer mainline contribution, solid waste collections and building permit fees arising from construction.

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

Expenses and Program Revenues - Business-type Activities

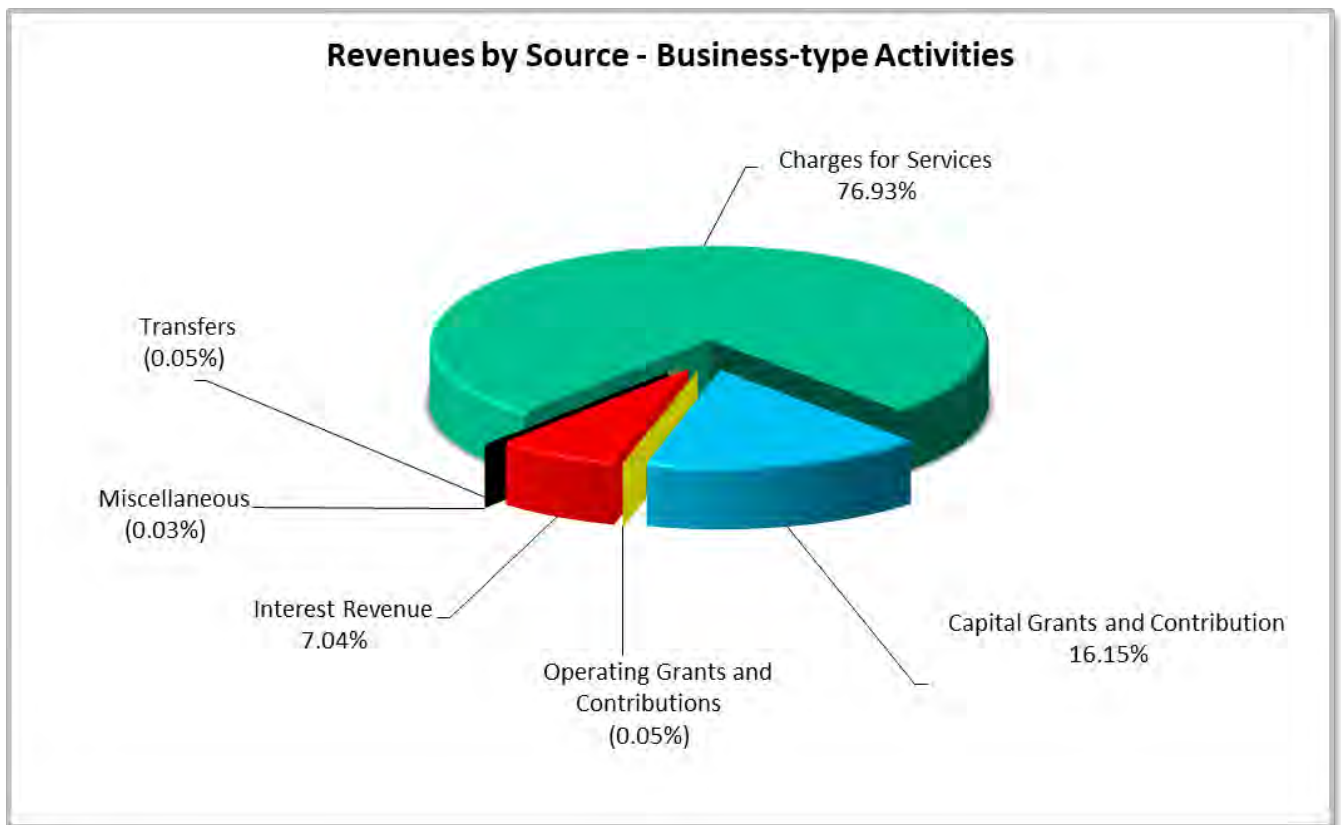
Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
Water & Sewer Utilities	\$ 31,418,028	48.7 %	\$ 57,064,955	63.1 %	\$ 25,646,927
Building Inspections & Permitting	5,195,612	8.0 %	8,495,634	9.4 %	3,300,022
Stormwater Utility	12,717,382	19.7 %	9,814,716	10.9 %	(2,902,666)
Solid Waste	15,245,448	23.6 %	15,061,185	16.7 %	(184,263)
	\$ 64,576,470	100 %	\$ 90,436,490	100 %	\$ 25,860,020



As shown in the table and chart below, the primary revenue source for business-type activities was charges for service. This category is comprised of water and sewer, stormwater, solid waste and building inspection fees. Charges for services accounted for 76.85% of the total business-type activity revenue stream. Capital grants and contributions accounted for 16.13% of the revenue pool.

Revenues by Source - Business-type Activities

Source	Revenue	% of Total
Charges for Services	\$ 74,745,222	76.85 %
Capital Grants and Contributions	15,691,268	16.13 %
Operating Grants and Contributions	—	— %
Interest Revenue	6,844,448	7.04 %
Miscellaneous	21,424	0.02 %
Transfers	(46,601)	(0.05)%
	<u>\$ 97,255,761</u>	<u>100.00 %</u>



Financial Analysis of the City's Funds

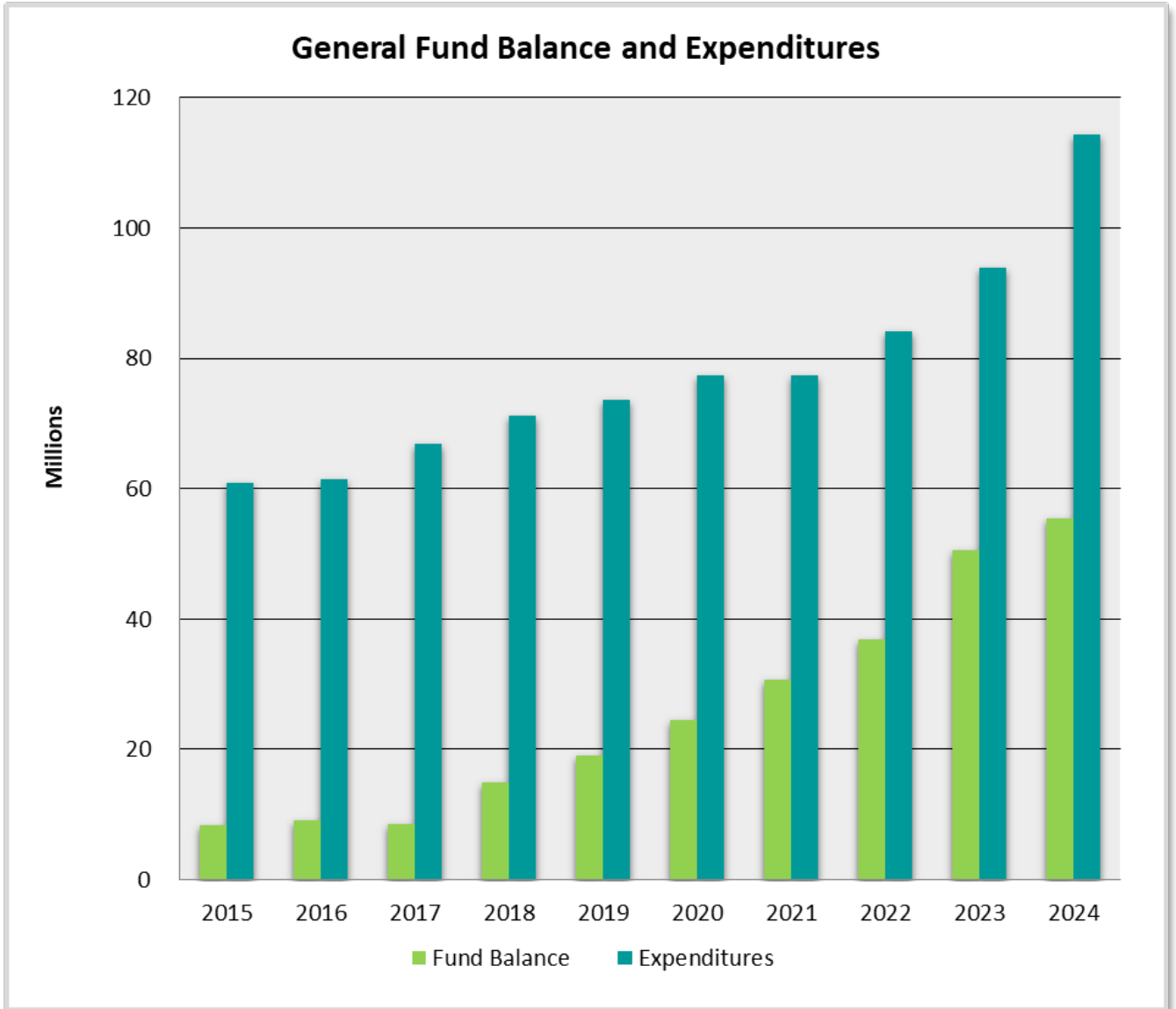
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

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

As of the end of fiscal year 2024, the City's governmental funds reported combined ending fund balances of \$234.1 million, an increase of \$22 million in comparison with the prior year. This increase is principally due to impact fee revenues from construction growth and expansion. Additionally, the City experienced increases in most tax categories above projections. *Non-Spendable* fund balance is \$12,733 and is comprised of prepaid items and inventory. *Restricted* fund balance is \$99.5 million and represents 42.5% of the total fund balance. *Committed* fund balance was \$89.1 million. *Assigned* fund balance is \$5.8 million. *Unassigned* fund balance, which is the residual, had a balance of approximately \$39.7 million.

The General Fund is the chief operating fund of the City. At the end of fiscal year 2024, *unassigned* fund balance of the General Fund was \$40.0 million, while total fund balance reached \$55.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both *unassigned* fund balance and total fund balance to total fund expenditures and transfers out. The City's General Fund, fund balance increased is primarily a result of ad valorem revenues which are based on Brevard County assessed property valuations. The City's ad valorem rate is restricted to an increase of not more than three percent (3.00%) over the budgeted revenue for the previous fiscal year. FY24 revenues from ad valorem taxes was approximately 19% over FY23. A secondary reason for the increase in fund balance is due to state revenue sharing such as half-cent sales tax, sales and uses taxes. In January 2021, the City amended its Fund Balance Policy in accordance with Resolution 2021-03 which supersedes Resolution 2011-34. The Policy established stabilization funds allowing the City to set aside committed funds for unexpected revenue shortfall or budget deficits. The City will maintain a permanent Emergency Contingency Fund with an annual assignment of balance of 4% on unrestricted fund balance. The General Fund committed fund balance of \$13.5 million, includes \$1.98 million in accordance with Resolution 2021-03. Further details and General Fund budgetary highlights can be found pages 18 - 19 of this report.



The Bayfront Community Redevelopment Agency Fund (BCRA) is used to account for ad valorem tax increment revenues accumulated for the community development areas where taxes were assessed. BCRA fund balance increase by \$372,364 in fiscal year 2024 to \$3.04 million.

The Debt Service Fund is used to accumulate resources for the payment of principal and interest of City bonds, notes, and lease obligations. At the end of fiscal year 2024, Debt Service Fund has a restricted net position of \$6.5 million.

GO Road Program Fund is used to account for proceeds from the City’s General Obligation Bonds, Series 2019, 2021 and 2023. These funds have been designated to overhaul and revitalize the City’s roadways. At the end of fiscal year 2024, the overall restricted net position of the GO Road Program Fund was \$64.5 million.

The Impact Fee Fund accounts for revenues generated from new development and used for the acquisition and or improvement of police, fire, and recreation facilities in addition to expansion of the City’s major road network system. At the end of fiscal year 2024, the Impact Fee Fund had a restricted net position of \$88.1 million.

The ARPA (American Rescue Plan Act) Fund accounts for a federal grant issued to offset revenue loss due to COVID-19, pay premium for essential workers and invest in broadband infrastructure. The City was awarded a second tranche of \$9.0 million for varied purposes in FY22. Over the past four years, \$9.0 million has been expended. The remaining grants funds of approximately \$9 million are designated as unearned revenue. The ARPA fund recognized revenue equal to its expenditures, therefore in FY24 a zero-fund balance was realized.

Enterprise funds

The City's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. The City has four enterprise funds, of which Utilities, Stormwater Utility and Solid Waste are major funds. Building Inspections is a non-major fund. *Unrestricted* net position of the enterprise funds at the end of the year were \$56.9 million. The total net position of the Utilities Fund, increased by \$30.3 million in fiscal year 2024. Stormwater's net position of \$27.3 million is a \$(2.1) million decrease over fiscal year 2024. Solid Waste's net position is \$331,493, which is a decrease of \$108,208 from fiscal year 2023. The City increased its user fee collections in FY24 which generated additional revenue; however, it was offset by an increase in third-party administrative costs. There continues to be significant activities in residential and commercial construction. Due to the volume of permits and other building service, the Building Inspection Fund experienced an increase in net position of \$4.6 million over fiscal year 2023 and ended the fiscal year with a restricted net position of \$22.8 million.

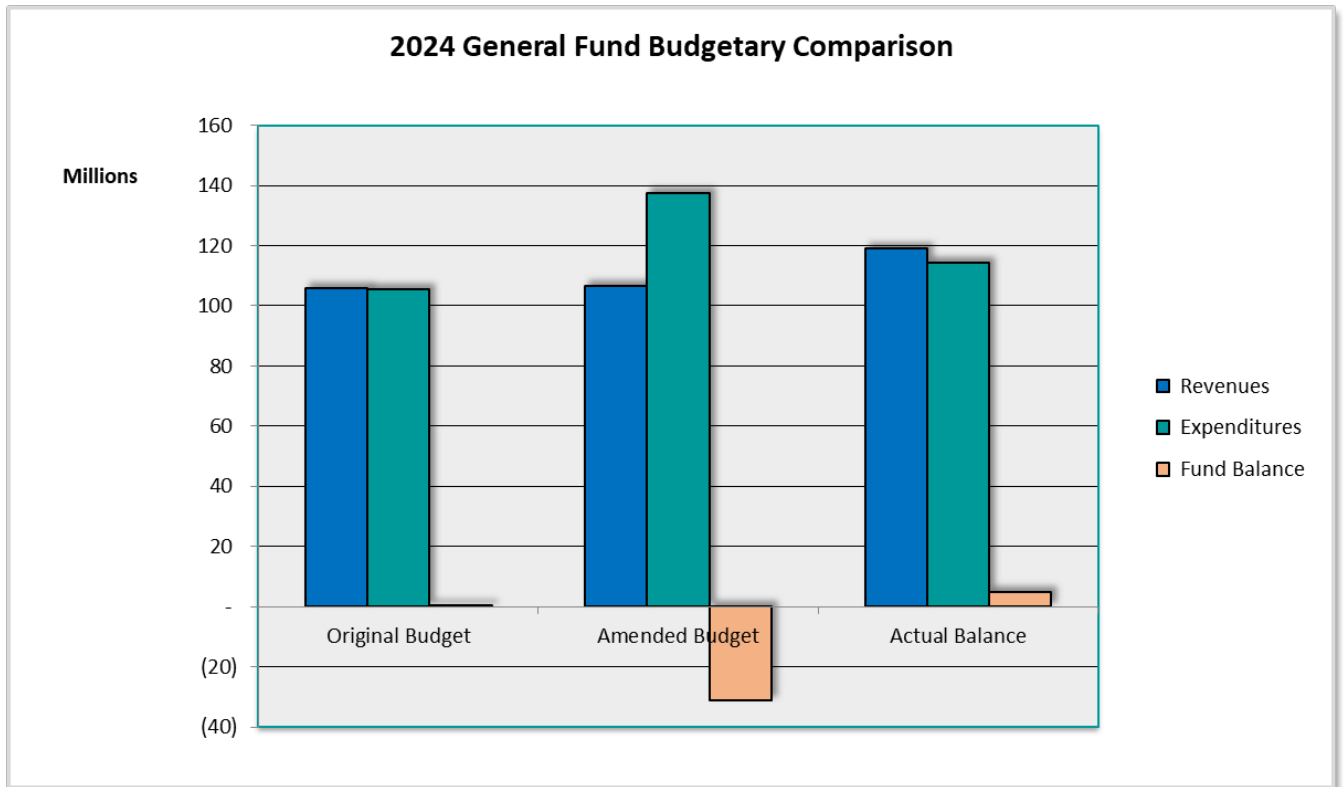
General Fund Budgetary Highlights

General Fund original budgeted revenue of \$105,850,960 is \$12.5 million more than the prior year. The total final budgeted revenues were less than actual revenues by \$8.9 million. Several revenue streams such as local option gas tax, franchise fees and state revenue sharing recognized larger receipt than originally projected.

General Fund original budgeted expenditures total \$105,850,960, representing an increase of \$12.5 million from FY 2023. Actual expenditures were \$23.6 million less than final budget.

The budget is based upon an estimated unassigned fund balance as of September 30, 2023 of \$43,206,318. The minimum fund balance for FY24, as established by administrative code, is \$15,434,236 and adheres to the stipulations of Resolution 2021-03 requiring a minimum fund balance of two months of regular budgetary General Fund operating expenditures (excluding capital and transfers).

The City generated positive/(negative) variances in the General Fund. There was a cumulative positive variance of approximately \$35.9 million between the final adopted budget and actual results of operations.



The FY 24 adopted millage rate was 7.0171 mills and 6.7339 for FY25.

Capital Asset and Debt Administration

Capital Assets

The City’s total investment in capital assets for its governmental and business-type activities as of September 30, 2024 is \$412.3 million (net of accumulated depreciation/amortization). Investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure, construction in progress and right to use assets.

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

	Governmental Activities		Business-type Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
Land	\$ 16,235,288	\$ 16,119,887	\$ 5,138,205	\$ 5,138,205	\$ 21,373,493	\$ 21,258,092
Construction in Progress	34,594,701	50,830,741	56,807,766	47,990,827	91,402,467	98,821,568
Buildings and Improvements	38,635,505	36,950,559	10,338,704	9,148,841	48,974,209	46,099,400
Water and Sewer System	—	—	202,123,445	200,875,172	202,123,445	200,875,172
Machinery and Equipment	37,615,521	34,261,072	17,332,952	13,022,808	54,948,473	47,283,880
Infrastructure	225,353,789	188,945,013	12,310,653	12,255,297	237,664,442	201,200,310
Right to Use Asset - Building	—	—	561,503	561,503	561,503	561,503
Right to Use - SBITA	7,630,671	1,950,817	2,202,837	—	9,833,508	1,950,817
	360,065,475	329,058,090	306,816,066	288,992,653	666,881,541	618,050,742
Less: Accum. Depreciation/Amortization	(146,814,566)	(129,109,873)	(107,769,384)	(102,137,246)	(254,583,950)	(231,247,119)
Capital Assets, net	\$ 213,250,909	\$ 199,948,217	\$ 199,046,682	\$ 186,855,407	\$ 412,297,591	\$ 386,803,623

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

- Completed transportation project related to road maintenance, rejuvenation and reconstruction totaled \$14.4 million.
- Road construction projects still in progress at the end of the year totaled \$43.5 million.
- Water and sewer improvement projects in progress during the year totaled \$20.3 million.

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

Long-term debt

At the end of fiscal year 2024, the City had total long-term liabilities of \$353.8 million. Of this amount \$88.0 million is secured solely by specified revenue sources (i.e., revenue bonds, revenue notes).

Outstanding Long-Term Debt and Claims Payable

	Governmental Activities		Business-type Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
General Obligation Bonds	\$ 145,909,918	\$ 150,410,120	\$ —	\$ —	\$ 145,909,918	\$ 150,410,120
Revenue Bonds	62,129,802	64,814,167	2,927,853	3,448,917	65,057,655	68,263,084
Notes Payable	13,374,000	14,944,000	9,566,000	10,842,000	22,940,000	25,786,000
State Revolving Fund Loan	—	—	19,355,253	15,049,579	19,355,253	15,049,579
Financed Purchase Payable	4,287,189	4,718,976	—	—	4,287,189	4,718,976
SBITA Payable	3,788,063	1,000,341	1,186,772	—	4,974,835	1,000,341
Lease Liability	—	—	361,257	434,053	361,257	434,053
Net Pension Liability	69,289,430	78,282,082	—	—	69,289,430	78,282,082
OPEB Liability	10,504,067	9,893,043	3,317,074	3,124,118	13,821,141	13,017,161
Compensated Absences	6,731,728	6,204,859	1,326,728	1,245,484	8,058,456	7,450,343
Claims Payable	4,755,220	3,753,031	—	—	4,755,220	3,753,031
	\$ 320,769,417	\$ 334,020,619	\$ 38,040,937	\$ 34,144,151	\$ 358,810,354	\$ 368,164,770

Outstanding Long-Term Debt Activities:

- Net pension liability decreased due to depreciation in investment income based on actuarial projections.
- FY24 drawdown on the State Revolving Loan agreement was \$4.3 million.

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

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate for the City at September 30, 2024 was 3.5%. The State of Florida’s unemployment rate was 3.5% while national average unemployment rate for 2024 was 3.8%.
- Population increased approximately 5.1% from the prior year.
- The taxable value of real property for the City increased by 38.1% in the 2024 fiscal year.
- Building activity resulted in \$550.6 million of new construction during the year, which is an increase of \$209.6 million from the previous year. A graphical presentation of the change in taxable value from new construction for the past ten years is presented below:



During the current fiscal year, *unassigned* fund balance in the General Fund increased to \$40.0 million.

The ad valorem tax rate for the General Fund in fiscal year 2024 was 7.0171 mills.

Requests for Information

This financial report is designed to present users with a general overview of the City’s finances and to demonstrate the City’s accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the City’s Finance Department, 120 Malabar Road, S.E., Palm Bay, Florida 32907-3009. The Annual Comprehensive Financial Report for fiscal year 2023/2024 can also be found on the City’s website at www.palmbayfl.gov.



THIS PAGE INTENTIONALLY LEFT BLANK.

STATEMENT OF NET POSITION
September 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 37,013,779	\$ 21,810,571	\$ 58,824,350
Investments	71,155,983	46,898,313	118,054,296
Restricted Assets:			
Cash and Cash Equivalents	29,465,234	24,937,398	54,402,632
Investments	152,361,768	52,644,362	205,006,130
Accounts Receivable (Net)	4,110,558	13,604,921	17,715,479
Lease Receivables	5,514,353	—	5,514,353
Due from Other Governments	3,788,507	280	3,788,787
Inventories	325,111	1,028,847	1,353,958
Prepaid Items	58,536	49,346	107,882
Net Pension Asset	270,737	—	270,737
Capital Assets Not Being Depreciated:			
Land	16,235,288	5,138,205	21,373,493
Construction in Progress	34,594,701	56,807,766	91,402,467
Capital Assets, Net of Accumulated Depreciation/Amortization:			
Building and Improvements	15,366,151	8,375,531	23,741,682
Right to Use Asset - Building	—	320,859	320,859
Right to Use Asset - SBITA	6,151,592	2,041,537	8,193,129
Water and Sewer Systems	—	107,462,658	107,462,658
Machinery, Equipment and Vehicles	10,390,166	8,148,129	18,538,295
Infrastructure	130,513,011	10,751,990	141,265,001
Total Capital Assets	213,250,909	199,046,675	412,297,584
Total Assets	517,315,475	360,020,713	877,336,188
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount from Bond Refunding	13,291,285	—	13,291,285
Deferred Outflows Related to Pensions	15,931,802	—	15,931,802
Deferred Outflows Related to OPEB	1,415,199	446,903	1,862,102
Total Deferred Outflows of Resources	30,638,286	446,903	31,085,189

Continued on the next page

STATEMENT OF NET POSITION (CONTINUED)
September 30, 2024

	Primary Government		
	Governmental	Business-type	Total
LIABILITIES			
Accounts Payable	10,691,705	8,213,423	18,905,128
Accrued Liabilities	1,652,096	475,886	2,127,982
Due to Other Governments	124,316	—	124,316
Unearned Revenues	13,161,425	5,584,240	18,745,665
Liabilities Payable from Restricted Assets:			
Accrued Interest Payable	2,626,730	—	2,626,730
Customer Deposits	—	9,073,076	9,073,076
Long-Term Liabilities:			
Due Within One Year:			
Bonds Payable	7,625,221	492,840	8,118,061
Notes Payable	1,613,000	1,300,000	2,913,000
Claims Payable	1,527,100	—	1,527,100
Total OPEB Liability	1,680,651	530,732	2,211,383
Compensated Absences	1,077,076	212,276	1,289,352
Financed Purchase Payable	313,034	—	313,034
Building Lease Payable	—	79,040	79,040
SBITA Payable	603,956	—	603,956
Due in More Than One Year:			
Bonds Payable	200,414,500	2,435,013	202,849,513
State Revolving Loan Payable	—	19,355,253	19,355,253
Notes Payable	11,761,000	8,266,000	20,027,000
Financed Purchase Payable	3,974,155	—	3,974,155
Building Lease Payable	—	282,217	282,217
SBITA Payable	3,184,107	1,186,772	4,370,879
Accreted Interest Payable	—	7,965,243	7,965,243
Claims Payable	3,228,120	—	3,228,120
Total OPEB Liability	8,823,417	2,786,342	11,609,759
Net Pension Liability	69,289,430	—	69,289,430
Compensated Absences	5,654,651	1,114,452	6,769,103
Total Liabilities	349,025,690	69,352,805	418,378,495
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows from Bond Refunding	141,546	—	141,546
Deferred Inflows Related to Pensions	901,060	—	901,060
Deferred Inflows Related to OPEB	1,570,280	495,875	2,066,155
Deferred Inflows Related to Leases	5,099,989	—	5,099,989
Total Deferred Inflows of Resources	7,712,875	495,875	8,208,750
NET POSITION			
Net Investment in Capital Assets	105,360,794	160,565,158	265,925,952
Restricted for:			
Transportation	58,857,883	—	58,857,883
Economic Development	22,556,027	—	22,556,027
Debt Service Reserve	6,500,257	1,920,000	8,420,257
Building Inspections	—	20,573,768	20,573,768
Water and Sewer Utilities System	—	50,647,932	50,647,932
Internal Service Fund Claim Reserves	1,800,000	—	1,800,000
Public Safety	11,581,609	—	11,581,609
Pension Benefits	270,736	—	270,736
Unrestricted (Deficit)	(15,712,113)	56,912,083	41,199,970
Total Net Position	\$ 191,215,193	\$ 290,618,941	\$ 481,834,134

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

STATEMENT OF ACTIVITIES
For Fiscal Year Ended September 30, 2024

Functions/Programs:	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 32,669,094	\$ 6,204,090	\$ 2,050	\$ —	\$ (26,462,954)		\$ (26,462,954)
Public Safety	61,963,714	4,147,533	693,988	—	(57,122,193)	—	(57,122,193)
Physical Environment	715,987	769,089	—	—	53,102	—	53,102
Transportation	22,552,652	17,291,826	—	3,200,000	(2,060,826)	—	(2,060,826)
Economic Environment	5,251,951	162,943	6,031,437	—	942,429	—	942,429
Culture/Recreation	3,204,066	4,161,879	—	—	957,813	—	957,813
Interest on Long-Term Debt	8,308,168	—	—	—	(8,308,168)	—	(8,308,168)
Total Governmental Activities	134,665,632	32,737,360	6,727,475	3,200,000	(92,000,797)	—	(92,000,797)
Business-type Activities:							
Water and Sewer Utilities	31,418,028	41,378,499	—	15,686,456	—	25,646,927	25,646,927
Building Inspections & Permitting	5,195,612	8,495,634	—	—	—	3,300,022	3,300,022
Stormwater Utility	12,717,382	9,809,904	—	4,812	—	(2,902,666)	(2,902,666)
Solid Waste	15,245,448	15,061,185	—	—	—	(184,263)	(184,263)
Total Business-type Activities	64,576,470	74,745,222	—	15,691,268	—	25,860,020	25,860,020
Total	\$ 199,242,102	\$ 107,482,582	\$ 6,727,475	\$ 18,891,268	\$ (92,000,797)	\$ 25,860,020	\$ (66,140,777)

General Revenues:

Taxes:

Property Tax	61,967,137	—	61,967,137
Franchise Fees	8,189,409	—	8,189,409
Utility Service Tax	12,832,319	—	12,832,319
Communication Service Tax	2,935,974	—	2,935,974
Gas Tax	4,389,908	—	4,389,908
State Revenue Sharing (unrestricted)	16,043,272	—	16,043,272
Investment Earnings	14,770,443	6,844,448	21,614,891
Miscellaneous	1,549,740	21,424	1,571,164
Transfers	46,601	(46,601)	—
Total General Revenues/Transfers	122,724,803	6,819,271	129,544,074
Change in Net Position	30,724,006	32,679,291	63,403,297
Net Position - Beginning	160,491,187	257,939,650	418,430,837
Net Position - Ending	\$ 191,215,193	\$ 290,618,941	\$ 481,834,134

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

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2024

	General	ARPA Fund	Bayfront Community Redevelopment Agency Fund	Impact Fee Funds	Debt Service Fund	GO Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 21,505,567	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,210,573	\$ 25,716,140
Investments	29,635,731	—	—	—	—	—	13,837,402	43,473,133
Restricted Assets:								
Cash and Equivalents	—	911,582	51,698	20,908,659	6,024,337	281,636	1,287,322	29,465,234
Investments	—	11,655,909	2,984,432	68,917,177	472,515	68,191,737	139,998	152,361,768
Accounts Receivable	3,837,842	452	—	85,154	289	—	—	3,923,737
Due from Other Governments	3,567,242	—	—	—	3,116	—	200,038	3,770,396
Due from Other Funds	124,247	—	—	—	—	—	—	124,247
Lease Receivable	5,514,353	—	—	—	—	—	—	5,514,353
Prepaid Items	9,957	—	—	—	—	—	—	9,957
Inventory	2,776	—	—	—	—	—	—	2,776
Total Assets	\$ 64,197,715	\$ 12,567,943	\$ 3,036,130	\$ 89,910,990	\$ 6,500,257	\$ 68,473,373	\$ 19,675,333	\$ 264,361,741
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 1,789,254	\$ 2,113,823	\$ —	\$ 1,826,066	\$ —	\$ 4,019,921	\$ 547,811	\$ 10,296,875
Accrued Liabilities	1,411,533	1,820	—	—	—	—	8,923	1,422,276
Due to Other Funds	—	—	—	—	—	—	124,247	124,247
Unearned Revenue	495,187	10,452,300	—	—	—	—	2,213,938	13,161,425
Due to Other Governments	—	—	—	—	—	—	124,316	124,316
Total Liabilities	3,695,974	12,567,943	—	1,826,066	—	4,019,921	3,019,235	25,129,139
DEFERRED INFLOW OF RESOURCES								
Deferred Inflows for Leases	5,099,989	—	—	—	—	—	—	5,099,989
Total Deferred Inflow of Resources	5,099,989	—	—	—	—	—	—	5,099,989
Fund Balances:								
Nonspendable	12,733	—	—	—	—	—	—	12,733
Restricted	—	—	3,036,130	88,084,924	6,500,257	—	1,874,465	99,495,776
Committed	13,492,664	—	—	—	—	64,453,452	11,180,346	89,126,462
Assigned	1,920,763	—	—	—	—	—	3,855,673	5,776,436
Unassigned (Deficit)	39,975,592	—	—	—	—	—	(254,386)	39,721,206
Total Fund Balances	55,401,752	—	3,036,130	88,084,924	6,500,257	64,453,452	16,656,098	234,132,613
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 64,197,715	\$ 12,567,943	\$ 3,036,130	\$ 89,910,990	\$ 6,500,257	\$ 68,473,373	\$ 19,675,333	\$ 264,361,741

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



THIS PAGE INTENTIONALLY LEFT BLANK.

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2024**

Total fund balances of governmental funds **\$ 234,132,613**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$360,065,475 and the accumulated depreciation is \$146,814,566. Internal service funds capital assets of \$12,994,764 and accumulated depreciation of \$9,193,755 are included in the internal service funds balances below. 209,449,900

Net pension assets are not financial resources and therefore are not reported in the funds. 270,737

Deferred outflows and inflows of resources for changes in Pension assumptions and projections in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Deferred Outflows of Resources	15,931,802
Deferred Inflows of Resources	(901,060)

Deferred outflows and inflows of resources for changes in OPEB assumptions and projections in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Deferred Outflows of Resources	1,377,956
Deferred Inflows of Resources	(1,528,958)

Deferred Inflows of resources for loss on bond refunding (141,546)

Unamortized refunding charges are reported as expenditures in the funds because current financial resources are used. They are amortized over the life of the debt in the government-wide statements. 13,291,285

The internal service fund is used by management to charge the costs of employee benefits and risk management services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 37,615,683

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the Statement of Net Position. The amount for internal service funds includes compensated absences of \$81,287 (\$13,006 current and \$68,281 long-term) and total OPEB liability of \$276,423

Long-term liabilities at year end consist of :

General Obligation Bonds Payable	\$ (145,909,918)
Revenue Bonds Payable	(62,129,802)
Notes Payable	(13,374,000)
SBITA Payable	(3,788,063)
Accrued Interest Payable	(2,626,730)
Financed Purchase Payable	(4,287,189)
Net Pension Liability	(69,289,430)
Total OPEB Liability	(10,227,644)
Compensated Absences	(6,650,441)
	(318,283,217)

Total net position of governmental activities **\$ 191,215,193**

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For Fiscal Year Ended September 30, 2024**

	General	ARPA Fund	Bayfront Community Redevelopment Agency	Impact Fee Funds	Debt Service Fund	GO Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Taxes	\$ 73,097,135	\$ —	\$ 2,664,894	\$ —	\$ 7,068,626	\$ —	\$ —	\$ 82,830,655
Impact Fees	—	—	—	23,825,119	—	—	—	23,825,119
Licenses and Permits	8,903,151	—	—	—	—	—	—	8,903,151
Intergovernmental Revenues	16,959,853	4,529,016	—	—	—	—	4,702,421	26,191,290
Charges for Services	7,094,268	—	—	—	—	—	412,408	7,506,676
Fines and Forfeitures	594,537	—	—	—	—	—	17,250	611,787
Investment Income	3,605,260	793,353	239,113	3,910,430	372,715	3,163,579	817,451	12,901,901
Contributions	—	—	—	—	—	—	1,014	1,014
Miscellaneous Revenues	569,792	—	—	—	—	—	279,008	848,800
Total Revenues	110,823,996	5,322,369	2,904,007	27,735,549	7,441,341	3,163,579	6,229,552	163,620,393
EXPENDITURES								
Current:								
General Government	26,468,662	—	—	—	1,500	—	81,825	26,551,987
Public Safety	50,958,268	—	—	97,506	—	—	550,231	51,606,005
Transportation	8,301,552	—	—	54,665	—	2,468	1,657,306	10,015,991
Economic Environment	—	2,401,298	805,658	—	—	—	1,833,833	5,040,789
Culture/Recreation	2,398,499	—	—	8,010	—	—	—	2,406,509
Debt Service:								
Principal Retirement	1,266,114	54,943	—	—	8,550,073	—	—	9,871,130
Interest & Fiscal Charges	27,197	—	—	—	7,608,743	—	—	7,635,940
Capital Outlay	14,129,921	2,866,128	—	3,267,548	—	13,359,759	1,876,394	35,499,750
Total Expenditures	103,550,213	5,322,369	805,658	3,427,729	16,160,316	13,362,227	5,999,589	148,628,101
Excess (Deficiency) of Revenues Over Expenditures	7,273,783	—	2,098,349	24,307,820	(8,718,975)	(10,198,648)	229,963	14,992,292
OTHER FINANCING SOURCES (USES)								
Transfers In	3,607,063	—	—	6,479	12,473,129	—	4,973,783	21,060,454
Transfers Out	(10,549,915)	—	(1,863,783)	(995,141)	(3,355,215)	(1,830,007)	(10,373)	(18,604,434)
Proceeds from Sale of Capital Assets	317,393	—	137,798	—	—	—	—	455,191
Issuance of SBITA Liability	4,108,779	—	—	—	—	—	—	4,108,779
Total Other Financing Sources and (Uses)	(2,516,680)	—	(1,725,985)	(988,662)	9,117,914	(1,830,007)	4,963,410	7,019,990
Net Change in Fund Balances	4,757,103	—	372,364	23,319,158	398,939	(12,028,655)	5,193,373	22,012,282
Fund Balances - Beginning	50,644,649	—	2,663,766	64,765,766	6,101,318	76,482,107	11,462,725	212,120,331
Fund Balances - Ending	\$ 55,401,752	\$ —	\$ 3,036,130	\$ 88,084,924	\$ 6,500,257	\$ 64,453,452	\$ 16,656,098	\$ 234,132,613

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



THIS PAGE INTENTIONALLY LEFT BLANK.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024**

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

Net change in fund balances - total governmental funds.	\$ 22,012,282
Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases (\$35,374,062) exceeds depreciation expense (\$18,613,835) in the current period.	16,760,228
Governmental funds report only the proceeds from the sale of capital assets. However, in the Statement of Activities, the amount of the proceeds (if any) are shown net of the remaining book balance of the assets disposed. This is the amount of the gain or (loss) realized on the current year dispositions: Current Year Net Loss on Disposal	(1,886,967)
Proceeds from the sale of capital assets increase financial resources, but in the statement of activities, only a gain or loss is reported.	(455,191)
Pension expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	(10,857,101)
<p>The repayment of principal is an expenditure in the governmental funds, but reduces liabilities in the statement of net position. In addition, the issuance of bonds and similar long-term debt provides current financial resources to governmental funds and therefore contribute to an increase in fund balance. In the statement of net position, however, issuing debt increases and payment of debt decreases long-term liabilities and does not affect the statement of activities. The amounts of the items that make up these differences in the treatment of long-term debt and related items are:</p>	
Principal repayments:	
General Obligation Bonds	3,890,000
Revenue Bonds	2,658,286
Equipment Purchase	431,787
Notes Payable	1,570,000
SBITA Payable	1,321,057
Amortization of Premium	636,281
Debt issued or incurred:	
Proceeds from Subscriptions	(4,108,779)
Amortized Refunding Charges	(894,402)
Amortized Refunding Gains	11,796
Accrued Interest Payable on Long-Term Debt	(453,100)
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.	
Compensated Absences	(526,870)
Total OPEB Liability	(594,945)
The internal service fund is used by management to charge the costs of risk management services to other funds. The increase in net position of the internal service fund is reported with governmental activities.	1,209,643
Change in net position of governmental activities.	<u>\$ 30,724,006</u>

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

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024**

	Business Type Activities - Enterprise Funds					
	Utilities Fund	Stormwater	Solid Waste	Building Fund (Nonmajor Fund)	Total Enterprise Funds	Governmental Activities - Internal Service Funds
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 8,127,393	\$ 5,107,370	\$ 810,632	\$ 7,765,176	\$ 21,810,571	\$ 11,297,639
Investments	26,364,676	6,124,081	953,938	13,455,618	46,898,313	27,682,850
Restricted Cash and Cash Equivalents	8,602,767	—	470,309	—	9,073,076	—
Accounts Receivable - (Net)	8,557,449	3,761,546	1,265,622	20,304	13,604,921	186,821
Due from Other Government	—	280	—	—	280	18,111
Inventory	1,028,847	—	—	—	1,028,847	322,335
Prepaid Items	21,874	—	—	27,472	49,346	48,579
Total Current Assets	52,703,006	14,993,277	3,500,501	21,268,570	92,465,354	39,556,335
Noncurrent Assets:						
Restricted Assets:						
Cash and Cash Equivalents	15,864,322	—	—	—	15,864,322	—
Investments	52,644,362	—	—	—	52,644,362	—
Total Restricted Assets	68,508,684	—	—	—	68,508,684	—
Capital Assets:						
Land	5,118,403	19,802	—	—	5,138,205	—
Construction in Progress	51,708,851	2,574,884	—	2,524,031	56,807,766	29,089
Building and Improvements	10,338,704	—	—	—	10,338,704	117,408
Right to use asset - building	—	—	—	561,503	561,503	—
Water and Sewer Systems Infrastructure	202,123,445	—	—	—	202,123,445	—
Infrastructure	—	12,310,653	—	—	12,310,653	—
Machinery, Equipment and Vehicles	6,913,020	6,870,095	2,560,000	989,836	17,332,951	12,848,267
Right to use asset - subscription	1,703,357	—	—	499,480	2,202,837	—
Less: Accumulated Depreciation/Amortization	(100,620,661)	(4,002,179)	(2,560,000)	(586,546)	(107,769,386)	(9,193,755)
Total Capital Assets (Net)	177,285,119	17,773,255	—	3,988,304	199,046,678	3,801,009
Total Noncurrent Assets	245,793,803	17,773,255	—	3,988,304	267,555,362	3,801,009
Total Assets	298,496,809	32,766,532	3,500,501	25,256,874	360,020,716	43,357,344
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows Related to OPEB	297,937	93,104	18,621	37,241	446,903	37,241
Total Deferred Outflows of Resources	297,937	93,104	18,621	37,241	446,903	37,241

Continued on the next page

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

STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
September 30, 2024

	Business Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Utilities Fund	Stormwater	Solid Waste	Building Fund (Nonmajor Fund)	Total Enterprise Funds	
LIABILITIES						
Current Liabilities:						
Accounts Payable	4,862,463	902,675	1,293,451	1,154,834	8,213,423	394,831
Accrued Liabilities	310,711	84,279	—	80,896	475,886	229,820
Unearned Revenues	622,216	3,676,254	1,264,997	20,773	5,584,240	—
Bonds Payable	492,840	—	—	—	492,840	—
Notes Payable	1,300,000	—	—	—	1,300,000	—
Total OPEB Liability	353,821	110,569	22,114	44,228	530,732	44,228
Compensated Absences	149,592	19,716	—	42,968	212,276	13,006
Building Lease Payable	—	—	—	79,040	79,040	—
Claims Payable	—	—	—	—	—	1,527,100
Restricted Assets:						
Customer Deposits	8,602,767	—	470,309	—	9,073,076	—
Total Current Liabilities	16,694,410	4,793,493	3,050,871	1,422,739	25,961,513	2,208,985
Noncurrent Liabilities:						
Bonds Payable	2,435,013	—	—	—	2,435,013	—
Notes Payable	8,266,000	—	—	—	8,266,000	—
State Revolving Loan Payable	19,355,253	—	—	—	19,355,253	—
Accreted Interest Payable	7,965,243	—	—	—	7,965,243	—
Total OPEB Liability	1,857,561	580,488	116,097	232,195	2,786,341	232,195
Compensated Absences	785,359	103,510	—	225,583	1,114,452	68,281
Building Lease Payable	—	—	—	282,217	282,217	—
SBITA Payable	897,190	—	—	289,582	1,186,772	—
Claims Payable	—	—	—	—	—	3,228,120
Total Noncurrent Liabilities	41,561,619	683,998	116,097	1,029,577	43,391,291	3,528,596
Total Liabilities	58,256,029	5,477,491	3,166,968	2,452,316	69,352,804	5,737,581
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows Related to OPEB						
	330,584	103,308	20,661	41,322	495,875	41,322
Total Deferred Outflows of Resources	330,584	103,308	20,661	41,322	495,875	41,322
NET POSITION						
Net Investment in Capital Assets	141,177,902	17,160,546	—	2,226,709	160,565,158	3,777,293
Restricted:						
Renewal and Replacement	24,326,373	—	—	—	24,326,373	—
Capital Improvements	26,321,559	—	—	—	26,321,559	—
Debt Service	1,920,000	—	—	—	1,920,000	—
Building Fund	—	—	—	20,573,768	20,573,768	—
Employee Benefits	—	—	—	—	—	1,800,000
Unrestricted	46,462,299	10,118,291	331,493	—	56,912,083	32,038,390
Total Net Position	\$ 240,208,133	\$ 27,278,837	\$ 331,493	\$ 22,800,477	\$ 290,618,941	\$ 37,615,683

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



THIS PAGE INTENTIONALLY LEFT BLANK.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 For Fiscal Year Ended September 30, 2024**

	Business Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Utilities Fund	Stormwater	Solid Waste	Building Fund (Nonmajor Fund)	Total Enterprise Funds	
Operating Revenues:						
Charges for Services:						
Water	\$ 23,238,975	\$ —	\$ —	\$ —	\$ 23,238,975	\$ —
Sewer	17,988,072	—	—	—	17,988,072	—
Stormwater	—	9,800,595	—	—	9,800,595	—
Solid Waste	—	—	15,061,185	—	15,061,185	—
User Fees	—	—	—	784,018	784,018	584,121
Charges to Other Funds	—	—	—	—	—	30,987,526
Assessments	—	664	—	—	664	—
Licenses and Permits	—	—	—	7,672,992	7,672,992	—
Miscellaneous Income	151,452	8,645	—	38,624	198,721	671,741
Total Operating Revenues	41,378,499	9,809,904	15,061,185	8,495,634	74,745,222	32,243,388
Operating Expenses:						
Personal Services	13,197,364	3,160,680	77,125	3,766,008	20,201,177	5,457,747
Material, Supplies, and Operating expenses	12,174,881	8,747,083	15,168,323	1,114,632	37,204,919	18,300,298
Claims/Premium Expense	—	—	—	—	—	5,469,655
Depreciation	4,955,067	809,619	—	113,567	5,878,253	1,119,265
Amortization	—	—	—	133,270	133,270	—
Total Operating Expenses	30,327,312	12,717,382	15,245,448	5,127,477	63,417,619	30,346,965
Operating Income/(Loss)	11,051,187	(2,907,478)	(184,263)	3,368,157	11,327,603	1,896,423
Nonoperating Revenues (Expenses):						
Interest Income	5,047,189	655,980	76,055	1,065,224	6,844,448	1,778,867
Interest Expense and Fiscal Charges	(1,090,716)	—	—	(19,664)	(1,110,380)	—
Intergovernmental Revenues	—	—	—	—	—	34,655
Gain (Loss) on Disposal	8,556	12,868	—	(48,471)	(27,047)	(90,878)
Total Nonoperating Revenues	3,965,029	668,848	76,055	997,089	5,707,021	1,722,644
(Expenses)						
Income Before Contributions and Transfers	15,016,216	(2,238,630)	(108,208)	4,365,246	17,034,624	3,619,067
Capital Contributions	15,686,456	4,812	—	—	15,691,268	—
Transfers In	7,777,772	145,365	—	312,428	8,235,565	1,438,156
Transfers Out	(8,175,091)	(43,164)	—	(63,911)	(8,282,166)	(3,847,575)
Change in Net Position	30,305,353	(2,131,617)	(108,208)	4,613,763	32,679,291	1,209,648
Net Position - Beginning of year	209,902,780	29,410,455	439,701	18,186,714	257,939,650	36,406,035
Total Net Position - Ending	\$ 240,208,133	\$ 27,278,837	\$ 331,493	\$ 22,800,477	\$ 290,618,941	\$ 37,615,683

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

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For Fiscal Year Ended September 30, 2024**

	Business Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Utilities Fund	Storm Water Fund	Solid Waste Fund	Building Fund (Nonmajor Fund)	Total Enterprise Funds	
Cash Flows from Operating Activities						
Receipts from Customers and Users	\$ 44,225,728	\$ 9,735,049	\$ 15,094,882	\$ 8,486,914	\$ 77,542,573	\$ 1,021,082
Receipts from Other Funds	—	—	—	—	—	31,215,335
Payments to Suppliers	(10,610,600)	(8,058,042)	(15,042,255)	(217,470)	(33,928,367)	(23,587,617)
Payments to Employees	(12,992,432)	(3,122,433)	(67,214)	(3,699,988)	(19,882,067)	(4,430,549)
Net Cash Provided by Operating Activities	20,622,696	(1,445,426)	(14,587)	4,569,456	23,732,139	4,218,251
Cash Flows from Noncapital Financial Activities						
Intergovernmental Revenues	—	—	—	—	—	34,655
Transfers to Other Funds	(8,175,091)	(43,164)	—	(63,911)	(8,282,166)	(3,847,575)
Transfers from Other Funds	7,777,772	145,365	—	312,428	8,235,565	1,438,156
Net Cash Provided (Used) by Noncapital Financing Activities	(397,319)	102,201	—	248,517	(46,601)	(2,374,764)
Cash Flows from Capital and Related Financing Activities						
Acquisition/Construction of Capital Assets	(14,066,076)	(266,125)	—	(1,968,532)	(16,300,733)	129,389
Principal Paid on Capital Debt	(521,064)	—	—	(72,796)	(593,860)	—
Interest Paid on Capital Debt	(1,311,837)	—	—	(19,664)	(1,331,501)	—
Contributions	15,686,456	4,812	—	—	15,691,268	—
Principal Paid on Notes Payable	(1,276,000)	—	—	—	(1,276,000)	—
Principal Paid on SBITAs	(95,307)	—	—	(36,223)	(131,530)	—
Issuance of Loans	4,305,674	—	—	—	4,305,674	—
Proceeds from Sale of Capital Assets	14,568	12,868	—	793	28,229	(90,878)
Net Cash Used by Capital and Related Financing Activities	2,736,414	(248,445)	—	(2,096,422)	391,547	38,511
Cash Flows from Investing Activities						
Investment purchases	(82,818,574)	(8,652,011)	(109,878)	788,993	(90,791,470)	(3,426,913)
Proceeds from Sale and Maturity of Investments	53,959,489	10,663,711	58,567	—	64,681,767	—
Interest Income on Investments	5,047,189	655,979	76,056	1,065,224	6,844,448	1,778,867
Net Cash Provided (Used) by Investing Activities	(23,811,896)	2,667,679	24,745	1,854,217	(19,265,255)	(1,648,046)
Net Increase (Decrease) in Cash and Cash Equivalents	(850,105)	1,076,009	10,158	4,575,768	4,811,831	233,951
Cash and Cash Equivalents at Beginning of Year	33,444,585	4,031,362	1,270,783	3,189,408	41,936,138	11,063,688
Cash and Cash Equivalents at End of Year	\$ 32,594,480	\$ 5,107,371	\$ 1,280,941	\$ 7,765,176	\$ 46,747,969	\$ 11,297,639
Cash and Cash Equivalents Classified As:						
Current Assets	\$ 8,127,393	\$ 5,107,370	\$ 810,632	\$ 7,765,176	21,810,571	\$ 11,297,639
Restricted Assets	24,467,089	—	470,309	—	24,937,398	—
Total Cash and Cash Equivalents	\$ 32,594,482	\$ 5,107,370	\$ 1,280,941	\$ 7,765,176	\$ 46,747,969	\$ 11,297,639

Continued on the next page

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

STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
For Fiscal Year Ended September 30, 2024

	Business Type Activities - Enterprise Funds					
	Utilities Fund (Major Fund)	Storm Water Fund (Major Fund)	Solid Waste Fund (Major Fund)	Building Fund (Nonmajor Fund)	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities						
Operating Income (Loss)	\$ 11,051,187	\$ (2,907,478)	\$ (184,263)	\$ 3,368,157	\$ 11,327,603	\$ 1,896,423
Depreciation	4,955,067	809,619	—	113,567	5,878,253	1,119,265
Amortization	—	—	—	133,270	133,270	—
Change in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	(919,354)	(794,169)	(105,573)	(7,470)	(1,826,566)	(6,971)
(Increase) Decrease in Deferred Outflows - OPEB	115,021	35,944	7,189	14,378	172,532	14,378
(Increase) Decrease in Inventories	(193,260)	—	—	—	(193,260)	3,401
(Increase) Decrease in Prepaid Expenses	(5,260)	—	—	(370)	(5,630)	(12,658)
Increase (Decrease) in Accounts Payable	1,686,997	657,206	126,068	880,288	3,350,559	138,312
Increase (Decrease) in Accrued Liabilities	75,804	31,835	—	17,244	124,883	53,281
(Increase) in Deferred Inflows - OPEB	(85,081)	(26,588)	(5,318)	(10,635)	(127,622)	(10,635)
Increase (Decrease) in Customer Deposits	3,766,583	—	33,911	—	3,800,494	—
Increase in Total OPEB Liability	128,637	40,199	8,040	16,080	192,956	16,080
Increase (Decrease) in Compensated Absences	46,355	(11,308)	—	46,197	81,244	5,186
Increase(Decrease) in Claims Payable	—	—	—	—	—	1,002,189
(Decrease) in Unearned Revenue	—	719,314	105,359	(1,250)	823,423	—
Total Adjustments	9,571,509	1,462,052	169,676	1,201,299	12,404,536	2,321,828
Net Cash Provided by Operating Activities	\$ 20,622,696	\$ (1,445,426)	\$ (14,587)	\$ 4,569,456	\$ 23,732,139	\$ 4,218,251
Noncash capital and related financing activities						
Proceeds from SBITA	\$ 992,496	\$ —	\$ —	\$ 325,806	\$ 1,318,302	\$ —

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

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2024

ASSETS	Total
Cash and Cash Equivalents	\$ 6,852,906
Investments, at fair value:	
Certificates of Deposit	295,212
Common Stock	59,794,468
Domestic Equity Funds	29,914,134
U.S. Government securities	28,982,454
Corporate Bonds	37,202,875
Bond Funds	53,673
International Equity Funds	36,982,871
Real Estate Funds	15,660,922
Convertible Securities	17,194,935
Infrastructure	8,982,805
Total investments	235,064,349
Receivables:	
Accrued Interest and Dividends	629,226
Due from Broker	156,200
Other	406,455
Total Receivables	1,191,881
Other assets:	43,028
Total Assets	243,152,164
LIABILITIES	
Accounts Payable	316,449
Deferred Retirement Option Benefits due and currently payable	241,634
Deferred City Contributions	527,132
Due to broker	142,672
Total Liabilities	1,227,887
NET POSITION	
Restricted for Pension Benefits	\$ 241,924,277

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For the Year Ended September 30, 2024**

	Total
ADDITIONS	
Contributions:	
Employer	\$ 6,039,511
Employee	1,750,342
State	2,601,125
Employee Buybacks	—
Total Contributions	10,390,978
Investment Earnings:	
Net Appreciation in Fair Value of Investments	32,207,135
Interest and Dividends	6,444,147
Miscellaneous	8,964
Total Investment Earnings	38,660,246
Less: Investment Expenses	985,242
Net investment Income	37,675,004
Total Additions	48,065,982
DEDUCTIONS	
Benefits	15,389,174
Refunds	—
Administrative Expense	651,967
Total Deductions	16,041,141
Change in Net Position	32,024,841
Net Position - Beginning of Year	209,899,436
Net Position - End of Year	\$ 241,924,277

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



THIS PAGE INTENTIONALLY LEFT BLANK.

NOTE 1 – Summary of Significant Accounting Policies

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

A. The Reporting Entity

The City is a political subdivision incorporated on January 16, 1960 in the State of Florida and located in Brevard County. The legislative branch of the City is composed of a five (5) member elected Council, including a city-wide elected mayor. The City Council is governed by the City Charter, and by state and local laws and regulations. The City Council is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Council appointed city manager.

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

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

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the nonfiduciary activities of the primary government and its blended component units. For the most part, the effect of interfund activity has been removed from these statements to minimize double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and comparable items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are user fees between the City's enterprise funds and other governmental functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Fund Financial Statements

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

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

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

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Bayfront Community Redevelopment Agency Fund is used to account for ad valorem tax increment revenues accumulated for community development in the areas where the taxes were assessed. The city has designated this as a major fund.
- The City has one debt service fund which is used to account for principal and interest payment on the following debts:
 - Taxable Special Obligation Revenue Bonds, Series 2004
 - Public Service Tax Revenue Bonds, Series 2010
 - Taxable Special Obligation Refunding Bonds, Series 2013
 - Local Option Gas Tax Refunding Note, Series 2014
 - Sales Tax Refunding Bonds, Series 2015
 - Franchise Fee Revenue Note, Series 2015
 - Franchise Fee Revenue Note, Series 2016
 - Local Option Gas Tax Revenue Note, Series 2018
 - Special Obligation Refunding Note, Series 2020
 - General Obligation Bonds, Series 2019 Series 2021 & Series 2023
 - Debt service on leases.
- The GO Bond Road Program Fund is used to account for the bond proceeds earmarked for maintenance and repair of citywide roadways.
- The Impact Fee Fund accounts for revenues originating from new development and used for the acquisition and or improvement of police, fire, & recreation facilities and expansion of the City's major road network system.
- The ARPA Fund (American Rescue Plan Act) accounts for federal relief funds granted to mitigate the negative impact resulting from the coronavirus pandemic. The funds are intended to offset revenue loss due to COVID-19, provide premium pay for essential workers, invest in broadband, water, or sewer infrastructure.

The City reports the following major enterprise funds:

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

Additionally, the City reports the following fund types:

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

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

D. Cash and Cash Equivalents

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

E. Investments

Investments are stated at fair value, except for investments in the Florida State Board of Administration Local Government Pooled Investment Funds ("SBA"), an external investment pool which complies with criteria set forth in Section 150: Investments of the GASB codification. Fair value is the price that would be received to sell an investment in an orderly transaction at year end. SBA pool shares are based on amortized cost of the SBA's underlying portfolio.

F. ReceivablesProperty Taxes Receivable

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The City's millage rate, on which tax collections in fiscal year 2024 are based, is 7.0171.

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

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

Utilities Fund operating revenues are generally recognized based on cycle billings rendered monthly. Revenues for services delivered during the last month of the fiscal year that have not been read by September 30 are accrued based on meter readings for the applicable consumption taken at the beginning of October and billed in October. Accounts receivable balances are shown net of the allowance for uncollectible accounts. The allowances are determined based on management estimates of uncollectible amounts.

G. Inventories and prepaid items

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

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

H. Restricted Assets

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

I. Encumbrance

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

J. Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. In governmental funds, capital purchases (capital assets) are reported as expenditures.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

J. Capital Assets (Continued)

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25-50
Utilities System	25-40
Infrastructure	15-20
Equipment	5-20
Vehicles	3-10
Right-to-use leases	5-20

K. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net assets that applies to a future period and will not be recognized as revenue until then. The City has three items in this category which arises under both the full accrual and modified accrual basis of accounting; unavailable revenue regarding business tax licenses that have been paid in advance, deferred amounts related to pensions, unamortized gain on refunding, pursuant to GASBC P20: *Pension Activities*, and deferred amounts related to OPEB.

L. Leases

Lessee: The City is a lessee for noncancellable lease of a building. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

NOTE 1 – Summary of Significant Accounting Policies (Continued)L. Leases (Continued)

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

- The City uses the stated interest rate according to the contractual agreement as the discount rate. When the interest rate is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that is reasonably certain to be exercised.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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

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

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

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

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

M. Subscription Based Information Technology Arrangements (SBITA)

The City is a subscriber for noncancellable technology arrangements for software. The City recognizes a SBITA liability and an intangible right-to-use SBITA asset (SBITA asset) in the government-wide statements. At the commencement of an arrangement, the City initially measures the SBITA liability at the present value of payments expected to be made during the subscription term. Subsequently, the SBITA liability is reduced by the principal portion of subscription payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized over the shorter of the subscription term or the useful life of the underlying IT asset.

NOTE 1 – Summary of Significant Accounting Policies (Continued)M. Subscription Based Information Technology Arrangements (SBITA) (Continued)

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

- The City uses the stated interest rate according to the subscription agreement as the discount rate. When the interest rate is not provided, the City uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option prices that is reasonably certain to be exercised.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position

N. Pension

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

O. Amortization of Bond Discount and Premium

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

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

P. Compensated Absences

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

NOTE 1 – Summary of Significant Accounting Policies (Continued)

P. Compensated Absences (Continued)

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

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

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

Q. Fair Value Measurement

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

R. Capital Contributions

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

S. Net Position

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

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

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

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

NOTE 1 – Summary of Significant Accounting Policies (Continued)T. Fund Balance (Continued)

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

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

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

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

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

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

NOTE 1 – Summary of Significant Accounting Policies (Continued)

T. Fund Balance (Continued)

A detailed classification of the City’s Fund Balances as of September 30, 2024, are as follows:

Function Balance Classification	Major Funds				GO Bond Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Bayfront Community Redevelopment Agency	Impact Fee Fund	Debt Service Fund			
Non-Spendable:							
Items Not In Spendable Form:							
Inventory	\$ 2,776	\$ —	\$ —	\$ —	\$ —	\$ —	2,776
Prepaid Items	9,957	—	—	—	—	—	9,957
Total Nonspendable Fund Balances	12,733	—	—	—	—	—	12,733
Restricted for:							
Debt Service	—	—	—	6,500,257	—	—	6,500,257
Citizen Services	—	—	—	—	—	1,655,923	1,655,923
Forfeited Property	—	—	—	—	—	218,542	218,542
Redevelopment Activities	—	3,036,130	—	—	—	—	3,036,130
Road Maintenance & Repair Projects	—	—	88,084,924	—	—	—	88,084,924
Other Capital Projects	—	—	—	—	—	—	—
Total Restricted Fund Balances	—	3,036,130	88,084,924	6,500,257	—	1,874,465	99,495,776
Committed to:							
Emergency Contingency Funds	1,699,468	—	—	—	—	—	1,699,468
Road Maintenance	—	—	—	—	—	9,810,688	9,810,688
Various Contracts	11,793,196	—	—	—	—	—	11,793,196
Total Committed Fund Balances	13,492,664	—	—	—	—	9,810,688	23,303,352
Assigned to:							
Citizen Services	—	—	—	—	—	996,283	996,283
Various Contracts	1,920,763	—	—	—	—	2,859,390	4,780,153
Total Assigned Fund Balances	1,920,763	—	—	—	—	3,855,673	5,776,436
Unassigned:							
General government	39,975,592	—	—	—	—	—	39,975,592
Other governmental fund deficit residuals	—	—	—	—	—	(254,386)	(254,386)
Total Unassigned Fund Balances	39,975,592	—	—	—	—	(254,386)	39,721,206
Total Fund Balances	\$ 55,401,752	\$ 3,036,130	\$ 88,084,924	\$ 6,500,257	\$ —	\$ 15,286,440	\$ 168,309,503

U. Use of Estimates

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

NOTE 2 – Stewardship, Compliance and Accountability

A. Deficit Fund Equity

At September 30, 2024, the following funds of the City had deficit balances:

Special Revenue Funds:	
CDBG-Coronavirus	\$ (93,518)
Neighborhood Stabilization Program	\$ (20,196)
Capital Project Funds:	
I-95 Interchange Fund	\$ (6,301)
Connector Road I-95 Fund	\$ (134,371)

The deficit in the CDBG - Coronavirus Fund is expected to be eliminated by future program revenue and grant reimbursement.

The deficit fund balance in the I-95 Interchange Fund and Connector Road I-95 Fund will be eliminated by a transfer from the Debt Service Fund.

The deficit fund balance in the Neighborhood Stabilization Program will be eliminated by a transfer from General Fund.

NOTE 3 – Deposits and Investments**A. Cash and Deposits**

At September 30, 2024, the carrying amount of the City's cash deposit accounts was \$113,226,982 and the bank balance was \$112,021,363. The City's cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. The City's cash deposits are fully insured by the Public Deposits Trust Fund.

The City's Pension Trust Fund had cash and cash equivalents of \$6,852,906 at September 30, 2024. All of the Pension's deposits are insured and/or collateralized by a financial institution separate from the Pension's depository financial institution.

B. Investment Portfolio

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

Section 218.415, Florida Statutes, limits the types of investments that a government can invest in unless specifically authorized in an investment policy. The City's investment policy allows for the following investments: The Florida PRIME Fund ("SBA"), United States Treasury Securities, United States Government Agencies, Supranational, Agency Mortgage-Backed Securities, Interest Bearing Time Deposit and Saving Accounts, Repurchase Agreements, Commercial Paper, Corporates, Asset-Backed Securities, Municipal Securities, Registered Investment Companies Money Market Mutual Funds, and Intergovernmental Investment Pools.

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

As of September 30, 2024, the City had the following investment types and effective duration presented in terms of years:

Security Type	Fair Value	Effective Duration (Years)
U.S. Treasury	\$ 42,620,812	1.129
Federal Agency Mortgage-Backed Security	328,321	1.801
Federal Agency Collateralized Mortgage-Backed Securities	3,482,806	1.627
Federal Agency Collateralized Mortgage Obligation	20,455	1.216
Commercial Paper	25,431,704	0.254
Corporate Note	10,304,028	1.693
Municipal	97,850	0.634
Asset-Backed Security	8,436,930	1.372
Florida PALM	114,819,680	0.12
Florida Prime	117,517,843	0.099
US Bank Money Market Account	41,444,562	0.003
JP Morgan Chase Checking Account	70,576,801	0.003
Total	\$ 435,081,792	0.27

C. Interest Rate Risk

The City's investment policy sets limits for investment maturities to match known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than five-and one-half (5.5) years. Investments of bond reserves, construction funds, and other non-operating funds, "core funds", shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five and one half (5.5) years. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Master Repurchase Agreement. The City utilizes "weighted average duration" as a measurement of interest rate risk and as of September 30, 2024, the investment portfolio had an effective duration of 0.27 years.

NOTE 3 – Deposits and Investments (Continued)C. Interest Rate Risk (continued)

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

CUSIP	Description	Maturity Date	Call Date	Call Schedule	Fair Value
17252MAP5	Cintas Corp	05/01/25	04/01/25	Continuous	\$ 54,598
06051GKE8	Bank of America Corp	12/06/25	12/06/24	Continuous	198,594
17327CAN3	Citigroup Inc	01/25/26	01/25/25	Continuous	44,545
20030NDZ1	Comcast Corp	11/07/25	10/23/24	Continuous	35,377
30231GAT9	Exxon Mobil Corp	03/01/26	12/01/25	Continuous	321,042
53522KAB9	Linde PLC	12/05/25	11/05/25	Continuous	181,269
61747YEM3	Morgan Stanley	02/18/26	02/18/25	Continuous	143,624
693475BH7	PNC Financial Services Group Inc	10/28/25	10/28/24	Continuous	79,997
857477BR3	State Street Corp	02/06/26	02/06/25	Continuous	54,352
857477BZ5	State Street Corp	01/26/26	01/26/25	Continuous	49,948
94988J6H5	Wells Fargo & Co	01/15/26	12/14/25	Continuous	352,664
06051GKM0	Bank of America Corp	04/02/26	04/02/25	Continuous	173,602
437076CV2	Home Depot Inc	09/30/26	08/30/26	Continuous	71,383
46647PCZ7	JPMorgan Chase & Co	04/26/26	04/26/25	Continuous	149,253
63743HFF0	National Rural Utilities Cooperative Fi	03/13/26	02/13/26	Continuous	30,146
771196CE0	Roche Holding AG	11/13/26	10/13/26	Continuous	205,208
857477BX0	State Street Corp	11/04/26	11/04/25	Continuous	45,599
857477CB7	State Street Corp	05/18/26	05/18/25	Continuous	175,462
89788MAH5	Truist Financial Corp	07/28/26	07/28/25	Continuous	79,682
89788MAJ1	Truist Financial Corp	10/28/26	10/28/25	Continuous	86,093
95000U2X0	Wells Fargo & Co	04/25/26	04/25/25	Continuous	119,239
00724PAE9	Adobe Inc	04/04/27	03/04/27	Continuous	128,003
023135BC9	Amazon.com Inc	08/22/27	05/22/27	Continuous	269,962
025816DV8	American Express Co	07/26/28	07/26/27	Continuous	40,869
04636NAK9	AstraZeneca PLC	02/26/27	01/26/27	Continuous	152,933
09290DAH4	BlackRock Inc	07/26/27	06/26/27	Continuous	203,890
10373QBY5	BP PLC	11/17/27	10/17/27	Continuous	226,246
110122EE4	Bristol-Myers Squibb Co	02/22/27	01/22/27	Continuous	40,858
17275RBQ4	Cisco Systems Inc	02/26/27	01/26/27	Continuous	265,691
437076DB5	Home Depot Inc	06/25/27	05/25/27	Continuous	61,559
438516CX2	Honeywell International Inc	07/30/27	06/30/27	Continuous	198,916
440452AK6	Hormel Foods Corp	03/30/27	02/28/27	Continuous	86,607
46647PDW3	JPMorgan Chase & Co	10/22/27	10/22/26	Continuous	124,368
46647PEL6	JPMorgan Chase & Co	07/22/28	07/22/27	Continuous	127,438
532457CJ5	Eli Lilly & Co	02/09/27	01/09/27	Continuous	202,754
63743HFM9	National Rural Utilities Cooperative Fi	02/05/27	01/05/27	Continuous	203,676
693475BL8	PNC Financial Services Group Inc	01/26/27	01/26/26	Continuous	25,091
857477CL5	State Street Corp	03/18/27	02/18/27	Continuous	122,837
882508CE2	Texas Instruments Inc	02/08/27	01/08/27	Continuous	177,804
91324PEY4	UnitedHealth Group Inc	04/15/27	03/15/27	Continuous	305,499
57636QBA1	Mastercard Inc	01/15/28	12/15/27	Continuous	95,710
693475BY0	PNC Financial Services Group Inc	07/23/27	07/23/26	Continuous	202,870
Total					\$ 5,915,253

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

The City's investment policy permits the following investments, which are limited to credit quality ratings from Nationally Recognized Statistical Rating Organizations (NRSROs) as described below.

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

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

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

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

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

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

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

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

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

NOTE 3 – Deposits and Investments (Continued)

D. Credit Risk (continued)

As of September 30, 2024, the City had the following credit exposure as a percentage of total investments:

Security Type	Credit Rating	% of Portfolio
U.S. Treasury Notes	AA+	8.40%
U.S. Treasury Bills	A-1+	1.39%
Federal Agency Mortgage-Backed Security	AA+	0.08%
Federal Agency Collateralized Mortgage-Backed Securities	AA+	0.80%
Federal Agency Collateralized Mortgage Obligation	AA+	0.00%
Commercial Paper	A-1+	2.23%
Commercial Paper	A-1	3.62%
Corporate Notes	AA+	0.18%
Corporate Notes	AA	0.11%
Corporate Notes	AA-	0.46%
Corporate Notes	A+	0.52%
Corporate Notes	A	0.46%
Corporate Notes	A-	0.59%
Corporate Notes*	BBB+	0.05%
Municipals	AA+	0.01%
Municipals	AA	0.01%
Asset Backed Securities	AAA	1.25%
Asset Backed Securities**	NR	0.69%
Florida Prime***	AAA _m	27.01%
Florida PALM****	AAA _m	26.39%
US Bank Money Market Account	AAA _m	9.53%
JP Morgan Chase Checking Account	N/A	16.22%
Total		100.00%

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

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

*** Florida Prime (SBA)'s Financial Statement Disclosure for September 30, 2024, available on the website <https://prime.sbafla.com>, is the source of the Fund's Credit Rating from Standard & Poor's.

**** The Florida Public Assets for Liquidity Management Fund's Fact Sheet as of September 30, 2024, provided the credit rating from Standard & Poor's.

NOTE 3 – Deposits and Investments (Continued)

E. Custodial Credit Risk

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

As of September 30, 2024, the City’s investment portfolio was held with a third-party custodian as required by the City’s investment policy.

F. Concentration of Credit Risk

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

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

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

As of September 30, 2024, the City had the following issuer concentration based on fair value:

Security Type	Fair Value	% of Portfolio
Florida Prime*	117,517,843	27.01%
Florida Palm*	114,819,680	26.39%
JP Morgan Chase Checking Account	70,576,801	16.22%
United States Treasury	42,620,812	9.80%
US Bank Money Market Account	41,444,562	9.53%
Royal Bank of Canada	9,681,861	2.23%
BNP Paribas SA	8,964,005	2.06%
Mitsubishi UFJ Financial Group Inc	6,785,838	1.56%
Federal Home Loan Mortgage Corp	3,526,968	0.81%
Bank of America Corp	652,835	0.15%
John Deere Owner Trust	622,176	0.14%
Kubota Credit Owner Trust	613,114	0.14%
Nissan Auto Receivables Owner Trust	565,807	0.13%
JPMorgan Chase & Co	564,531	0.13%
GM Financial Consumer Automobile Receivables Trust	492,196	0.11%
World Omni Auto Trust	472,910	0.11%
Wells Fargo & Co	471,903	0.11%
State Street Corp	448,198	0.10%
Capital One Financial Corp	446,017	0.10%
National Australia Bank Ltd	439,681	0.10%
Bayerische Motoren Werke AG	428,974	0.10%
Northwestern Mutual Life Insurance Co	415,578	0.10%
WF Card Issuance Trust	408,396	0.09%
MetLife Inc	406,389	0.09%
Hyundai Auto Receivables Trust	391,860	0.09%
Discover Card Execution Note Trust	368,231	0.08%
Dai-ichi Life Holdings Inc	354,708	0.08%
Massachusetts Mutual Life Insurance Co	352,279	0.08%
CarMax Inc	339,606	0.08%
Honda Motor Co Ltd	338,641	0.08%
American Express Co	335,667	0.08%
Caterpillar Inc	325,751	0.07%
Exxon Mobil Corp	321,042	0.07%
Toyota Auto Receivables Owner Trust	315,260	0.07%
Mercedes-Benz Auto Receivables Trust	313,793	0.07%
PNC Financial Services Group Inc	307,957	0.07%
UnitedHealth Group Inc	305,499	0.07%
Federal National Mortgage Association	304,615	0.07%
Chase Auto Owner Trust	304,855	0.07%
CNH Equipment Trust	295,874	0.07%
Toyota Motor Corp	279,675	0.06%
Ally Auto Receivables Trust	278,478	0.06%
Amazon.com Inc	269,962	0.06%
Cisco Systems Inc	265,691	0.06%
Deere & Co	264,612	0.06%
National Rural Utilities Cooperative Fin Corp	259,146	0.06%
Fifth Third Auto Trust	248,472	0.06%
BMW Vehicle Lease Trust	231,205	0.05%
BP PLC	226,246	0.05%
Ford Credit Auto Owner Trust	217,058	0.05%
Roche Holding AG	205,208	0.05%

Brighthouse Financial Global Funding	204,174	0.05%
BlackRock Inc	203,890	0.05%
Eli Lilly & Co	202,754	0.05%
Honeywell International Inc	198,916	0.05%
PACCAR Inc	185,872	0.04%
Linde PLC	181,269	0.04%
International Business Machines Corp	179,222	0.04%
Texas Instruments Inc	177,804	0.04%
Harley-Davidson Inc	173,857	0.04%
Truist Financial Corp	165,775	0.04%
AstraZeneca PLC	152,933	0.04%
Daimler Trucks Retail Trust	150,362	0.03%
Morgan Stanley	143,624	0.03%
Home Depot Inc	132,942	0.03%
Adobe Inc	128,003	0.03%
BA Credit Card Trust	121,230	0.03%
Honda Auto Receivables Owner Trust	115,904	0.03%
Porsche Financial Auto Securitization Trust	110,312	0.03%
Volkswagen Auto Loan Enhanced Trust	101,047	0.02%
Principal Financial Group Inc	96,746	0.02%
Mastercard Inc	95,710	0.02%
Colgate-Palmolive Co	91,150	0.02%
Hormel Foods Corp	86,607	0.02%
State Board of Administration Finance Corp	63,448	0.01%
Cintas Corp	54,598	0.01%
Citigroup Inc	44,545	0.01%
Bristol-Myers Squibb Co	40,858	0.01%
Comcast Corp	35,377	0.01%
New York State Dormitory Authority	34,402	0.01%
Total	435,081,792	100.00%

*The City's policy does not apply to the investment of principal, interest, reserve, construction, capitalized interest, redemption, or escrow accounts created by ordinance or resolution pursuant to the issuance of bonds where the investments are held by an authorized depository.

NOTE 3 – Deposits and Investments (Continued)

G. Fair Value Measurement and Application

Investments are carried at fair value as defined in GASB Statement 72 “Fair Value Measurement and Application”. Consistent with GASBC Section 150: *Investments*, the City categorizes its fair value measurements within the fair value hierarchy. The City has the following fair value measurements as of September 30, 2024.

Investments by fair value level	9/30/2024	Quoted Prices in	Significant Other
		Active Markets for	Observable Inputs
		Identical Assets	Level 2
U.S. Treasury securities	\$ 42,620,811	\$ 42,620,811	\$ —
Federal Agency Collateralized Mortgage-Backed Securities	3,482,806	—	3,482,806
Federal Agency Mortgage-Backed Securities	328,321	—	328,321
Federal Agency Collateralized Mortgage Obligation	20,455	—	20,455
Municipal securities	97,850	—	97,850
Commercial paper	25,431,703	—	25,431,703
Corporate notes	10,304,027	—	10,304,027
Asset-Backed Securities	8,436,930	—	8,436,930
	—	—	—
	—	—	—
Total investments by fair value level	90,722,903	42,620,811	48,102,092
Investments reported at Amortized Cost			
Florida Prime Fund (NAV)	117,517,843		
Florida Public Assets - Liquidity Mgmt Fund (Amortized Cost)	114,819,680		
Total investments at amortized costs	232,337,523		
Cash, Cash Equivalents, and Investments			
Cash and Cash Equivalents (Amortized Cost)	112,021,358		
Petty Cash and Change Funds	13,100		
Cash held by Palm Bay Municipal Foundation	68,810		
Cash held by Fiscal Service Agent	1,123,714		
Investments (Amortized Cost)	232,337,523		
Investments (Fair Value)	90,722,903		
Total cash, cash equivalents, and investments	\$ 436,287,408		

Level 1 inputs are measured at quoted prices, in active markets for identical assets. Level 2 inputs utilize significant other observable inputs such as pricing models of similar securities. This includes basing value or yield currently available on comparable securities of issues with similar credit rating. Level 3 inputs are not traded in an active market. No significant observable market inputs are available as of the reporting date.

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

NOTE 3 – Deposits and Investments (Continued)

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

Investments regarding the City’s Police & Fire Pension Plan had the following fair value measurements as of September 30, 2024.

Investments by fair value level	9/30/2024	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs
		Level 1	Level 2	Level 3
Certificated of Deposit	\$ 295,212	\$ —	\$ 295,212	\$ —
Common Stock	59,794,468	59,515,083	279,385	—
Domestic Equity Funds	16,793,640	16,793,640	—	—
U.S. Government securities	28,982,454	3,366,280	25,616,174	—
Corporate Bonds	37,202,874	—	36,215,506	987,368
Real Estate Funds	15,660,922	—	—	15,660,922
International Equity Funds	2,800,878	—	2,800,878	—
Convertible Securities	17,194,935	1,222,830	15,972,105	—
Infrastructure	8,982,805	—	—	8,982,805
	—	—	—	—
Total Investments by net fair value level	187,708,188	80,897,833	81,179,260	25,631,095

Investments measured at net asset value (“NAV”)

International Equity Funds	34,181,993
Bond Funds	53,673
Commingled Domestic Equity Funds	13,120,494
Total investments measured at NAV	47,356,160
Total investments measured at fair value	\$ 235,064,348

The Plan’s valuation methods for investments measured at the net asset value (“NAV”) per share (or its equivalent) as of September 30, 2024 are as follows:

Investments Measured at the NAV			
	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Mutual funds	\$ 34,235,666	— Daily	Same Day
Commingled domestic equity funds	13,120,494	— Monthly	Up to 15 Days
	\$ 47,356,160	\$ —	

H. Investments – Investment in Palm Bay Retirement System

1. Investment Authorization

The Palm Bay Retirement System’s (the “Plan”) investment policy is determined by the Board of Trustees (the “Board”). The policy has been identified by the Board as having the greatest expected investment return, and the resulting positive impact on asset values, funded status, and benefits, without exceeding a prudent level of risk. The Board determined this policy after evaluating the implications of increased investment return versus increased variability of return for a number of potential investment policies with varying commitments to stocks and bonds.

NOTE 3 – Deposits and Investments (Continued)

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

1. Investment Authorization (Continued)

The primary investment objective of the plan is the preservation of invested capital. The secondary objective is to achieve moderate long-term real growth of the assets while minimizing the volatility of returns.

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

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

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

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

2. Types of Investments

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

Authorized Investments	Target % of Portfolio	Actual % of Portfolio
Domestic equities	35%	35%
Fixed income	25%	28%
International equities	15%	18%
Real estate	10%	7%
Convertible securities	10%	7%
Infrastructure	5%	4%
Cash equivalents	0%	3%
	100%	100%
	100%	100%

NOTE 3 – Deposits and Investments (Continued)

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

3. Interest Rate Risk

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

Information about the sensitivity of the fair values of the Plan’s investments to market interest rate fluctuations are provided by the following tables that show the distribution of the Plan’s investment by maturity at September 30, 2024:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 14,428,597	\$ 764,408	\$ 5,962,682	\$ 4,179,232	\$ 3,522,275
U.S. Agencies	14,553,857	—	738,968	—	13,814,889
Debt Securities	55,975,858	2,326,189	30,124,726	10,751,547	12,773,396
Bond Funds	53,673	—	53,673	—	—
Total Fixed Income	<u>\$ 85,011,985</u>	<u>\$ 3,090,597</u>	<u>\$ 36,880,049</u>	<u>\$ 14,930,779</u>	<u>\$ 30,110,560</u>

4. Credit Risk

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

NOTE 3 – Deposits and Investments (Continued)

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

4. Credit Risk (Continued)

The following tables disclose credit ratings by investment type, at September 30, 2024 as applicable:

Quality Rating of Credit Risk Debt Securities	Fair Value	Percentage of Portfolio
Government	\$ 28,982,454	34.1%
AAA	3,096,287	3.6%
AA+	1,429,980	1.7%
AA	322,946	0.4%
AA-	2,300,334	2.7%
A+	851,890	1.0%
A	2,023,358	2.4%
A-	5,362,904	6.3%
B-	—	0.0%
BB+	—	0.0%
BB-	42,640	0.1%
BBB+	6,645,691	7.8%
BBB	5,456,227	6.4%
BBB-	1,918,334	2.3%
CCC	—	0.0%
CCC-	—	0.0%
NR	26,578,940	31.3%
Total Credit Risk Debt Securities	\$ 56,029,531	65.9%
Total Fixed Income Securities	\$ 85,011,985	100%

5. Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of plan net position at September 30, 2024.

6. Custodial Credit Risk

Deposits are exposed to custodial risk if they are uninsured and uncollateralized. Custodial risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Plan and are held either by the counterparty or the counterparty’s trust department or agent but not in the Plan’s name.

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

7. Rate of Return

For the year ended September 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 18.69% for Police Officers, 17.43% for Firefighters and 26.67% for General. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount invested.

NOTE 4 – Receivables

The City's receivables as of September 30, 2024 are summarized as follows:

	Primary Government		
	Governmental	Business-type	Total
Accounts Receivable:			
Accounts receivable	\$ 4,110,558	\$ 13,674,921	\$ 17,785,479
Due from other Governments	3,788,507	280	3,788,787
	7,899,065	13,675,201	21,574,266
Less: Allowances for Uncollectibles	—	(70,000)	(70,000)
Accounts receivable, net	\$ 7,899,065	\$ 13,605,201	\$ 21,504,266

	Governmental Activities						Total
	General Fund	ARPA Fund	Impact Fee Funds	Debt Service Funds	Other Governmental	Internal Service	
Accounts Receivable:							
Accounts receivables	\$ 3,837,843	\$ 451	\$ 85,154	\$ 289	\$ —	\$ 186,821	\$ 4,110,558
Due from State of Florida	3,530,775	—	—	—	—	18,111	3,548,886
Due from Brevard County	36,468	—	—	3,116	24,881	—	64,465
Due from Other Governments	—	—	—	—	175,156	—	175,156
Governmental receivable, net	\$ 7,405,086	\$ 451	\$ 85,154	\$ 3,405	\$ 200,037	\$ 204,932	\$ 7,899,065

The City's Utilities Fund provides water, sewer and stormwater services to residents in the City. Customers routinely receive services in advance during the ordinary course of business; however, customers' deposits are available to be applied against amounts owed. Accounts receivable in the Proprietary Funds at September 30, 2024 is summarized as follows:

	Business-type Activities				Total
	Utilities Fund (Major Fund)	Stormwater (Major Fund)	Solid Waste (Major Fund)	Building (Nonmajor Fund)	
Accounts Receivable:					
Accounts receivables	\$ 5,464,056	\$ 3,761,546	\$ 1,265,622	\$ 20,304	\$ 10,511,528
Unbilled receivables	3,163,393	—	—	—	\$ 3,163,393
Due from other Governments	—	280	—	—	\$ 280
	8,627,449	3,761,826	1,265,622	20,304	13,675,201
Less: Allowances for uncollectibles	(70,000)	—	—	—	(70,000)
Business-type receivable, net	\$ 8,557,449	\$ 3,761,826	\$ 1,265,622	\$ 20,304	\$ 13,605,201

NOTE 5 – Restricted Assets

The use of certain Utilities Fund assets is restricted by specific provisions of the bond resolution authorizing the issuance of the utilities revenue and refunding bonds. In addition, the City restricts funds available for repayment of customer deposits as well as funds required to be placed in special construction accounts, as required by state statutes. Restricted assets at September 30, 2024 are as follows:

Account Description:	Cash and Cash Equivalents
Current:	
Customer Deposits	\$ 9,073,076
Total Current Restricted Assets	<u>9,073,076</u>
Noncurrent:	
Capital Projects	50,724,362
Renewal, Replacement and Improvement	5,678,812
Connection Fees	10,185,510
Debt Service Reserve	1,920,000
Total Noncurrent Restricted Assets	<u>68,508,684</u>
Total Restricted Assets	<u><u>\$ 77,581,760</u></u>

NOTE 6 - Interfund Transfers, Receivables and Payables

Individual Interfund/Intrafund transfers at September 30, 2024 are presented on the table that follows:

Transfers Out	Transfers In									
	General	Impact Fee Fund	G.O. Bond Road Program	Debt Service Fund	Nonmajor Governmental	Utilities	Stormwater	Building (Nonmajor)	Internal Service Fund	Total Transfers Out
General	\$ —	\$ 6,479	\$ —	\$ 6,292,766	\$ 3,110,000	\$ 417	\$ —	\$ 176,554	\$ 963,699	\$ 10,549,915
Impact Fee Fund	—	—	—	995,141	—	—	—	—	—	995,141
G.O. Bond Road Program	—	—	—	1,830,007	—	—	—	—	—	1,830,007
Debt Service Fund	—	—	—	3,355,215	—	—	—	—	—	3,355,215
Nonmajor Governmental	—	—	—	—	—	—	—	—	10,373	10,373
Bayfront Comm Redevelopment	—	—	—	—	1,863,783	—	—	—	—	1,863,783
Building (Nonmajor)	—	—	—	—	—	—	—	—	63,911	63,911
Utilities	804,664	—	—	—	—	7,175,262	—	—	195,165	8,175,091
Stormwater	—	—	—	—	—	—	—	—	43,164	43,164
Solid Waste	—	—	—	—	—	—	—	—	—	—
Internal Service	2,802,399	—	—	—	—	602,093	145,365	135,874	161,844	3,847,575
Total Transfers In	\$ 3,607,063	\$ 6,479	\$ —	\$ 12,473,129	\$ 4,973,783	\$ 7,777,772	\$ 145,365	\$ 312,428	\$ 1,438,156	\$ 30,734,175

NOTE 6 - Interfund Transfers, Receivables and Payables (Continued)

The transfer of approximately \$1.5 million from Utilities to the General Fund represents annual return on investments (ROI). This amount is based on a percentage of the Utility System’s total gross capital assets and is equivalent to payment in lieu of taxes (PILOT). Transfers from General Fund to the Debt Service Fund totaling \$6.7 million covers interest and principal obligations as does the transfer of \$417,315 from Impact Fees Fund. Transfers within utilities in the amount of \$20.9 million covered debt service obligations, supported capital improvement projects and maintained fund balance in accordance with established policies.

General Fund due from other funds balances consist of \$119,109 deficit coverage provided on behalf of CDBG CV- Coronavirus Fund and the NSP fund.

NOTE 7 – Capital Assets

A. Changes in Capital Assets

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

Governmental Activities	Beginning Balance 09/30/2023	Increases	Decreases	Ending Balance 09/30/2024
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 16,119,887	\$ 115,401	\$ —	\$ 16,235,288
Construction In Progress	50,830,741	15,825,111	(32,061,151)	34,594,701
Total Capital Assets, Not Being Depreciated/Amortized	66,950,628	15,940,512	(32,061,151)	50,829,989
Capital Assets, Being Depreciated/Amortized:				
Buildings and Improvements	36,950,559	1,684,946	—	38,635,505
Machinery, Equipment and Vehicles	34,261,072	6,469,704	(3,115,255)	37,615,521
Infrastructure	188,945,013	36,408,776	—	225,353,789
Right to Use - SBITA	1,950,817	5,939,438	(259,584)	7,630,671
Total Capital Assets Being Depreciated/Amortized	262,107,461	50,502,864	(3,374,839)	309,235,486
Less Accumulated Depreciation/Amortization For:				
Buildings and Improvements	(22,293,687)	(975,667)	—	(23,269,354)
Machinery and Equipment	(25,326,025)	(3,666,783)	1,767,453	(27,225,355)
Infrastructure	(80,796,386)	(14,044,392)	—	(94,840,778)
Right to Use - SBITA	(693,775)	(1,044,888)	259,584	(1,479,079)
Total Accumulated Depreciation/Amortization	(129,109,873)	(19,731,730)	2,027,037	(146,814,566)
Total Capital Assets, Being Depreciated/Amortized, Net	132,997,588	30,771,134	(1,347,802)	162,420,920
Governmental Activities Capital Assets, Net	\$ 199,948,216	\$ 46,711,646	\$(33,408,953)	\$ 213,250,909

NOTE 7 – Capital Assets (Continued)

A. Changes in Capital Assets (Continued)

Business-type Activities	Beginning Balance 09/30/2023	Increases	Decreases	Ending Balance 09/30/2024
Utility System				
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 5,118,403	\$ —	\$ —	\$ 5,118,403
Construction In Progress	42,528,484	12,026,255	(2,845,888)	51,708,851
Total Capital Assets, Not Being Depreciated/Amortized	47,646,887	12,026,255	(2,845,888)	56,827,254
Capital Assets, Being Depreciated/Amortized:				
Buildings and Improvements	9,148,841	1,189,863	—	10,338,704
Water and Sewer System	200,875,172	1,248,273	—	202,123,445
Machinery and Equipment	5,430,937	1,736,706	(254,623)	6,913,020
Right to Use - SBITA	—	1,703,357	—	1,703,357
Total Capital Assets Being Depreciated/Amortized	215,454,950	5,878,199	(254,623)	221,078,526
Less Accumulated Depreciation/Amortization For:				
Buildings and Improvements	(1,734,897)	(228,272)	—	(1,963,169)
Water and Sewer System	(90,385,979)	(4,274,806)	—	(94,660,785)
Machinery and Equipment	(3,793,327)	(343,741)	248,611	(3,888,457)
Right to Use - SBITA	—	(108,248)	—	(108,248)
Total Accumulated Depreciation/Amortization	(95,914,203)	(4,955,067)	248,611	(100,620,659)
Total Capital Assets, Being Depreciated/Amortized, Net	119,540,747	923,133	(6,012)	120,457,868
Utility System Capital Assets, Net	\$ 167,187,634	\$ 12,949,388	\$ (2,851,900)	\$ 177,285,122
Stormwater Utility				
Capital Assets, Not Being Depreciated/Amortized:				
Land	\$ 19,802	\$ —	\$ —	\$ 19,802
Construction in Progress	4,955,441	58,887	(2,439,444)	2,574,884
Total Capital Assets, Not Being Depreciated/Amortized:	4,975,243	58,887	(2,439,444)	2,594,686
Capital Assets, Being Depreciated/Amortized:				
Infrastructure	12,255,297	55,356	—	12,310,653
Machinery and Equipment	4,294,487	2,603,631	(28,023)	6,870,095
Total Capital Assets Being Depreciated/Amortized	16,549,784	2,658,987	(28,023)	19,180,748
Less Accumulated Depreciation/Amortization For:				
Machinery and Equipment	(2,063,209)	(408,011)	27,702	(2,443,518)
Infrastructure	(1,145,072)	(419,251)	5,662	(1,558,661)
Total Accumulated Depreciation	(3,208,281)	(827,262)	33,364	(4,002,179)
Total Capital Assets, Being Depreciated/Amortized, Net	13,341,503	1,831,725	5,341	15,178,569
Stormwater Utility Capital Assets, Net	\$ 18,316,746	\$ 1,890,612	\$ (2,434,103)	\$ 17,773,255

NOTE 7 – Capital Assets (Continued)

A. Changes in Capital Assets (Continued)

Business-type Activities	Beginning Balance 09/30/2023	Increases	Decrease	Ending Balance 09/30/2024
Building Inspections				
Capital Assets, Not Being Depreciated/Amortized:				
Construction In Progress	\$ 506,902	\$ 2,017,129	\$ —	\$ 2,524,031
Total Capital Assets, Not Being Depreciated/Amortized	506,902	2,017,129	—	2,524,031
Capital Assets, Being Depreciated/Amortized:				
Right to Use Lease	\$ 561,503	—	—	561,503
Right to Use - SBITA	—	499,480	—	499,480
Machinery and Equipment	737,384	416,770	(164,317)	989,837
Total Capital Assets Being Depreciated/Amortized	1,298,887	916,250	(164,317)	2,050,820
Less Accumulated Depreciation/Amortization For:				
Right of Use Asset	(160,430)	(80,215)	—	(240,645)
Right to Use - SBITA	—	(53,055)	—	(53,055)
Machinery and Equipment	(294,332)	(113,567)	115,053	(292,846)
Total Accumulated Depreciation/Amortization	(454,762)	(246,837)	115,053	(586,546)
Building Inspections Capital Assets, Net	\$ 1,351,027	\$ 2,686,542	\$ (49,264)	\$ 3,988,305
Solid Waste				
Capital Assets, Being Depreciated/Amortized:				
Machinery and Equipment	\$ 2,560,000	\$ —	\$ —	\$ 2,560,000
Total Capital Assets Being Depreciated/Amortized	2,560,000	—	—	2,560,000
Less Accumulated Depreciation/Amortization For:				
Machinery and Equipment	(2,560,000)	—	—	\$ (2,560,000)
Total Accumulated Depreciation/Amortization	(2,560,000)	—	—	(2,560,000)
Solid Waste Capital Assets, Net	\$ —	\$ —	\$ —	\$ —

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

NOTE 7 – Capital Assets (Continued)

Depreciation/Amortization Expense By Function

Governmental Activities:

General Government	\$ 2,005,584
Public Safety	2,823,276
Physical Environment	715,987
Transportation	13,076,993
Economic Environment	156,219
Culture/Recreation	953,671
Total Governmental Activities	<u>\$ 19,731,730</u>

Business-type Activities:

Utility System	\$ 4,955,067
Building Inspection	246,837
Stormwater	827,262
Solid Waste	—
Total Business-type Activities	<u>\$ 6,029,166</u>

B. Construction Commitments

Projects	Spent-to-Date	Remaining Commitment
Governmental Activities:		
St John Parkway and Babcock Intersection	5,467,971	5,061,306
Malabar Rd Widening	233	6,999,767
Fire Station #7	630,272	8,227,817
Building E	3,022,130	6,463,928
Business Type Activities		
Building E	2,574,782	4,527,589
South Regional Water Reclamation Facility	25,995,276	34,542,424
Regional Pump Station #1	466,213	2,059,575
North Regional Waster Water Facility	123,587	1,984,913
Lift Station #1 Relocation	955,918	1,462,281
North Regional Admin Building	24,808	3,645,192
Total	<u>\$ 39,261,190</u>	<u>\$ 74,974,792</u>

NOTE 8 - Long Term Debt

A. Schedule of Changes in Long-Term Debt

The following is a schedule of changes in the City’s long-term debt for the fiscal year ended September 30, 2024:

Governmental Activities:	Balance 9/30/23	Additions	Reductions	Balance 9/30/24	Due Within One Year	Long-Term Portion
Bonds Payable:						
<u>General Obligation Bonds</u>						
General Obligation Bonds - Series 2019	\$ 43,115,000	\$ —	\$ 1,920,000	\$ 41,195,000	\$ 2,015,000	\$ 39,180,000
General Obligation Bonds - Series 2021	46,965,000	—	1,970,000	44,995,000	2,070,000	42,925,000
General Obligation Bonds - Series 2023	50,000,000	—	—	50,000,000	800,000	49,200,000
Add: Unamortized Premium	10,330,120	—	610,202	9,719,918	—	9,719,918
Total General Obligation Bonds Payable	150,410,120	—	4,500,202	145,909,918	4,885,000	141,024,918
<u>Revenue Bonds from Direct Placement & Direct Borrowing:</u>						
Taxable Special Obligation Bonds - Series 2004	210,147	—	68,286	141,861	70,221	71,640
Taxable Special Obligation Bonds - Series 2013	2,660,000	—	1,310,000	1,350,000	1,350,000	—
Sales Tax Revenue Bonds - Series 2015	11,460,000	—	640,000	10,820,000	665,000	10,155,000
Taxable Special Obligation Refunding Bonds - Series 2019	50,145,000	—	640,000	49,505,000	655,000	48,850,000
Add: Unamortized Premium	339,020	—	26,079	312,941	—	312,941
Total Revenue Bonds Payable	64,814,167	—	2,684,365	62,129,802	2,740,221	59,389,581
Notes Payable:						
<u>Notes Payable from Direct Placement & Direct Borrowing:</u>						
Franchise Fee Revenue Note - Series 2015	1,528,000	—	499,000	1,029,000	509,000	520,000
Franchise Fee Revenue Note - Series 2016	3,010,000	—	225,000	2,785,000	237,000	2,548,000
Local Option Gas Tax Note - Series 2018	6,649,000	—	588,000	6,061,000	604,000	5,457,000
Special Obligation Refunding Note - Series 2020	3,757,000	—	258,000	3,499,000	263,000	3,236,000
Total Notes Payable	14,944,000	—	1,570,000	13,374,000	1,613,000	11,761,000
Other Liabilities:						
Financed Purchase Payable	4,718,976	—	431,787	4,287,189	313,034	3,974,155
SBITA Payable	1,000,341	4,108,779	1,321,057	3,788,063	603,956	3,184,107
Net Pension Liability	78,282,082	—	8,992,652	69,289,430	—	69,289,430
Total OPEB Liability	9,893,042	611,024	—	10,504,067	1,680,651	8,823,416
Compensated Absences	6,204,859	526,869	—	6,731,728	1,077,076	5,654,652
Claims Payable	3,753,031	1,002,189	—	4,755,220	1,527,100	3,228,120
Total Other Liabilities	103,852,331	6,248,861	10,745,496	99,355,697	5,201,817	94,153,880
Total Governmental Activities	\$ 334,020,618	\$ 6,248,861	\$ 19,500,063	\$ 320,769,417	\$ 14,440,038	\$ 306,329,379

NOTE 8 - Long Term Debt (Continued)

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

Business-type Activities:	Balance 9/30/23	Additions	Reductions	Balance 9/30/24	Due Within One Year	Long-Term Portion
Utility System						
Bonds Payable:						
<u>Bonds Payable from Direct Placement & Direct Borrowing:</u>						
Utility Capital Improvement Revenue Bonds - Series 2001	\$ 3,448,917	\$ —	\$ 521,064	\$ 2,927,853	\$ 492,840	\$ 2,435,013
Total Revenue Bonds Payable	3,448,917	—	521,064	2,927,853	492,840	2,435,013
Notes Payable:						
<u>Notes Payable from Direct Placement & Direct Borrowing:</u>						
Utility System Refunding Revenue Note - Series 2014	—	—	—	—	—	—
Utility System Refunding Revenue Note - Series 2016	550,000	—	550,000	—	—	—
Utility System Revenue Note - Series 2020	10,292,000	—	726,000	9,566,000	1,300,000	8,266,000
Total Notes Payable	10,842,000	—	1,276,000	9,566,000	1,300,000	8,266,000
Other Liabilities:						
SBITA Payable	—	992,496	95,306	897,190	52,300	844,890
Due to Other Governments:						
State Revolving Loan Payable - Direct Borrowings	15,049,579	4,305,674	—	19,355,253	—	19,355,253
Total OPEB Liability	2,082,746	128,637	—	2,211,383	353,821	1,857,562
Compensated Absences	888,598	46,354	—	934,953	149,592	785,361
Total Other Liabilities:	18,020,923	5,473,161	95,306	23,398,779	555,713	22,843,066
Total Utility System	<u>\$ 32,311,840</u>	<u>\$ 5,473,161</u>	<u>\$ 1,892,370</u>	<u>\$ 35,892,632</u>	<u>\$ 2,348,553</u>	<u>\$ 33,544,079</u>
Building Inspection						
Total OPEB Liability	\$ 260,343	\$ 16,080	\$ —	\$ 276,423	\$ 44,228	\$ 232,195
Compensated Absences	222,353	46,197	—	268,550	42,968	225,582
Building Lease Liability	434,053	—	72,796	361,257	79,368	281,889
SBITA Payable	\$ —	\$ 325,806	\$ 36,224	\$ 289,582	\$ 38,256	\$ 289,582
Total Building Inspection	<u>\$ 916,749</u>	<u>\$ 388,083</u>	<u>\$ 109,020</u>	<u>\$ 1,195,812</u>	<u>\$ 204,820</u>	<u>\$ 1,029,248</u>
Stormwater Utility						
Total OPEB Liability	650,858	40,199	—	691,057	110,569	580,488
Compensated Absences	134,534	—	11,308	123,226	19,716	103,510
Total Stormwater Utility	<u>\$ 785,392</u>	<u>\$ 40,199</u>	<u>\$ 11,308</u>	<u>\$ 814,283</u>	<u>\$ 130,285</u>	<u>\$ 683,998</u>
Solid Waste						
Total OPEB Liability	130,171	8,040	—	138,211	22,114	116,097
Total Solid Waste	<u>\$ 130,171</u>	<u>\$ 8,040</u>	<u>\$ —</u>	<u>\$ 138,211</u>	<u>\$ 22,114</u>	<u>\$ 116,097</u>

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

NOTE 8 -Long Term Debt (Continued)

B. General Obligation Bonds

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

In July 2019, the City issued General Obligation Bonds, Series 2019, in the par amount of \$50 million. For the current year, \$3,526,250 in principal and interest was paid on the Series 2019 Bonds. Principal and interest remaining on the Series 2019 Bonds is \$52,922,250 with interest rates from 3% to 5%.

In February 2021, the City issued General Obligation Bonds, Series 2021, in the par amount of \$50 million. For the current year, \$3,446,150 principal and interest was paid on the Series 2021 Bonds. Principal and interest remaining on the Series 2021 Bonds is \$55,163,850, with interest rates from 2% to 5%.

In September 2023, the City issued General Obligation Bonds, Series 2023, in the amount of \$50 million. For the current fiscal year, \$1,830,007 principal and interest was paid on the Series 2023 bonds. Principal and interest remaining on the Series 2023 Bonds is \$82,138,175, with interest rates from 4% to 5%.

The following schedule represents the future debt principal and interest requirement general obligation bonds outstanding as of September 30, 2024.

Fiscal Year	General Obligation Bonds	
	Principal	Interest
2025	4,885,000	5,128,725
2026	5,130,000	4,884,475
2027	5,385,000	4,627,975
2028	5,655,000	4,358,725
2029	5,935,000	4,075,975
2030-2034	33,740,000	16,315,925
2035-2039	39,250,000	10,809,575
2040-2044	36,210,000	3,832,900
	136,190,000	54,034,275
Add Premium	9,719,918	—
	<u>\$ 145,909,918</u>	<u>\$ 54,034,275</u>

C. Bonds Payable

1. Governmental Activities

In September 2004, the City issued \$5,376,447 in special obligations bonds secured by pledged state revenue sharing monies, as defined in Chapter 218, Part II, Florida Statutes, in an amount of up to 50% of the state revenue monies received in the preceding fiscal year. Proceeds from the bonds were used to discharge the unfunded actuarial accrued pension liability of the Palm Bay Police and Firefighters Pension Plan. The bonds are payable solely from the state revenue sharing funds and are payable through 2026. In December 2016, the City partially refunded these bonds, providing \$4,013,423 in escrow to redeem principal of \$3,945,000 and interest of \$68,423 in January 2017. Total principal and interest remaining to be paid on the bonds is \$480,000.

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

For the current year, principal and interest of \$210,000 was paid. State revenue sharing monies received in 2024 were \$7,325,279. The bonds are direct obligations. Resolution No.2004-51 authorized the issuance of the special obligation bonds with provisions that in the event of default, for failure to: a) pay principal and interest; b) pay Bond Issuer; c) maintain eligibility to receive State Revenue Sharing money, d) or e) comply with covenant agreement; if not remedied or begun to remedy in 30 days, and so long as the Bond Issuer shall not be in default in its payment obligations, the Bond Insurer may waive any event of default under this Resolution and shall be deemed to be the Holder of all Bonds so secured.

The City has pledged certain designated revenues, to repay \$50,855,000 in revenue bonds issued November 2013. Proceeds from the bonds were used to a) refund the City's 2008 Series Pension Obligation Bonds and b) pay termination costs in connection with the associated interest rate SWAP agreement. The bonds are payable principally from communication service and public service tax revenues and are payable through 2040. Total principal and interest remaining to be paid on the bonds is \$1,382,434 due to a partial refunding of \$44,000,000 in December 2019. For the current year, principal and interest of \$1,405,030 was paid. Designated Revenues were \$15,768,293. The bonds contain provisions for default resulting from a) payment of interest not made when due, b) payment of principal not made when due, c) default of any other covenants, d) insolvency, e) receipt of written notice from a Credit Bank that following a drawing for the payment of interest on Bonds, the Credit Bank has not been reimbursed, or any other event of default under such reimbursement agreement. If default occurs, the Holders of not less than 25% in aggregate principal amount of Bonds then outstanding may proceed to enforce the rights of the holders, including to sue for and receive any and all amounts then due for principal, interest, or otherwise under any of the provisions, together with interest on overdue payments and all costs and expenses of collection.

The City has pledged sales tax revenues to repay \$15,375,000 in bonds issued in October 2015. The proceeds from the bonds were used to defease outstanding 2006 Sales Tax Revenue Bonds procured for the acquisition and construction of capital improvement. The bonds are payable from sales tax revenues and are payable through 2037. Principal and interest remaining on the Series 2015 bonds is \$13,173,203. For the current year, principal and interest paid was \$1,038,206. Sales tax revenues were \$8,990,425. Resolution No. 2006-45 provides that any registered owner of the Bonds may compel performance of all required duties. The City is obligated to pay the principal and interest on the Bonds and to make all reserve and other payments.

In December 2019, the City issued the Taxable Special Obligation Refunding Bonds, Series 2019, in the amount of \$51,670,000 to partially refund \$44,000,000 of the City's outstanding Taxable Special Obligation Bonds, Series 2013 and to pay associated issuance costs. The difference in cash flows required to service the old debt versus the new debt is a decrease of \$9,962,373. The economic gain resulting from the refunding is \$7,230,347. The bonds are payable principally from communication service and public service tax revenues and are payable through 2040. For the current year, principal and interest paid was \$2,201,470. Principal and interest remaining on the Series 2019 Bonds is \$65,671,247. The bonds contain provisions for default resulting from a) payment of interest not made when due, b) payment of principal not made when due, c) default of any other covenants, d) insolvency, e) receipt of written notice from a Credit Bank that, following a drawing for the payment of interest on bonds, the Credit Bank has not been reimbursed, or any other event of default under such reimbursement agreement. If default occurs, the Holders of not less than 25% in aggregate principal amount of bonds then outstanding may proceed to enforce the rights of the Holders, including to sue for and receive all amounts then due for principal, interest, or otherwise under any of the provisions, together with interest on overdue payments and all costs and expenses of collection.

NOTE 8 - Long Term Debt (Continued)

C. Bonds Payable (Continued)

1. Governmental Activities (Continued)

A summary of outstanding governmental revenue bonds payable at September 30, 2024 is as follows:

Governmental Activities:	Purpose of Issue	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Revenue Bonds:					
Taxable Special Obligation Bonds Series 2004	Discharging of unfunded actuarial accrued pension fund liability	\$ 5,376,447	\$ 141,861	6.020-6.040	2026
Taxable Special Obligation Bonds Series 2013	Refunding of '08 Pension Bonds and finance termination of SWAP	50,855,000	1,350,000	4.805	2025
Sales Tax Revenue Bonds Series 2015	Refunding of '06 Sales Tax Bonds	15,375,000	10,820,000	3.000-4.000	2037
Taxable Special Obligation Refunding Bonds Series 2019	Partial Refunding of 2013 Taxable Special Obligation Bonds	51,670,000	<u>49,505,000</u>	2.251-3.476	2041
			\$ 61,816,861		
Add: Premium			\$ 312,941		
Total Governmental Activities					
			<u>\$ 62,129,802</u>		

2. Business-type Activities

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

In July 2001, the City issued \$21,311,958 in Capital Improvement Revenue Bonds which were secured by pledged City water and sewer system net operating revenues, including water connection fees. Proceeds from the bonds were used to (1) finance capital improvements to the water portion of the City's Water and Wastewater System (2) pay costs and expenses related to issuance of the Series 2001 Bonds including the municipal bond insurance premium and Reserve Fund Surety Bond premium. The bonds are payable through 2031. Total principal and interest remaining to be paid on the bonds is \$13,430,278. Current year principal and interest payments were \$1,917,528. The City's net operating water and sewer revenues were \$23,673,922. Resolution No. 94-07 provides that each of the following events is an "event of default" if a) any payment of Debt Service is not made when due, b) City becomes incapable of fulfilling its obligations, c) City admits in writing its inability to pay its debts, or files for bankruptcy, or consents to the appointment of a receiver or trustee, d) City is insolvent, or is adjudged bankrupt, e) City seeks reorganization under bankruptcy, f) Default of other covenants. Upon the occurrence and continuance of any event of default, the Holders of not less than 10% in aggregate principal amount and Accreted Value of the Bonds then outstanding may enforce the rights of the Bondholders either for the specific performance of any covenant or agreement contained herein or by any power granted for the enforcement of any proper legal remedy. Upon the happening and continuance of any event of default, Holders of not less than 51% of the aggregate principal amount and Accreted Value of the Bonds then outstanding may declare the principal and Accreted Value of all Bonds then outstanding to be due and payable.

NOTE 8 - Long Term Debt (Continued)

C. Revenue Bonds Payable (Continued)

2. Business-type Activities (Continued)

The following is a summary of business-type activities bonds payable reflected in the City's Utilities Fund as of September 30, 2024:

Business-type Activities:	Purpose of Issue	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Revenue Bonds:					
Utility Capital Improvement Revenue Bonds Series 2001	Capital improvements to water system	\$ 21,311,958	\$ 2,927,853	5.690-5.710	2031
Total Business-type Activities			\$ 2,927,853		

D. Debt Service Requirements

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

Governmental Activities:

Fiscal Year	Revenue/Refunding Bonds		Financed Purchase Payable		Notes Payable		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2025	\$ 2,740,221	\$ 2,110,887	\$ 313,034	\$ 104,745	\$ 1,613,000	\$ 344,170	\$ 7,226,057
2026	2,816,640	2,037,492	329,406	97,645	1,663,000	301,777	7,245,960
2027	2,785,000	1,780,295	346,463	90,144	1,462,000	257,775	6,721,677
2028	2,830,000	1,697,745	364,234	82,224	1,541,000	211,476	6,726,679
2029	2,885,000	1,615,119	394,071	73,869	1,621,000	162,289	6,751,348
2030-2034	18,945,000	6,519,112	1,564,771	248,956	4,836,000	309,159	32,422,998
2035-2039	20,785,000	3,147,991	975,210	45,444	638,000	12,051	25,603,696
2040-2044	8,030,000	281,382	—	—	—	—	8,311,382
Total	\$ 61,816,861	\$ 19,190,023	\$ 4,287,189	\$ 743,027	\$ 13,374,000	\$ 1,598,697	\$ 101,009,797

Business Type Activities:

Fiscal Year	Revenue/Refunding Bonds		Notes Payable		Total
	Principal	Interest	Principal	Interest	
2025	\$ 492,840	\$ 1,425,492	\$ 1,300,000	\$ 159,752	\$ 3,378,084
2026	465,701	1,451,607	1,323,000	138,042	3,378,350
2027	440,733	1,478,490	1,343,000	115,948	3,378,171
2028	416,851	1,503,149	1,364,000	93,520	3,377,520
2029	391,248	1,525,309	1,391,000	70,741	3,378,298
2030-2034	720,480	3,118,378	2,845,000	71,459	6,755,317
	\$ 2,927,853	\$ 10,502,425	\$ 9,566,000	\$ 649,462	\$ 23,645,740

E. Debt Defeasance and Advance Refunding

The City advances, refunds and/or defeases long-term debt primarily to reduce debt service requirements. As of September 30, 2024, the City has no outstanding defeased bonds.

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

In May 2015, the City issued a \$4,744,000 Franchise Fee Revenue Note, Series, 2015. Most of the proceeds of the Note were used to finance mitigation costs relative to the I-95 Interchange Capital Improvement Project. Remaining proceeds shall be used for transportation improvements to include a connector road to the I-95 interchange. The note matures in 2026 and bears a fixed interest rate of 2.100%. Principal and interest remaining on the Note is \$1,050,725. The total principal and interest paid during the year was \$525,848. A summary follows of Resolution No. 2015-24 list of Events of Default: a) default in the payment of principal of amortization installment, redemption premium, or interest when due, b) default in the payment of fees due any provider of a Reserve Account Insurance Policy, c) bankruptcy, d) default of any other covenant. Any Holder of Bonds may enforce performance if acceleration shall not be a remedy unless specifically provided by Supplemental Resolution. Holder(s) of Bonds in an aggregate principal amount of not less than 25% of the Bonds then outstanding may appoint a trustee to represent such Bondholders in any legal proceeding for enforcement of Bondholders rights.

In March 2016, the City issued a \$13,190,000 Utility System Revenue Refunding Note, Series 2016, to refund Utility System Capital Improvement Refunding Bonds, Series 2005B. The Note, which has a maturity date of 2024, bears a fixed interest rate of 2.200%, and is due semi-annually on March 6 and September 6. The note is secured by pledged revenues from main line extension fee revenue and water & sewer operating revenues. Principal and interest remaining on the Series 2016 Refunding Note is \$0. Total principal and interest paid on the Refunding Note during the year was \$562,100 Resolution 98-54 provides that each of the following events is an "event of default" if: a) any payment of Debt Service is not made when due, b) City becomes incapable of fulfilling its obligations, c) City admits in writing its inability to pay its debts, or files for bankruptcy, or consents to the appointment of a receiver or trustee, d) City is insolvent, or is adjudged bankrupt, e) City seeks reorganization under bankruptcy, f) Default of other covenants. Upon the occurrence and continuance of any event of default, the Holders of not less than 10% in aggregate principal amount and Accreted Value of the Bonds then outstanding may enforce the rights of the Bondholders either for the specific performance of any covenant or agreement contained herein or by any power granted for the enforcement of any proper legal remedy. Upon the happening and continuance of any event of default, Holders of not less than 51% of the aggregate principal amount and Accreted Value of the Bonds then outstanding may declare the principal and Accreted Value of all Bonds then outstanding to be due and payable.

In December 2016, the City issued \$3,983,000 in Taxable Franchise Fee Revenue Refunding Note, Series 2016. The proceeds and City contributions of \$81,518.13, were used to current refund a portion of the Taxable Special Obligation Bonds (Pension Obligation), Series 2004, and cover the costs of issuance. The Note, which has a maturity date in fiscal year 2031, bears a fixed interest rate of 4.07%, and is payable semi-annually on April 1 and October 1. Principal and interest paid on the Refunding Note during the year was \$342,273. Principal and interest remaining on the Series 2016 Refunding Note is \$3,184,613. Resolution 2015-24 defines each of the following as an "Event of Default": a) default in the payment of the principal of, Amortization Installment, redemption premium or interest when due, b) default in the payment of fees due any provider of a Reserve Account Insurance Policy, c) bankruptcy, d) default of any other covenants, and such default shall continue for a period of 30 days after written notice received from the Holders of not less than 25% of the aggregate principal amount of Bonds outstanding or the Insurer of such amount of Bonds. Any Holder of Bonds may compel the performance of all duties required.

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

In February 2018, the City issued Local Option Gas Tax Revenue Note, Series 2018, in the par amount of \$9,000,000 for the construction of a connector road from Babcock Street to the new I-95 exchange and to cover costs of issuance. The note matures in October 2032 and bears a fixed interest rate of 2.71%. Principal and interest remaining on the Note totals \$6,829,299. Total principal and interest paid during the fiscal year was \$760,221. Resolution No. 2014-08 describes Events of Default as a) failure to make payments when due, b) bankruptcy, c) default of any other covenants. Notwithstanding the foregoing, the Issuer shall not be deemed in default if such default can be cured within a reasonable period of time and if the Issuer in good faith begins curative action and pursues such action until the default has been corrected. Any Holder may compel the performance of all duties required. The Holder(s) in an aggregate principal amount of not less than 25% of the obligations then outstanding may appoint a trustee to represent such Holders in any legal proceedings. During the period in which an Event of Default shall have occurred or be continuing, the Series 2018 Note shall bear interest at the "Default Rate", calculated at the greater of (i) the published Federal Reserve Bank Prime Rate plus 3%, (ii) the Federal Funds rate plus 5%, or (iii) 7% per annum; however not to exceed the maximum rate permitted by law.

On October 1, 2020, the City refunded the Public Service Tax Bonds, Series 2010, through the issuance of the Special Obligation Revenue Refunding Note, Series 2020, in the amount of \$4,258.00. Also, \$490,111 from the Debt Service Reserve Fund of the refunded bond was used as a source of funding for part of the refunding escrow deposit. In the event of default from a) nonpayment of interest when due, b) nonpayment of principal when due, c) insolvency proceedings, d) non-reimbursement of a Credit Bank, or e) default in the performance of any other covenants, then the Holders shall be entitled to sue to enforce payment. For the current year, \$258,000 in principal and \$67,827 in interest was paid. Principal and interest remaining on the 2020 Special Obligation Note is \$3,908,060.

In July 2020, the City entered into a direct borrowing for Equipment Lease/Purchase Agreement, as lessee, with Bank of America Public Capital Corp, lessor, in the amount of \$4,479,235. The purpose of the agreement is to refund Series 2018 Lease which secured equipment to be used for energy savings at City facilities. The lease matures in July 2037 and has a fixed contract rate of 2.55%. The net present value savings is \$284,315. Principal and interest remaining on the Lease is \$4,337,165. Total principal and interest paid during the fiscal year was \$270,175.

On October 29, 2020, the City issued a note in the amount of \$11,507,000 to provide funds for certain capital improvements to the City's water and sewer system and for costs of issuance. Each of the following is deemed an "event of default" if a) any payment of debt service is not made when due, b) the City is rendered incapable of fulfilling its obligations, c) files bankruptcy, d) adjudged insolvent, e) reorganization under bankruptcy laws, f) default in punctual performance of any other covenants. In the event of default, the holders of the bonds then outstanding may protect and enforce the rights of the bondholders, but the remedy of acceleration shall not be available. For the current year, \$726,000 of principal and \$171,876 in interest was paid. Principal and interest remaining on the 2020 Utility Note is \$10,215,463.

In March 2020, The City entered into two direct borrowings for Equipment Lease/Purchase Agreements, as lessee, with Bank of America Public Capital Core, lessor. The first agreement totaled \$661,884 and secured Police equipment. The lease matured in 2024 and has a contract rate of 1.6008%. Principal and interest remaining on the lease is \$0. Total principal and interest paid during the fiscal year was \$136,614. The second lease agreement secured Fire equipment in the amount of \$1,278,000. The lease matures in 2029 and has a contract rate of 1.8522%. Principal and interest remaining on the lease is \$693,050. Total principal and interest paid during the fiscal year was \$138,610.

In 2020, the City entered into a Clean Water State Revolving Loan Funding Agreement with the Florida Water Pollution Control Financing Corporation, which was reviewed by the State of Florida Department of Environmental

NOTE 8 - Long Term Debt (Continued)

F. Notes Payable (Continued)

Protection for funding the South Regional Water Treatment Reclamation Facility Construction project. Original project cost was \$38,938,800. The Final Loan Amendment is to be executed upon completion of project. Pledged revenues shall be the gross revenues, together with sewer impact fees, derived yearly from the operation of the water and sewer systems after payment of the operation and maintenance expense and the satisfaction of all yearly payment obligations of the senior revenue debt. The following are events of default are enumerated in the agreement: 1) failure to make monthly loan deposit or to make semi-annual loan payment when due 2) failure to comply with any covenants required by loan agreement 3) any false representation by, or on behalf of, the City contained in loan agreement, 4) an order appointing a receiver of any part of the water or sewer system or gross revenues thereof, 5) any proceeding instituted for the purpose of adjusting the claims of City’s creditors if the claims are payable from water or sewer revenues, 6) bankruptcy, 7) charge of criminal violations in the implementation of the Project or the administration of the proceeds from this Loan against one or more officials of the City, 8) failure of City to give immediate written notice of knowledge of a potential default to the Department. Remedies include: 1) By mandamus, 2) Require City to account for all moneys received pursuant to this agreement and to account for the receipt, use, application, or disposition of the pledged revenues, 3) Enjoin any acts or things which may be unlawful or in violation of the rights of the Corporation or the Department, 4) Cause the appointment of a receiver to manage the water and sewer systems, 5) the Department may provide for the payment to the Trustee of the delinquent amount plus a penalty from any unobligated funds due to the City under any revenue or tax sharing fund established by the State, 6) Notifying financial market credit rating agencies and potential creditors 7) By suing for payment of amounts due, 8) By accelerating the repayment schedule or increasing the financing rate on the unpaid principal of the loan to as much as 1.667 times the financing rate. Original estimated principal amount of the loan was \$20 million. The loan service fee was estimated at \$400 thousand. Semi-annual loan payments were expected to be in the amount of \$510 thousand until the payment amount is adjusted by amendment. For the current year, no principal or interest was paid. As of September 30, 2024, the City drew down \$19,355,253 from the available funding.

The following is a summary of the City’s notes payable as of September 30, 2024:

Governmental Activities:	Purpose of Issue	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Franchise Fee Revenue Note Series 2015	Financing of I-95 Interchange Mitigation costs	4,744,000	1,029,000	2.100	2026
Franchise Fee Revenue Note Series 2016	Partial Refunding of the Special Obligation Bonds, Series 2004	3,983,000	2,785,000	4.070	2031
Local Option Gas Tax Note Series 2018	Financing I-95 connector road project	9,000,000	6,061,000	2.710	2033
Special Obligation Revenue Refunding Note Series 2020	Refunding of Public Service Tax Bonds, Series 2010	4,258,000	3,499,000	1.880	2036
Total Governmental Activities			<u>\$ 13,374,000</u>		
Business-type Activities:	Purpose of Issue	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Utility System Revenue Note Series 2020	Fund Capital Improvements of Water and Sewer System	11,507,000	<u>9,566,000</u>	1.670	2030
Total Business-type Activities			<u>\$ 9,566,000</u>		

NOTE 8 - Long Term Debt (Continued)

G. Right of Use Lease Obligations

The City has entered into a lease as lessee of a building. An initial lease liability was recorded in the amount of \$561,503. For the year ended September 30, 2024, the lease liability is \$361,257. The lease has an interest rate of 5.00%. The value of the right of way use asset for the year ended September 30, 2024, is \$561,503 with accumulated amortization of \$240,644.

The future minimum lease obligations and the net present value of the minimum lease payment as of September 30, 2024, is as follows:

Business-Type Activities			
Fiscal Year	Principal		Interest
2025	\$ 79,368	\$	15,864
2026	86,364		11,724
2027	93,803		7,225
2028	101,722		2,342
	<u>\$ 361,257</u>	<u>\$</u>	<u>37,155</u>

H. Right of Use SBITA Obligations

For the year ended September 30, 2024, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The City has entered into various subscription arrangements and recorded an initial subscription liability. For the year ended September 30, 2024, the subscription liability is \$4,974,835. The arrangements have interest rates ranging from 2.31% to 3.74%. The value of the right of use asset for the year ended September 30, 2024, is \$9,833,508 with accumulated amortization of \$1,640,382.

Governmental Activities			
Fiscal Year	Principal		Interest
2025	\$ 603,956	\$	122,855
2026	511,927		82,514
2027	455,040		70,272
2028	429,370		58,556
2029	324,262		47,555
2030-2033	1,463,508		99,616
	<u>\$ 3,788,063</u>	<u>\$</u>	<u>481,368</u>

NOTE 8 - Long Term Debt (Continued)

H. Right of Use SBITA Obligations (Continued)

Business-Type Activities				
Fiscal Year	Principal		Interest	
2025	\$	90,556	\$	2,798
2026		193,237		27,478
2027		148,251		23,871
2028		111,150		20,076
2029		116,731		17,119
2030-2033		526,847		35,861
	<u>\$</u>	<u>1,186,772</u>	<u>\$</u>	<u>127,203</u>

NOTE 9 – Employee Retirement Systems

All City of Palm Bay full-time employees participate in one of two retirement plans offered by the City. Full-time employees participate in either the Palm Bay Defined Contribution Retirement Plan or the Palm Bay Defined Benefit Police and Firefighters Retirement System. In addition, the City offers elected officials’ membership in the Florida Retirement System, which is a cost-sharing, multi-employer defined benefits plan. The pension expense for all pension plans was \$10,874,041 for the fiscal year ended September 30, 2024.

A. Defined Contribution Retirement Plan

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

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

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

In fiscal year 2024, employer and employee contributions to the ICMA defined contributions plan were \$2,475,502 and \$1,656,327 respectively.

B. Defined Benefit Plan Palm Bay Police and Firefighter Plan

Plan Description - The City of Palm Bay maintains a single-employer defined benefit pension plan, which covers general employees, police officers and firefighters. The Plan is closed to new general employees and that

NOTE 9 – Employee Retirement Systems (Continued)

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

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

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

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

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

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

Employees Covered – Based on the Actuarial Valuation Report as of October 1, 2023 the following employees were covered by the benefit terms for the Plan:

	Police Officers	Fire Fighters	General Employees
Inactive employees or beneficiaries currently receiving benefits	119	99	1
Inactive employees entitled to benefits but not receiving them	27	2	—
Active employees	162	122	—
Total members	308	223	1

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

Police officer members:

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

Each police officer member with less than 20 years of credited service will have a monthly normal retirement benefit in an amount equal to 2% of the member's AFC multiplied by the member's credited service preformed prior to June 1, 1992 and 2½% of the member's AFC multiplied by the member's credited service performed on

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

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

Firefighter members:

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

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

Each firefighter member with less than 20 years of credited service will have a monthly normal retirement benefit in an amount equal to 2% of the member's AFC multiplied by the member's credited service performed prior to October 1, 1991, and 2½% of the member's AFC multiplied by the member's credited service performed on and after October 1, 1991. For members who have completed 20 years of credited service as a firefighter, instead of the amount described in the previous sentence, the member's monthly normal retirement benefit shall be an amount equal to 3% of the member's AFC multiplied by the member's credited service plus 5% of AFC for service after 20 years to a maximum of 100% of the AFC upon completion of 28 years of service.

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

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

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

Deferred Retirement Option Plan (DROP):

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

Supplemental Benefits*Police officer members:*

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

NOTE 9 – Employee Retirement Systems (Continued)*B. Defined Benefit Palm Bay Police and Firefighter Plan (Continued)**Firefighter members:*Tier One members

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

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

Tier Two members

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

Cost of Living Adjustment:*Police officer members:*

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

*Firefighter members:*Tier One members

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

Tier Two members

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

Contributions - Florida Statutes, Chapters 175 and 185 require members to contribute not less than 0.5% of their annual salary. The Plan, as approved by the City Council, requires member police officers and firefighters to contribute 8.76% of their base annual salary. Funding contributions are determined annually on an actuarial basis as of October 1. The City is required to contribute at an actuarially determined amount necessary to finance current costs and amortized unfunded past service cost as provided by Florida Statute, Chapter 112. The City made contributions of \$2,761,771 to Police and \$3,277,740 to Firefighters in fiscal year 2024.

Municipalities that have established pension plans complying with the provisions of Chapters 175 and 185, Florida Statutes, and that have enacted appropriate taxing legislation are eligible to receive revenues generated from excise taxes on gross receipts of certain insurance premiums from policyholders covering property within the City limits. These are the Firefighters' Pension Fund Excise Tax imposed on the gross receipts of property insurance

NOTE 9 – Employee Retirement Systems (Continued)

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

policy premiums and the Police Officers’ Pension Fund Excise Tax imposed on the gross receipts of casualty insurance policy premiums. The City recognized as revenues and expenditures on-behalf of payment relating to pension contributions for its public safety employees by the State. These contributions from excise tax totaled \$1,482,346 for Police Officers and \$1,118,779 for Firefighters.

Net Pension Liability (Asset)

The City’s net pension liability (asset) for The Plan is measured as the total pension liability less the pension fiduciary net position. The total pension liability, net pension liability (asset) and certain sensitivity information for each of the Plan classification is measured as of October 1, 2023. The total pension liability was rolled forward from each valuation date to the Plan’s fiscal year ending September 30, 2024 using generally accepted actuarial principles. Components of the net pension liability (asset) of the City at September 30, 2024 are as follows:

	2024			
	Police	Fire	General	Total
Total pension liability	\$ 172,998,629	\$ 137,684,810	\$ 9,802	\$ 310,693,241
Plan fiduciary net pension ending	(137,292,651)	(104,351,088)	(280,538)	(241,924,277)
City's net pension liability (asset)	\$ 35,705,978	\$ 33,333,722	\$ (270,736)	\$ 68,768,964
Plan fiduciary net pension - actuarial as a percentage of the total pension liability (asset)	79.36%	75.79%	2862.05%	77.87%

Actuarial Assumptions - The total pension liabilities were determined by an actuarial valuation as of October 1, 2023, updated to September 30, 2024 using the following assumptions:

	Police Officers	Fire Fighters	General Employees
Valuation Date	October 1, 2023	October 1, 2023	October 1, 2023
Measurement Date	September 30, 2024	September 30, 2024	September 30, 2024
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Actuarial Assumptions			
Discount Rate	7.40%	7.40%	7.65%
Inflation	2.50%	2.50%	2.50%
Payroll Growth	0.00%	0.00%	N/A
Projected Salary Increase	Varies by age	Varies by age	N/A
Investment Rate of Return	7.50%	7.50%	7.65%
Mortality	PubS.H-2010	PubS.H-2010	PubS.H-2010
	Improvement Scale MP-2018	Improvement Scale MP-2018	Improvement Scale MP-2018
Service Retirement	Members will retire at a rate of 5% per year prior to normal retirement		

Mortality rates are mandated by Chapter 2015-157, Laws of Florida. The assumed rates of mortality were changed to the rates used in Milliman’s July 1, 2021, FRS valuation report for special risk employees, with appropriated risk and collar adjustments made based on plan demographics.

NOTE 9 – Employee Retirement Systems (Continued)

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

Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35%	8.2%
Fixed Income	25%	3.3%
Real Estate	10%	5.5%
International Equity	15%	3.3%
Convertible Security	10%	6.5%
Infrastructure	5%	6.5%
	<u>100%</u>	

The discount rate used to measure the total pension liability for police and fire was 7.40%. General employees discount rate was 7.65%. The projection of cash flows used to determine the discount rate assumed the Plan member’s contributions will be made at the current contribution rates and that contributions from the City will be made at statutorily required rates as actuarially determined. Based on those assumptions, the Plan’s fiduciary Net Position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long term expected rate of return on pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9 – Employee Retirement Systems (Continued)

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

Changes in the Net Pension Liability (Asset)- The changes in the Net Pension Liability (Asset) for The Plan as of the measurement date of September 30, 2024 are as follows:

	Police		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at September 30, 2023	\$ 158,196,519	\$ 118,267,803	\$ 39,928,716
Changes in the year:			
Service Cost	2,433,603	—	2,433,603
Interest on the Total Pension Liability	11,757,741	—	11,757,741
Change in Excess State Money	—	—	—
Share Plan Allocation	480,806	—	480,806
Difference between Expected and Actual Experience	4,805,375	—	4,805,375
Changes in assumptions	2,090,633	—	2,090,633
Contributions - Employer	—	2,761,771	(2,761,771)
Contributions - State	—	1,482,346	(1,482,346)
Contributions - Employee	—	990,646	(990,646)
Contributions - Buyback	—	—	—
Net Investment Income	—	21,872,194	(21,872,194)
Benefit Payments, Including Refunds of Employee Contributions	(7,720,488)	(7,720,488)	—
Administration Expense	—	(361,621)	361,621
Net Changes	14,802,110	19,024,848	(4,222,738)
Balance at September 30, 2024	<u>\$ 172,998,629</u>	<u>\$ 137,292,651</u>	<u>\$ 35,705,978</u>

NOTE 9 – Employee Retirement Systems (Continued)

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

Changes in the Net Pension Liability (Asset) (Continued)

	Fire		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at September 30, 2023	\$ 129,960,606	\$ 91,403,519	\$ 38,557,087
Changes in the year:			0
Service Cost	2,159,184	—	2,159,184
Interest on the Total Pension Liability	9,621,503	—	9,621,503
Change in Excess State Money	—	—	—
Share Plan Allocation	146,728	—	146,728
Changes of Benefit Terms	1,095,625	—	1,095,625
Difference between Expected and Actual Experience	768,519	—	768,519
Changes in assumptions	1,598,800	—	1,598,800
Contributions - Employer	—	3,277,740	(3,277,740)
Contributions - State	—	1,118,779	(1,118,779)
Contributions - Employee	—	759,696	(759,696)
Contributions - Buyback	—	—	—
Net Investment Income	—	15,742,957	(15,742,957)
Benefit Payments, Including Refunds of Employee Contributions	(7,666,155)	(7,666,154)	(1)
Administration Expense	—	(285,449)	285,449
Net Changes	7,724,204	12,947,569	(5,223,365)
Balance at September 30, 2024	<u>\$ 137,684,810</u>	<u>\$ 104,351,088</u>	<u>\$ 33,333,722</u>

	General		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability(Asset)
	(a)	(b)	(a)-(b)
Balance at September 30, 2023	\$ 10,491	\$ 228,114	\$ (217,623)
Changes in the year:			
Interest on the total pension liability	706	—	706
Difference between Expected and Actual Experience	1,136	—	1,136
Changes in Assumptions	—	—	—
Net Investment Income	—	59,853	(59,853)
Benefit Payments, Including Refunds of Employee Contributions	(2,531)	(2,532)	1
Administration Expense	—	(4,897)	4,897
Net Changes	(689)	52,424	(53,113)
Balance at September 30, 2024	<u>9,802</u>	<u>280,538</u>	<u>(270,736)</u>
Total of PBP&PBF Plans	<u>\$ 310,693,241</u>	<u>\$ 241,924,277</u>	<u>\$ 68,768,964</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following chart presents the net pension liability (asset) of the Plan as of September 30, 2024, calculated using the discount rate of 7.50% as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower (6.50%) or 1-percent-point higher (8.50%) than the current rate for police & fire. General employees discount rate 1-percent-point lower (6.65%) or 1-percent-point higher (8.65%) than the current rate.

NOTE 9 – Employee Retirement Systems (Continued)

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

	Discount Rate - 1% 6.40%	Current Discount 7.40%	Discount Rate + 1% 8.40%
Police Officers	\$ 59,004,282	\$ 35,705,978	\$ 16,364,420
Fire Fighters	\$ 50,939,165	\$ 33,333,722	\$ 18,369,424
	Discount Rate - 1% 6.65%	Current Discount 7.65%	Discount Rate + 1% 8.65%
General Employees	\$ (270,409)	\$ (270,736)	\$ (271,044)

Pension Plan Fiduciary Net Pension

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

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

For the year ended September 30, 2024, the City recognized total pension expense of \$10,865,571. At September 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,919,546	\$ —
Changes in assumptions	2,342,034	—
Net difference between projected and actual earning on plan investments	1,997,531	—
Total	<u>\$ 9,259,111</u>	<u>\$ —</u>

NOTE 9 – Employee Retirement Systems (Continued)

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

	Fire	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,206,710	\$ 776,052
Changes in assumptions	3,047,159	—
Net difference between projected and actual earning on plan investments	2,310,290	—
Total	\$ 6,564,159	\$ 776,052

	General	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ —	\$ —
Changes in assumptions	—	—
Net difference between projected and actual earning on plan investments	—	23,934
Total	\$ —	\$ 23,934

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

Police

Year ending September 30:

2025	\$ 4,722,560
2026	6,853,953
2027	(1,077,710)
2028	(1,239,692)
2029	—
	\$ 9,259,111

NOTE 9 – Employee Retirement Systems (Continued)

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

Fire

Year ending September 30:

2025	\$	3,204,029
2026		4,815,736
2027		(1,033,297)
2028		(1,592,915)
2029		394,554
	\$	<u>5,788,107</u>

General

Year ending September 30:

2025	\$	(4,657)
2026		355
2027		(11,095)
2028		(8,537)
2029		—
	\$	<u>(23,934)</u>

C. Florida Retirement System

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

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

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

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

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

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

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

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

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is a proportion of 3.0% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3.0%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

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

HIS membership is available to all members within the FRS. The benefit is a monthly payment to assist retirees of the state-administered retirement system in paying their health insurance costs. Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30, and the maximum payment is \$160 per month. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of eligible health insurance coverage, which includes Medicare.

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3.0% percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contributions rates established by the Florida Legislature. These rates are updated as of July 1 each year. The employer contribution rates for elected officials for the periods October 1, 2023 through June 30, 2024 and from July 1, 2023 through September 30, 2024, were 55.28% and 56.62% respectively. These percentages include a 2.00% contribution rate for HIS.

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

The City's contributions recognized during the fiscal year ended September 30, 2024 by FRS and HIS were \$33,279 and \$1,263 respectively.

NOTE 9 – Employee Retirement Systems (Continued)

C. Florida Retirement System (Continued)

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

The City’s proportionate share of net pension liability, pension expense related deferrals as of September 30, 2024 are as follows:

	FRS	HIS	Total
Proportionate Share of Net Pension Liability on June 30, 2024	\$ 227,348	\$ 22,382	\$ 249,730
City's portion at June 30, 2024	0.00058769400	0.00014920500	
City's portion at June 30, 2023	0.00075009600	0.00017532600	
Change in proportion during current year	(0.00016240200)	(0.00002612100)	

For the fiscal year ended September 30, 2024, the City recognized pension expense of \$39,526. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS		TOTAL	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 22,968	\$ —	\$ 216	\$ 43	\$ 23,184	\$ 43
Change in assumptions	31,160	—	396	2,650	31,556	2,650
Change in proportion and differences between City Pension Plan contributions and proportionate share of contributions	47,755	78,052	144	5,210	47,899	83,262
City Pension Plan contributions subsequent to the measurement date	5,596	—	297	—	5,893	—
Net difference between projected actual earnings on plan investments	—	15,111	—	8	—	15,119
Total	<u>\$ 107,479</u>	<u>\$ 93,163</u>	<u>\$ 1,053</u>	<u>\$ 7,911</u>	<u>\$ 108,532</u>	<u>\$ 101,074</u>

Plan contributions made after the measurement date of the net pension liability, but before the end of the City’s reporting period of September 30, 2024 are recognized as a reduction of the net pension liability in the subsequent fiscal year rather than the current fiscal year. City contributions to the Plan subsequent to the measurement date totaled \$5,893 and are included in deferred outflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

NOTE 9 – Employee Retirement Systems (Continued)

C. Florida Retirement System (Continued)

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

Year ending September 30	FRS	HIS	Net Pension Expense
2024	\$ (17,729)	\$ (1,366)	\$ (19,095)
2025	28,158	(1,589)	26,569
2026	4,457	(1,712)	2,745
2027	(5,299)	(1,287)	(6,586)
2028	(867)	(929)	(1,796)
Thereafter	—	(272)	(272)
	<u>\$ 8,720</u>	<u>\$ (7,155)</u>	<u>1,565</u>

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

The total pension liability for FRS and HIS on the July 1, 2024 actuarial valuation was determined using the following assumptions:

	FRS	HIS
Valuation Date	July 1, 2024	July 1, 2024
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions		
Discount Rate	6.70%	3.65%
Inflation	2.40%	2.40%
Projected Salary Increase	3.50%	3.50%
Investment Rate of Return	6.70%	N/A
Municipal Bond Index	N/A	3.65%
Mortality	PUB2010 base table varies by member with category & sex projected generationally with Scale MP-2018	Generational PUB-2010 with Projected Scale MP-2018

The actuarial assumptions used in the July 1, 2024 valuation was based on the results of an actuarial experience study for the period July 1, 2018 through June 20, 2023.

The following changes in key actuarial assumptions occurred in 2024:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability of 6.70% did not change from prior year.

NOTE 9 – Employee Retirement Systems (Continued)

C. Florida Retirement System (FRS) (Continued)

Actuarial Assumptions (Continued)

HIS: The municipal bond index rate and the discount rate used to determine the total pension of 3.65% increase from 3.54% from the prior year.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric Return)
Cash	1.00%	3.30%	3.30%
Fixed Income	29.00%	5.70%	5.60%
Global Equity	45.00%	8.60%	7.00%
Real Estate	12.00%	8.10%	6.80%
Private Equity	11.00%	12.40%	8.80%
Strategic Investments	2.00%	6.60%	6.20%
	<u>100.00%</u>		

Discount Rate - The discount rate used to measure the total pension liability was 6.70%. The Pension Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return. However, because the HIS program uses a pay-as-you-go funding structure, a municipal bond rate of 3.54% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index).

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

The following represents the City’s proportionate share of the net pension liability as of June 30, 2024 calculated using the discount rate, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	FRS Net Pension Liability			HIS Net Pension Liability		
	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Employer’s proportionate share of the net pension liability	\$ 399,897	\$ 227,348	\$ 82,801	\$ 25,479	\$ 22,382	\$ 19,811

NOTE 9 – Employee Retirement Systems (Continued)

C. Florida Retirement System (FRS) (Continued)

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

Pension Plan	Net Pension Liability	Net Pension Asset	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Palm Bay Police & Fire	\$ 69,039,700	\$ 270,736	\$ 15,823,270	\$ 799,986	\$ 10,865,571
FRS (Proportionate Share)	227,348	—	107,479	93,163	7,876
HIS (Proportionate Share)	22,382	—	1,053	7,911	594
Total	\$ 69,289,430	\$ 270,736	\$ 15,931,802	\$ 901,060	\$ 10,874,041

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

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

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

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

Funding Policy - Contribution rates for the Plan are established on an annual basis. Eligible retirees and their covered dependents receiving benefits contribute 100% of their premium costs for medical insurance. While the City does not directly contribute towards the costs of retiree premiums via an explicit subsidy, the ability of retirees to obtain health insurance coverage at a group rate which includes active employees constitutes a significant economic benefit to retirees, or an “implicit” subsidy. This implicit subsidy is an, Other Post Employment Benefit (OPEB) obligation of the City and is funded by general assets on a pay-as-you-go basis since there is no Trust Fund or equivalent arrangement into which the City makes contributions. For the year ended September 30, 2024, the City estimated its subsidized contributions towards medical cost on behalf of retirees and their covered dependents to be \$331,409.

Employees Covered by Benefit Terms – As of October 1, 2023

the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	34
Active Plan Members	718
Total	752

NOTE 9 – Employee Retirement Systems (Continued)

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

Total OPEB Liability – The City’s total OPEB liability of \$13,821,141 was measured as of October 1, 2023, which was determined by an actuarial valuation as of September 30, 2024.

Significant Actuarial Assumptions and other Inputs – The total OPEB Liability determined in the October 01, 2023 actuarial valuation used the following significant actuarial assumptions and other inputs:

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

Retirement Age - 100% at Normal Retirement Eligibility Date

Mortality - Florida Retirement System Mortality Table

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

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

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

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

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

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

Changes in Total OPEB Liability

	Total OPEB Liability
Balances at October 1, 2023	\$ 13,017,162
Changes for the year:	
Service Cost (Entry Age Normal Cost) for 1 year	653,459
Interest for 1 year*	481,930
Difference between Expected and Actual Experience	—
Changes to Assumptions	—
Benefit Payments	(331,409)
Net Changes	803,980
Balances at September 30, 2024	\$ 13,821,142

*Discount rate of 3.75% for the fiscal year ended September 30, 2024.

NOTE 9 – Employee Retirement Systems (Continued)

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

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

	1% Decrease 4.75%	Current Discount Rate 3.75%	1% Increase 2.75%
Total OPEB Liability	\$ 16,782,053	\$ 13,821,142	\$ 11,599,209

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

	1% Decrease 6.0%	Healthcare Costs Trend Rate 5.0%	1% Increase 4.0%
Total OPEB Liability	\$ 16,866,017	\$ 13,821,142	\$ 11,487,850

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB expense for the fiscal year ended September 30, 2024 was \$1,372,437. On September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 544,946	\$ 1,674,765
Change in assumptions	1,317,156	391,390
Total	<u>\$ 1,862,102</u>	<u>\$ 2,066,155</u>

OPEB Outflows/Inflows of Resources Schedule for Future Years:

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

Year ending September 30	
	2025 \$ 65,337
	2026 286,056
	2027 (136,222)
	2028 (136,222)
	2029 (136,222)
	2030 (73,390)
Thereafter	(73,390)
	<u>\$ (204,053)</u>

NOTE 10 – Restricted Net Position/Fund Balance

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

Governmental Activities

Special Revenue Funds:

Law Enforcement Trust Fund	Forfeited property accounted for and used according to Federal and Florida laws	\$ 218,542
Impact Fee Funds	Levied pursuant to Florida Statutes, must be used for allowable improvements	88,084,924
Bayfront Community Redevelopment Agency	Levied pursuant to County and City Ordinance, must be used for activities of the redevelopment agency	3,036,130
SHIP	Restricted pursuant to grant agreement	498,766
Community Development Block Grant	Restricted pursuant to grant agreement	787,587
HOME	Restricted pursuant to grant agreement	83,769
Opioid Settlement	Restricted pursuant to State, must be used for prevention, treatment, and recovery efforts	285,801
		<u>92,995,519</u>

Debt Service Funds:

Debt Service Funds	Restricted pursuant to bond covenants for payment of principal and interest	6,500,257
--------------------	---	-----------

Internal Service Funds:

Employee Health Insurance Fund	Restricted pursuant FS 112.08 requiring 60 days reserve for claims as a safe-harbor regarding self-insured health plans	<u>1,800,000</u>
--------------------------------	---	------------------

Pension Benefit:	Restricted to fund pension obligations	<u>270,736</u>
------------------	--	----------------

Total Restricted Net Position - Governmental Activities	<u><u>\$ 101,566,512</u></u>
---	------------------------------

Business-type Activities

Renewal and Replacement	Funds required to be placed in special construction accounts pursuant to Bond Covenants	\$ 24,326,373
Debt Service Reserve	Funds required to be placed in reserve pursuant to construction Bond Covenants	1,920,000
Building Fund	Funds required to be spent on building code activities pursuant to Section 166.222, Florida Statutes	20,573,768
Capital Improvements	Water and sewer connection fees and mainline extension charges pledged for repayment of bond debt incurred for capital expansion and system improvements	<u>26,321,559</u>
	Total Restricted Net Position - Business-type Activities	<u><u>\$ 73,141,700</u></u>

NOTE 11 – Risk Management

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

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

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

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

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

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

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

NOTE 11 – Risk Management (Continued)

All departments of the City participate in the program. Payments are made by various funds to the Risk Management Fund based on experience and actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of \$3,843,000 reported in the Risk Management Fund at September 30, 2024 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The City’s claims liability at year end is actuarially determined and includes incurred but not reported losses. Prior years’ liabilities are undiscounted. Changes in the fund’s claim liability are as follows:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Less Claims Payments	Balance at Fiscal Year End
2022-2023	3,124,000	2,132,592	(2,282,592)	2,974,000
2023-2024	2,974,000	4,780,638	(3,911,638)	3,843,000

NOTE 12 – Employee Health Insurance Benefits

The City maintains an Employee Benefit Internal Service Fund to account for the employee health care coverage program. Beginning January 1, 2018, the City transitioned to a self-insured plan. Based on increased employee utilization of benefits, comparative analysis projected substantial cost savings to support the change. Revenues are recognized from employee payroll deductions and city contributions. The plan is evaluated on a quarterly basis by a third-party to ensure viability. As of September 30, 2024, a liability of \$912,220 has been recorded, which represents estimated claims due and unpaid and claims incurred but not reported. Changes in the first- year liability is as follows:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Less Claims Payments	Balance at Fiscal Year End
2022-2023	637,552	137,450	4,029	779,031
2023-2024	779,031	128,618	4,571	912,220

NOTE 13 – Commitments and Contingencies

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

Litigation – The City is involved in a lawsuit related to excessive force in arrest. The City believes there is a reasonably possible chance of an unfavorable outcome, and the potential loss could be between \$2 million and \$5 million. In addition, other various suits and claims arising in the ordinary course of operations are pending against the City. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of management, upon consultation with legal counsel, the City has enough insurance coverage to cover any claims and/or the liabilities that may arise from such action. The effect of such losses would not materially affect the financial position of the City or the results of its operations.

NOTE 13 – Commitments and Contingencies (Continued)

Encumbrance – The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts and other commitments are recorded to reserve the portion of applicable appropriations. Outstanding encumbrances at yearend are recorded as *restricted*, *committed*, or *assigned* fund balances, depending on the classification of the resources to be used to liquidate the encumbrance. Encumbrances outstanding as of September 30, 2024 are as follows:

Major Governmental Funds		
General Fund	\$	13,713,959
ARPA Fund		8,240,506
Impact Fee Fund		7,506,067
GO Bond Road Program Fund		4,820,678
Non-major Governmental Funds		1,866,586
	\$	<u>36,147,796</u>

NOTE 14 – Tax Abatements

The City provides tax abatements through the Economic Development Ad Valorem Tax Exemption Program subject to Statement No. 77, *Tax Abatement Disclosures*. It enters into tax abatement agreements with local businesses as allowed by Article VII, Section 3 of the Florida Constitution, Chapter 196.1995 F.S., and approved by voter referendum in November 1998, August 2008, and again in November 2018, and by Council Resolution No. 98-55, Ordinance No. 2007-82, Ordinance No. 2009-32, and Ordinance 2011-67. Per Florida Statute, municipalities may exempt up to 100 percent of a business' property tax bill for the purpose of attraction or expansion of businesses within its jurisdiction. The abatements may be granted to any new business or expanding existing business that meets the definition in 196.012, F.S. This statute enumerates the following eligibility criteria to be considered: number of net new full-time jobs to be created, the average wage for the new jobs, the capital investment to be made, the type of business or operation, the environmental impact, the extent to which the applicant intends to source its supplies and materials within the jurisdiction, and any other economic-related characteristics deemed necessary by Council. For the fiscal year ended September 30, 2024, the City abated property taxes totaling \$512,580 under this program.

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

NOTE 15 – Other Required Disclosures

New Pronouncements

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, Omnibus 2022. The objective this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. This Statement addresses a variety of topics and includes specific provisions about the following: (1) Classification and reporting of derivative instruments within the scope of Statement No.

NOTE 15 – Other Required Disclosures (Continued)***New Pronouncements (Continued)***

53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; (2) Clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; (3) Clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; (4) Clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability; (5) Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; (6) Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); (7) Disclosures related to nonmonetary transactions; (8) Pledges of future revenues when resources are not received by the pledging government; (9) Clarification of provisions in Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements; (10) Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; (11) Terminology used in Statement 53 to refer to resource flows statements. The requirements related to leases, PPPs, and SBITAs took effect for financial statements starting with the fiscal year that ends June 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will take effect for financial statements starting with the fiscal year that ends June 30, 2024. Management has determined that the impact of the Statement in relation to Statement 53 did not have a material effect on the City.

GASB Statement No.100 – In June 2022, GASB issued Statement No 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.. This Statement is effective for fiscal year ending September 30, 2024..

Future Accounting Pronouncements

GASB Statement No.101 – In June 2022, GASB issued Statement No 101, *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for fiscal year ending September 30, 2025.

GASB Statement No.102 – In December 2023, GASB issued Statement No 102, *Certain Risk Disclosures.* The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

GASB Statement No.103 – In April 2024, GASB issued Statement No 103, *Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting

NOTE 15 – Other Required Disclosures (Continued)***New Pronouncements (Continued)***

model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

GASB Statement No.104 – In September 2024, GASB issued Statement No 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules:

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

Schedule of Changes in Net Pension Liability & Related Ratios:

- City of Palm Bay Retirement System

Schedule of Proportionate Share of Net Pension Liability:

- City of Palm Bay Retirement System

Schedule of Pension Contributions:

- City of Palm Bay Retirement System

Schedule of Funding Progress:

- Other Post-Employment Benefits

Schedule of Investment Returns:

- City of Palm Bay Retirement System

Notes to Required Supplementary Information

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND
For Fiscal Year Ended September 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
REVENUES/TRANSFERS IN				
Taxes:				
Ad Valorem	\$ 51,766,628	\$ 51,766,628	\$ 52,233,617	\$ 466,989
Local Option Fuel	4,389,000	4,529,481	4,389,908	(139,573)
Utility Service	10,141,000	10,141,000	12,832,319	2,691,319
Communication Service	2,902,000	2,954,499	2,935,974	(18,525)
Business Tax Receipts	579,900	669,900	705,317	35,417
	<u>69,778,528</u>	<u>70,061,508</u>	<u>73,097,135</u>	<u>3,035,627</u>
Licenses and Permits:				
Franchise Fees	7,074,700	7,074,700	8,189,409	1,114,709
Other Licenses and Permits	472,500	472,500	713,742	241,242
	<u>7,547,200</u>	<u>7,547,200</u>	<u>8,903,151</u>	<u>1,355,951</u>
Intergovernmental Revenues:				
Federal Grants	93,450	338,073	368,110	30,037
State Grants	—	217,583	299,092	81,509
Local Grants	195,000	215,000	225,500	10,500
State Revenue Sharing	14,976,800	15,767,450	16,043,272	275,822
Shared Taxes and Licenses	33,700	33,700	23,879	(9,821)
	<u>15,298,950</u>	<u>16,571,806</u>	<u>16,959,853</u>	<u>388,047</u>
Charges for Services:				
General Government Charges	1,104,760	1,104,760	1,708,690	603,930
Public Safety Charges	168,800	168,800	312,342	143,542
Physical Environment Charges	874,000	874,000	699,299	(174,701)
Transportation Charges	476,473	476,473	276,991	(199,482)
Culture/Recreation Charges	469,500	469,500	717,817	248,317
Charges to Other Funds	3,379,129	3,379,129	3,379,129	—
	<u>6,472,662</u>	<u>6,472,662</u>	<u>7,094,268</u>	<u>621,606</u>
Fines and Forfeitures:				
Court Fines and Costs	540,400	540,400	594,537	54,137
Investment Income:				
Interest Income	861,000	861,000	3,185,461	2,324,461
Increase in FV of Investments	—	—	419,799	419,799
	<u>861,000</u>	<u>861,000</u>	<u>3,605,260</u>	<u>2,744,260</u>
Miscellaneous Revenue:				
Interest Income from Lease	—	—	89,675	89,675
Rents	320,000	320,000	(11,285)	(331,285)
Tower Leases	—	—	290,473	290,473
Sales of Surplus	66,700	66,700	30,784	(35,916)
Contributions	—	—	52,858	52,858
Other Revenue	110,100	110,100	117,287	7,187
	<u>496,800</u>	<u>496,800</u>	<u>569,792</u>	<u>72,992</u>
Other Sources:				
Proceeds from Sale of Capital Assets	—	314,097	317,393	3,296
Issuance of SBITA Liability	—	—	4,108,779	4,108,779
	<u>—</u>	<u>314,097</u>	<u>4,426,172</u>	<u>4,112,075</u>
Transfers In:				
Bayfront CRA Fund	1,364,720	—	—	—
Community Development Grant Fund	—	—	—	—
NSP Fund	—	—	—	—
Coronavirus Relief Fund	—	—	—	—
Fleet Service Fund	—	116,363	116,363	—
Employee Benefits Fund	2,686,036	2,686,036	2,686,036	—
Other Employee Benefits Fund	—	—	—	—
Utilities Operating Fund	804,664	804,664	804,664	—
Risk Management Fund	—	—	—	—
	<u>4,855,420</u>	<u>3,607,063</u>	<u>3,607,063</u>	<u>—</u>
Total Revenues and Transfers In	105,850,960	106,472,536	118,857,231	12,384,695

Continued on the next page

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
For Fiscal Year Ended September 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
EXPENDITURES/TRANSFERS OUT				
General Government:				
Legislative:				
Personal Services	740,696	740,696	718,620	22,076
Operating	234,366	238,751	189,376	49,375
	<u>975,062</u>	<u>979,447</u>	<u>907,996</u>	<u>71,451</u>
City Manager:				
Personal Services	1,392,638	1,452,638	1,292,425	160,213
Operating	382,651	679,924	572,103	107,821
	<u>1,775,289</u>	<u>2,132,562</u>	<u>1,864,528</u>	<u>268,034</u>
City Attorney:				
Personal Services	248,358	248,358	245,413	2,945
Operating	277,128	314,656	170,175	144,481
	<u>525,486</u>	<u>563,014</u>	<u>415,588</u>	<u>147,426</u>
Procurement:				
Personal Services	696,023	764,816	732,948	31,868
Operating	15,115	15,135	10,489	4,646
	<u>711,138</u>	<u>779,951</u>	<u>743,437</u>	<u>36,514</u>
Finance:				
Personal Services	1,776,226	1,776,226	1,668,740	107,486
Operating	39,362	80,608	34,264	46,344
	<u>1,815,588</u>	<u>1,856,834</u>	<u>1,703,004</u>	<u>153,830</u>
Information and Innovation:				
Personal Services	2,170,134	2,299,827	2,210,721	89,106
Operating	3,033,993	5,675,242	474,811	5,200,431
	<u>5,204,127</u>	<u>7,975,069</u>	<u>2,685,532</u>	<u>5,289,537</u>
Human Resources:				
Personal Services	593,186	638,847	607,607	31,240
Operating	249,611	249,647	172,138	77,509
	<u>842,797</u>	<u>888,494</u>	<u>779,745</u>	<u>108,749</u>
Growth Management:				
Personal Services	2,374,315	2,374,315	2,132,896	241,419
Operating	274,048	519,384	326,527	192,857
	<u>2,648,363</u>	<u>2,893,699</u>	<u>2,459,423</u>	<u>434,276</u>
Community & Economic Development:				
Personal Services	729,511	758,036	651,455	106,581
Operating	321,826	464,487	130,296	334,191
	<u>1,051,337</u>	<u>1,222,523</u>	<u>781,751</u>	<u>440,772</u>
Facility Maintenance				
Personal Services	4,360,808	4,656,242	4,081,717	574,525
Operating	2,792,060	2,984,476	3,124,417	(139,941)
	<u>7,152,868</u>	<u>7,640,718</u>	<u>7,206,134</u>	<u>434,584</u>
Non-Departmental:				
Operating	7,025,371	7,033,799	6,901,014	132,785
	<u>7,072,725</u>	<u>7,081,153</u>	<u>6,921,524</u>	<u>159,629</u>
Total General Government	<u>29,774,780</u>	<u>34,013,464</u>	<u>26,468,662</u>	<u>7,544,802</u>

Continued on the next page

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
For Fiscal Year Ended September 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Public Safety:				
Police:				
Personal Services	29,680,457	29,906,854	27,081,556	2,825,298
Operating	1,919,696	3,563,530	2,592,640	970,890
	<u>31,600,153</u>	<u>33,470,384</u>	<u>29,674,196</u>	<u>3,796,188</u>
Fire:				
Personal Services	19,264,533	20,111,449	19,837,238	274,211
Operating	745,710	2,516,625	1,446,834	1,069,791
	<u>20,010,243</u>	<u>22,628,074</u>	<u>21,284,072</u>	<u>1,344,002</u>
Total Public Safety	<u>51,610,396</u>	<u>56,098,458</u>	<u>50,958,268</u>	<u>5,140,190</u>
Transportation:				
Public Works - Transportation				
Personal Services	6,268,984	6,403,501	6,163,278	240,223
Operating	2,315,936	3,229,063	2,138,274	1,090,789
Total Transportation	<u>8,584,920</u>	<u>9,632,564</u>	<u>8,301,552</u>	<u>1,331,012</u>
Culture/Recreation:				
Parks & Recreation				
Personal Services	1,745,381	1,809,501	1,605,725	203,776
Operating	889,938	913,466	792,774	120,692
Total Culture / Recreation	<u>2,635,319</u>	<u>2,722,967</u>	<u>2,398,499</u>	<u>324,468</u>
Debt Service:				
Principal Retirement	—	—	1,266,114	(1,266,114)
Interest	—	—	27,197	(27,197)
Total Debt Service	<u>—</u>	<u>—</u>	<u>1,293,311</u>	<u>(1,293,311)</u>
Capital Outlay	<u>3,701,768</u>	<u>24,500,915</u>	<u>14,129,921</u>	<u>10,370,994</u>
Transfers Out:				
Capital Improvements Program	360,000	360,000	360,000	—
Impact Fee Funds	—	6,479	6,479	—
Debt Service Fund	6,433,777	6,433,777	6,292,766	141,011
Stormwater Fund	—	—	—	—
Fleet Services Fund	—	—	—	—
Employee Health Insurance Fund	—	963,699	963,699	—
Road Maintenance CIP	2,750,000	2,750,000	2,750,000	—
Environment Fee Fund	—	—	—	—
Utility Operating Fund	—	417	417	—
Community Investment Grant	—	—	—	—
Building Fund	—	176,554	176,554	—
Total Transfers Out	<u>9,543,777</u>	<u>10,690,926</u>	<u>10,549,915</u>	<u>141,011</u>
Total Expenditures and Transfers Out	<u>105,850,960</u>	<u>137,689,294</u>	<u>114,100,128</u>	<u>23,565,986</u>
Excess (Deficiency) of Revenues and Transfers In Over (Under) Expenditures and Transfers Out	<u>\$ —</u>	<u>\$ (31,186,758)</u>	<u>\$ 4,757,103</u>	<u>\$ 35,943,861</u>
Fund Balance - Beginning of Year			<u>50,644,649</u>	
Fund Balance - End of Year			<u>\$ 55,401,752</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – ARPA FUND
For Fiscal Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ —	\$ 4,529,016	\$ 4,529,016
Investment Income	700,000	793,353	93,353
Total Revenues	<u>700,000</u>	<u>5,322,369</u>	<u>4,622,369</u>
EXPENDITURES			
Current:			
Economic Environment	5,079,687	2,401,298	2,678,389
Capital Outlay	9,216,165	2,866,128	6,350,037
Debt Service:			
Principal Retirement	—	54,943	(54,943)
	<u>14,295,852</u>	<u>5,322,369</u>	<u>8,973,483</u>
Excess of Revenues over Expenditures	<u>(13,595,852)</u>	—	<u>13,595,852</u>
OTHER FINANCING SOURCES			
	—	—	—
Net Change in Fund Balance	<u>\$ (13,595,852)</u>	\$ —	<u>\$ 13,595,852</u>
Fund Balance - Beginning		<u>—</u>	
Fund Balance - Ending		<u>\$ —</u>	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – BAYFRONT COMMUNITY REDEVELOPMENT AGENCY
For Fiscal Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 2,664,894	\$ 2,664,894	\$ —
Investment Income	—	239,113	(239,113)
Total Revenues	2,664,894	2,904,007	(239,113)
EXPENDITURES			
Current:			
Economic Environment	1,283,457	805,658	477,799
Principal Retirement	—	—	—
Interest and Fiscal Charges	—	—	—
Total Expenditures	1,283,457	805,658	477,799
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,381,437	2,098,349	238,686
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	137,798	137,798	—
Transfer Out	(1,863,783)	(1,863,783)	—
Total Other Financing Sources	(1,725,985)	(1,725,985)	—
Net Change in Fund Balance	\$ (344,548)	\$ 372,364	\$ 238,686
Fund Balance - Beginning		2,663,766	
Fund Balance - Ending		\$ 3,036,130	

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – IMPACT FEE FUND
For Fiscal Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Impact Fees	\$ 17,867,000	\$ 23,825,119	\$ 5,958,119
Investment Income	1,339,000	3,910,430	2,571,430
Total Revenues	19,206,000	27,735,549	8,529,549
EXPENDITURES			
Current:			
Culture/Recreation	19,277	8,010	11,267
Public Safety	366,458	97,506	268,952
Transportation	131,082	54,665	76,417
Capital Outlay	27,190,390	3,267,548	23,922,842
Total Expenditures	27,707,207	3,427,729	24,279,478
Excess of Revenues Over Expenditures	(8,501,207)	24,307,820	32,809,027
OTHER FINANCING SOURCES (USES)			
Transfers In	—	6,479	6,479
Transfers (Out)	(995,142)	(995,141)	1
Total Other Financing Sources (Uses)	(995,142)	(988,662)	6,480
Net Change in Fund Balance	\$ (9,496,349)	23,319,158	\$ 32,815,507
Fund Balance - Beginning		64,765,766	
Fund Balance - Ending		\$ 88,084,924	

**CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
September 30, 2024**

	Police									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$2,433,603	\$2,158,246	\$1,804,281	\$1,748,826	\$1,690,596	\$1,563,897	\$1,590,256	\$1,571,207	\$1,641,528	\$1,627,434
Interest	11,757,741	11,170,574	10,710,139	10,225,054	9,666,537	9,100,104	8,659,017	8,317,177	8,013,990	7,846,279
Change in Excess State Money	—	—	—	—	—	—	(82,053)	(468,527)	82,053	97,949
Shared Plan Allocation	480,806	353,437	249,643	200,154	187,202	160,785	136,496	186,426	—	—
Changes of Benefit Terms	954,440	—	—	756,379	—	—	—	—	—	—
Difference between expected & actual experience	4,805,375	1,389,058	264,507	878,416	(1,033,005)	2,401,146	1,385,775	61,339	(1,049,607)	(2,269,835)
Changes in assumptions	2,090,633	—	2,678,105	—	3,966,069	—	—	—	3,811,157	—
Contributions Buy Back	—	32,978	25,096	14,123	40,406	60,141	17,077	45,396	15,167	5,777
Benefit payments, including refunds of member contributions	(7,720,488)	(7,381,026)	(6,912,117)	(6,610,618)	(6,152,166)	(6,055,760)	(6,085,882)	(5,329,528)	(5,107,223)	(5,147,483)
Net Change in Total Pension Liability	14,802,110	7,723,267	8,819,654	7,212,334	8,365,639	7,230,313	5,620,686	4,383,490	7,407,065	2,160,121
Total Pension Liability - Beginning	158,196,519	150,473,252	141,653,598	134,480,630	126,114,991	118,884,678	113,263,992	108,880,502	101,473,437	99,313,316
Total Pension Liability - Ending (a)	172,998,629	158,196,519	150,473,252	141,692,964	134,480,630	126,114,991	118,884,678	113,263,992	108,880,502	101,473,437
Plan Fiduciary Net Position										
Contributions - Employer	2,761,771	1,672,813	2,177,619	1,825,661	1,906,845	1,920,794	1,697,726	1,116,672	1,651,022	1,811,984
Contributions - State	1,482,346	1,227,609	1,020,019	921,042	895,138	842,305	793,726	716,530	684,840	618,683
Contributions - Employee	990,646	906,394	832,048	713,687	690,308	670,948	638,421	621,675	589,865	605,581
Contributions - Buy Back	—	32,978	25,096	14,123	40,406	60,141	17,077	45,396	15,167	5,777
Net Investment (loss) income	21,872,194	8,933,793	(28,677,347)	24,565,999	13,728,562	4,905,418	9,688,752	10,734,486	8,778,963	(435,284)
Benefit payments, including refunds of contributions	(7,720,488)	(7,381,026)	(6,912,117)	(6,610,618)	(6,152,166)	(6,055,760)	(6,085,882)	(5,329,528)	(5,107,223)	(5,147,483)
Administrative Expenses	(361,621)	(365,494)	(288,795)	(294,671)	(292,328)	(299,073)	(306,350)	(309,245)	(279,039)	(252,632)
Net Change in Plan Fiduciary Net Pension	19,024,848	5,027,067	(31,823,477)	21,135,223	10,816,765	2,044,773	6,443,470	7,595,986	6,333,595	(2,793,374)
Plan Fiduciary Net Position - Beginning	118,267,803	113,240,736	145,064,213	123,968,356	113,100,885	111,056,112	104,612,642	97,016,656	90,683,061	93,476,435
Plan Fiduciary Net Position - Ending (b)	137,292,651	118,267,803	113,240,736	145,103,579	123,917,650	113,100,885	111,056,112	104,612,642	97,016,656	90,683,061
Net Pension Liability - Ending (a) - (b)	\$35,705,978	\$39,928,716	\$37,232,516	\$(3,410,615)	\$10,562,980	\$13,014,106	\$7,828,566	\$8,651,350	\$11,863,846	\$10,790,376
Plan fiduciary net position as a percentage of the total pension liability	79.36%	74.76%	75.26%	102.41%	92.15%	89.68%	93.41%	92.36%	89.10%	89.37%
Covered Payroll	\$11,246,777	\$10,302,058	\$9,498,262	\$8,133,762	7,648,804	N/A	N/A	N/A	N/A	\$6,841,804
Net pension liability as a percentage of covered payroll	317.48%	387.58%	391.99%	(41.93)%	138.10%	N/A	N/A	N/A	N/A	157.71%

Notes to Schedule:

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

**CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
September 30, 2024**

	Fire									
Total Pension Liability	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service Cost	\$2,159,184	\$2,102,709	\$1,805,670	\$1,784,228	\$1,725,051	\$1,623,517	\$1,563,954	\$1,664,642	\$1,460,239	\$1,396,536
Interest	9,621,503	9,399,079	9,039,979	8,638,064	8,112,876	7,785,426	7,439,387	7,171,289	6,914,011	6,469,622
Change in Excess State Money	—	—	—	—	—	—	—	(157,840)	—	—
Changes of Benefit Terms	1,095,625	—	488,588	—	—	(23,176)	—	—	—	—
Shared Plan Allocation	146,728	101,379	—	—	—	—	—	7,840	—	—
Difference between expected & actual experience	768,519	(1,164,079)	686,968	320,532	695,678	752,209	1,124,887	366,711	88,819	2,589,797
Changes in assumptions	1,598,800	—	2,154,613	—	3,825,109	—	—	—	2,358,009	—
Contributions Buy Back	—	—	34,001	45,543	—	—	—	—	18,462	—
Benefit payments, including refunds of member contributions	(7,666,155)	(7,393,664)	(6,340,073)	(5,749,141)	(6,619,446)	(5,455,603)	(5,943,601)	(5,357,309)	(4,515,339)	(5,414,256)
Net Change in Total Pension Liability	7,724,204	3,045,424	7,869,746	5,039,226	7,739,268	4,682,373	4,184,627	3,695,333	6,324,201	5,041,699
Total Pension Liability - Beginning	129,960,606	126,915,182	119,045,437	114,006,211	106,266,943	101,584,570	97,399,943	93,704,610	87,380,409	82,338,710
Total Pension Liability - Ending (a)	137,684,810	129,960,606	126,915,183	119,045,437	114,006,211	106,266,943	101,584,570	97,399,943	93,704,610	87,380,409
Plan Fiduciary Net Position										
Contributions - Employer	3,277,740	2,616,852	3,151,077	2,784,081	2,699,071	2,535,686	2,463,758	2,195,957	2,065,835	1,976,329
Contributions - State	1,118,779	1,028,081	580,174	549,529	526,141	497,478	522,880	506,774	559,910	590,203
Contributions - Employee	759,696	683,713	638,908	547,792	555,414	533,821	520,927	511,241	500,569	474,486
Contributions - Buy Back	—	—	34,001	45,543	—	—	—	—	18,462	—
Net Investment (loss) income	15,742,958	6,108,817	(20,538,465)	18,973,828	9,801,388	3,442,083	6,785,112	8,443,619	5,998,705	(251,532)
Benefit payments, including refunds of contributions	(7,666,155)	(7,393,664)	(6,340,073)	(5,749,141)	(6,619,446)	(5,455,603)	(5,943,601)	(5,357,309)	(4,515,339)	(5,414,256)
Administrative Expenses	(285,449)	(285,621)	(233,218)	(242,641)	(233,632)	(244,302)	(245,013)	(239,997)	(224,986)	(205,617)
Net Change in Plan Fiduciary Net Pension	12,947,569	2,758,178	(22,707,596)	16,908,991	6,728,936	1,309,163	4,104,063	6,060,285	4,403,156	(2,830,387)
Plan Fiduciary Net Position - Beginning	91,403,519	88,645,341	111,352,937	94,443,946	87,715,010	86,405,847	82,301,784	76,241,499	71,838,343	74,668,730
Plan Fiduciary Net Position - Ending (b)	104,351,088	91,403,519	88,645,341	111,352,937	94,443,946	87,715,010	86,405,847	82,301,784	76,241,499	71,838,343
Net Pension Liability - Ending (a) - (b)	\$33,333,722	\$38,557,087	\$38,269,842	\$7,692,500	\$19,562,265	\$18,551,933	\$15,178,723	\$15,098,159	\$17,463,111	\$15,542,066
Plan fiduciary net position as a percentage of the total pension liability	75.79 %	70.33 %	69.85 %	93.54 %	82.84 %	82.54 %	85.06 %	84.50 %	81.36 %	82.21 %
Covered Payroll	\$8,661,376	\$7,802,845	\$7,293,480	\$6,253,060	\$6,338,780	6,093,853	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	384.85 %	494.14 %	524.71 %	123.02 %	308.61 %	304.44 %	N/A	N/A	N/A	N/A

Notes to Schedule:

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

**CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
September 30, 2024**

	General									
Total Pension Liability	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service Cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest	706	760	1,200	1,165	1,277	1,353	1,431	1,510	2,381	2,247
Difference between expected & actual experience	1,136	1,057	(4,414)	1,957	1,871	1,775	1,680	1,590	(10,628)	4,093
Changes in assumptions	—	—	—	—	(937)	—	—	—	2,080	—
Benefit payments, including refunds of member contributions	(2,531)	(2,532)	(2,532)	(2,796)	(4,115)	(4,115)	(4,115)	(4,115)	(4,115)	(5,213)
Net Change in Total Pension Liability	(689)	(715)	(5,746)	326	(1,904)	(987)	(1,004)	(1,015)	(10,282)	1,127
Total Pension Liability - Beginning	10,491	11,206	16,952	16,626	18,530	19,517	20,521	21,536	31,818	30,691
Total Pension Liability - Ending (a)	9,802	10,491	11,206	16,952	16,626	18,530	19,517	20,521	21,536	31,818
Plan Fiduciary Net Position										
Net Investment (loss) income	59,853	28,282	(38,418)	41,208	22,036	10,497	18,604	20,370	16,561	1,776
Benefit payments, including refunds of contributions	(2,532)	(2,532)	(2,532)	(2,796)	(4,115)	(4,115)	(4,115)	(4,115)	(4,115)	(5,213)
Administrative Expenses	(4,897)	(2,847)	(2,533)	(4,448)	(4,359)	(4,315)	(4,692)	(4,370)	(4,796)	(6,130)
Net Change in Plan Fiduciary Net Position	52,424	22,903	(43,483)	33,964	13,562	2,067	9,797	11,885	7,650	(9,567)
Plan Fiduciary Net Position - Beginning	228,114	205,211	248,692	214,728	201,166	199,099	189,302	177,417	169,767	179,334
Plan Fiduciary Net Position - Ending (b)	280,538	228,114	205,209	248,692	214,728	201,166	199,099	189,302	177,417	169,767
Net Pension Liability - Ending (a) - (b)	\$(270,736)	\$(217,623)	\$(194,003)	\$(231,740)	\$(198,102)	\$(182,636)	\$(179,582)	\$(168,781)	\$(155,881)	\$(137,949)
Plan fiduciary net position as a percentage of the total pension liability	2862.05 %	2174.38 %	1831.24 %	1467.04 %	1291.52 %	1085.62 %	1020.13 %	922.48 %	823.82 %	533.56 %
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**CITY OF PALM BAY FLORIDA RETIREMENT SYSTEM (FRS)
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
September 30, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.000588 %	0.000750 %	0.000005 %	0.000599 %	0.000812 %	0.000851%	0.000840%	0.000621%	0.000315%	0.035116%
City's proportionate share of the net pension liability (asset)	\$ 227,348	\$ 298,890	\$ 178,894	\$ 45,263	\$ 351,767	\$ 292,997	\$ 253,119	\$ 183,591	\$ 79,423	\$ 45,357
City's covered payroll	\$ 84,367	\$ 87,506	\$ 74,805	\$ 81,392	\$ 80,542	\$ 79,251	\$ 74,676	\$ 58,992	\$ 30,877	\$ 30,227
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	269.48 %	341.57 %	239.15 %	55.61 %	436.75 %	369.71%	338.96%	311.21%	257.22%	150.05%
Plan fiduciary net position as a percentage of the total pension liability	83.70 %	82.38 %	82.89 %	96.40 %	78.85 %	82.61%	84.26%	83.89%	84.88%	92.00%

Note: 1) The Plan's fiduciary net position as a percentage of total pension liability is published in Note 4 of the Plan's Annual Comprehensive Financial Report.

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

**CITY OF PALM BAY HEALTH INSURANCE SUBSIDY (HIS)
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
September 30, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	0.000149 %	0.000175 %	0.000018 %	0.000197 %	0.000199 %	0.000202%	0.000203%	0.000777%	0.000777%	0.007911%
City's proportionate share of the net pension liability (asset)	\$ 22,382	\$ 27,844	\$ 18,735	\$ 24,164	\$ 24,333	\$ 22,715	\$ 21,477	\$ 16,295	\$ 9,058	\$ 8,068
City's covered payroll	\$ 84,367	\$87,505.97	\$ 74,805	\$ 81,392	\$ 80,542	\$ 79,251	\$ 74,676	\$ 58,992	\$ 30,877	\$ 30,227
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	26.53 %	31.82 %	25.05 %	29.69 %	30.21 %	28.66%	28.76%	27.62%	29.34%	26.69%
Plan fiduciary net position as a percentage of the total pension liability	4.80 %	4.12 %	4.84 %	3.56 %	3.00 %	2.63%	2.15%	1.64%	0.97%	0.50%

Note:1) The Plan's fiduciary net position as a percentage of total pension liability is published in Note 4 of the Plan's Annual Comprehensive Financial Report.

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

**CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
September 30, 2024**

	Police									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$3,763,311	\$2,546,984	\$2,947,994	\$2,597,252	\$2,677,671	\$2,493,163	\$2,356,572	\$2,195,741	\$2,171,756	\$2,332,718
From Excess State Money Reserve	—	—	—	—	—	—	—	(380,000)	—	—
Contributions in relation to the actuarially determined contribution	(3,841,191)	(2,637,827)	(2,971,067)	(2,585,915)	(2,665,487)	(2,556,052)	(2,354,956)	(1,831,586)	(2,171,756)	(2,332,718)
Contribution deficiency (excess)	\$ (77,880)	\$ (90,843)	\$ (23,073)	\$ 11,337	\$ 12,184	\$ (62,889)	\$ 1,616	\$ (15,845)	\$ —	\$ —
Covered payroll	\$11,246,777	\$10,302,058	\$9,498,262	\$8,133,762	\$7,874,027	\$7,648,804	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	34.15%	25.60%	31.28%	31.79%	33.85%	33.42%	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation Date 10/1/2022

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

Methods and assumptions used to determine contribution rate:

Actuarial cost method	Frozen Entry Age Cost Method
Amortization method	
Remaining amortization period	30 years
Asset valuation method	
Inflation	2.50%
Salary Increase	Varies by age
Investment Rate of Return	7.50%
Retirement age	52-55
Mortality - Healthy Active & Retiree	PubS.H-2010
- Beneficiary	PubG.H-2010
	Improvement Scale MP-2018

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

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

**CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
September 30, 2024**

	Fire									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ 4,249,792	\$ 3,543,555	\$ 3,729,269	\$ 3,333,608	\$ 3,225,212	\$ 3,049,270	\$ 2,970,532	\$ 2,852,731	\$ 2,625,745	\$ 2,566,532
Contribution from Reserve	—	—	—	—	—	—	—	—	—	—
Contributions in relation to the actuarially determined contribution	(4,168,587)	(3,866,695)	(3,731,251)	(3,385,659)	(3,225,212)	(3,033,164)	(2,986,638)	(2,852,731)	(2,625,745)	(2,566,532)
Contribution deficiency (excess)	\$ 81,205	\$ (323,140)	\$ (1,982)	\$ (52,051)	\$ —	\$ 16,106	\$ (16,106)	\$ —	\$ —	\$ —
Covered payroll	\$ 8,661,376	\$ 7,802,845	\$ 7,293,480	\$ 6,253,060	\$ 6,338,780	\$ 6,093,853	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	48.13 %	49.55 %	51.16 %	54.14 %	50.88 %	49.77 %	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation Date 10/1/2022

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

Methods and assumptions used to determine contribution rate:

Actuarial cost method	Entry age normal cost method
Amortization method	
Remaining amortization period	30 years
Asset valuation method	
Inflation	2.50%
Salary Increase	Varies by age
Investment Rate of Return	7.50%
Retirement age	52-55
Mortality - Healthy Active & Retiree	PubS.H-2010
- Beneficiary	PubG.H-2010
	Improvement Scale MP-2018

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

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

**CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
September 30, 2024**

	General									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Contributions in relation to the actuarially determined contribution	—	—	—	—	—	—	—	—	—	—
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation Date 10/1/2022

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

Methods and assumptions used to determine contribution rate:

Actuarial cost method	Aggregate Actuarial Cost Method.
Amortization method	
Asset valuation method	
Inflation	2.50%
Investment Rate of Return	7.65%
Mortality	PubG.H-2010 Improvement Scale MP-2018

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

**CITY OF PALM BAY FLORIDA RETIREMENT SYSTEM (FRS)
SCHEDULE OF CONTRIBUTIONS
September 30, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017	2015	2015
Contractually required contribution	\$33,279	\$36,084	\$20,516	\$22,827	\$26,966	\$26,380	\$23,949	\$16,158	\$7,671	\$8,561
Contributions in relation to the contractually required contribution	(33,279)	(36,084)	(20,516)	(22,827)	(26,966)	(26,380)	(23,949)	(16,158)	(7,671)	(8,561)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
City's covered payroll	\$82,638	\$82,638	\$91,628	\$80,324	\$80,894	\$79,507	\$75,838	\$66,722	\$30,877	\$30,885
Contributions as a percentage of covered payroll	40.27%	43.67%	22.39%	28.42%	33.33%	33.18%	31.58%	24.22%	24.84%	27.72%

**CITY OF PALM BAY HEALTH INSURANCE SUBSIDY (HIS)
SCHEDULE OF CONTRIBUTIONS
September 30, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,263	\$ 1,153	\$ 1,070	\$ 1,158	\$ 1,148	\$ 1,127	\$ 1,100	\$ 807	\$ 398	\$ 302
Contributions in relation to the contractually required contribution	(1,263)	(1,153)	(1,070)	(1,158)	(1,148)	(1,127)	(1,100)	(807)	(398)	(302)
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
City's covered payroll	\$82,638	\$82,638	\$91,628	\$80,324	\$80,894	\$79,507	\$75,838	\$66,772	\$30,877	\$30,885
Contributions as a percentage of covered payroll	1.53%	1.40%	1.17%	1.44%	1.42%	1.42%	1.45%	1.21%	1.29%	0.98%

**CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
 SCHEDULE OF INVESTMENT RETURNS
 September 30, 2024**

Annual money-weighted rate of return, net of investment expense	Police	Fire	General
2024	18.69%	17.43%	26.67%
2023	8.02%	7.01%	13.96%
2022	-19.98%	-18.62%	-15.61%
2021	20.09%	20.31%	19.52%
2020	12.29%	11.37%	11.19%
2019	4.47%	4.03%	5.39%
2018	9.41%	8.38%	10.06%
2017	11.25%	11.25%	11.76%
2016	9.81%	8.44%	10.02%
2015	-0.47%	-0.34%	1.02%

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

September 30, 2024

Reporting Period Ending	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Measurement Date	10/01/2023	10/01/2022	10/01/2021	10/01/2020	10/01/2019	10/01/2018	10/01/2017
Total OPEB Liability							
Service Cost	\$ 653,459	\$ 514,980	\$ 543,281	391,754	\$ 427,206	\$ 496,906	\$ 256,771
Interest for 1 years	481,930	566,167	455,707	527,858	437,473	662,485	300,970
Differences Between Expected & Actual Experiences	—	(1,924,608)	—	(320,127)	—	2,179,786	—
Changes of Assumptions	—	1,264,094	—	(245,354)	—	1,198,439	274,884
Benefits Payments	(331,409)	(390,847)	(327,577)	(419,481)	(298,609)	(556,419)	(233,756)
Net Change in Total OPEB Liability	803,980	29,786	671,411	(65,350)	566,070	3,981,197	598,869
Total OPEB Liability - Beginning (as Restated) *	13,017,161	12,987,375	12,315,964	12,381,314	11,815,244	7,834,047	7,559,163
Total OPEB Liability - Ending	\$ 13,821,141	\$ 13,017,161	\$ 12,987,375	\$ 12,315,964	\$ 12,381,314	\$ 11,815,244	\$ 8,158,032
Covered-Employee Payroll	\$ 45,330,413	\$ 43,586,936	\$ 34,774,162	33,436,695	\$ 31,948,733	\$ 31,948,733	\$ 33,060,253
Total OPEB Liability as a Percentage of Covered-Employee Payroll	30.49 %	29.86 %	37.35 %	36.83 %	38.75 %	36.98 %	24.68 %

Notes to Schedule:

The following are the discount rates used in each period:

FY2024	3.75%
FY2023	3.75%
FY2022	3.75%
FY2021	3.75%
FY2020	3.75%
FY2019	3.75%
FY2018	3.90%

Plan Assets:

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

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 – BUDGETARY REQUIREMENTS

A. Budgetary Information

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

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



THIS PAGE INTENTIONALLY LEFT BLANK.

OTHER SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule:

- Debt Service Fund
- GO Road Program Fund

Nonmajor Governmental Funds:

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

Nonmajor Enterprise Funds:

Combining Financial Statements for All Nonmajor Enterprise Funds

Nonmajor Enterprise Funds:

Combining Financial Statements for All Nonmajor Enterprise Funds

Fiduciary Funds:

Combining Statements for Fiduciary Funds



THIS PAGE INTENTIONALLY LEFT BLANK.

**BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 6,972,219	\$ 7,068,626	\$ 96,407
Investment Income	108,000	372,715	264,715
Total Revenues	7,080,219	7,441,341	361,122
EXPENDITURES			
Current:			
General Government	10,000	\$ 1,500	8,500
Debt Service:			
Principal Retirement	8,675,009	8,550,073	124,936
Interest and Fiscal Charges	7,655,817	7,608,743	47,074
Total Expenditures	16,340,826	16,160,316	180,510
Deficiency of Revenues Under Expenditures	(9,260,607)	(8,718,975)	541,632
OTHER FINANCING SOURCES			
Transfers In	12,706,276	\$ 12,473,129	(233,147)
Transfers Out	(3,446,450)	\$ (3,355,215)	91,235
Total Other Financing Sources	9,259,826	9,117,914	(141,912)
Net Change in Fund Balance	\$ (781)	398,939	\$ 399,720
Fund Balance - Beginning		6,101,318	
Fund Balance - Ending		\$ 6,500,257	

**BUDGET AND ACTUAL
GO ROAD PROGRAM FUND
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ —	\$ —	\$ —
Investment Income	—	3,163,579	3,163,579
Total Revenues	—	3,163,579	3,163,579
EXPENDITURES			
Current:			
Physical Environment			
Transportation	45,604,296	2,468	45,601,828
Total Expenditures	45,604,296	13,362,227	32,242,069
Excess of Revenues Over Expenditures	(45,604,296)	(10,198,648)	35,405,648
OTHER FINANCING SOURCES (USES)			
Transfer In	—	—	—
Transfer (Out)	—	(1,830,007)	(1,830,007)
Issuance of Debt	—	—	—
Bond Premium	—	—	—
Total Other Financing Sources	—	(1,830,007)	(1,830,007)
Net Change in Fund Balance	\$ (45,604,296)	(12,028,655)	\$ 33,575,641
Fund Balance - Beginning		76,482,107	
Fund Balance - Ending		\$ 64,453,452	



THIS PAGE INTENTIONALLY LEFT BLANK.

NONMAJOR GOVERNMENTAL FUNDS**SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

Neighborhood Stabilization Program – This fund accounts for Neighborhood Stabilization Program (NSP) transactions which is a federally funded initiative. NSP 1 authorized funding of \$5.2M to acquire and or rehabilitate up to 45 residential properties, NSP 3 authorized \$1.7M in funding for the purchase of foreclosed or abandoned homes and to rehabilitate, resell or redevelop these homes to promote equipoise in local areas. There was no adopted budget for this fund in FY24.

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

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

Opioid Settlement Fund - This fund is used to account for proceeds received from the State from opioid settlement. There was no adopted budget for this fund in FY24.

Special Wellness Fund – This fund is used to account for transactions related to the City's special wellness program. There was no adopted budget for this fund in FY24.

Miscellaneous Donations – This fund is used to account for proceeds received as donations to the Police, Fire and Parks Departments. The City does a year-end true up of the budget. A true up was not done for this fund, so the fund was over budget in FY2024.

Environmental Fee Fund – This fund is used to account for transactions related to the City's Incidental Take Permit issued by the United States Fish and Wildlife Service. There was no adopted budget for this fund in FY24.



THIS PAGE INTENTIONALLY LEFT BLANK.

CAPITAL PROJECTS FUNDS

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

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

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

Connector Road I-95 – This fund is used to account for resources earmarked for the acquisition and construction of a connector road at the intersection of Babcock Road and the newly constructed I-95 interchange. There was no adopted budget for this fund in FY24.

FDEM Hurricane Lap Fund – This fund is used to account for financial resources received from the Florida Department of Emergency Management earmarked for the restabilization of shorelines damaged during Hurricane Nicole.



THIS PAGE INTENTIONALLY LEFT BLANK.

**COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
September 30, 2024**

	Special Revenue Funds											
	Law Enforcement Trust	PB Municipal Foundation Fund	Code Nuisance Fund	SHIP Program	Community Development Block Grant	HOME Grant	Neighborhood Stabilization Program	CDBG Coronavirus Fund	Opioid Settlement	Special Wellness Fund	Misc. Donations	
ASSETS												
Cash and Cash Equivalents	\$ —	\$ 68,810	\$ 509,546	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 140	\$ 80,416	
Investments	—	—	341,459	2,481,328	—	—	—	—	—	—	—	
Restricted Cash and Equivalents	184,082	—	—	130,135	626,254	61,050	—	—	285,801	—	—	
Restricted Investment	139,998	—	—	—	—	—	—	—	—	—	—	
Due from Other Governments	—	—	—	—	163,342	24,881	—	11,815	—	—	—	
Prepaid Items	—	—	—	—	—	—	—	—	—	—	—	
Total Assets	\$ 324,080	\$ 68,810	\$ 851,005	\$ 2,611,463	\$ 789,596	\$ 85,931	\$ —	\$ 11,815	\$ 285,801	\$ 140	\$ 80,416	
LIABILITIES AND FUND BALANCES												
Liabilities:												
Accounts Payable	\$ —	\$ 2,000	\$ 1,390	\$ 675	\$ —	\$ 152	\$ —	\$ —	\$ —	\$ —	\$ 558	
Accrued Liabilities	—	—	—	3,622	2,009	2,010	—	1,282	—	—	—	
Due to Other Funds	—	—	—	—	—	—	20,196	104,051	—	—	—	
Advances from Other Funds	—	—	—	—	—	—	—	—	—	—	—	
Due to Other Governments	—	—	—	—	—	—	—	—	—	—	—	
Unearned Revenue	105,538	—	—	2,108,400	—	—	—	—	—	—	—	
Total Liabilities	105,538	2,000	1,390	2,112,697	2,009	2,162	20,196	105,333	—	—	558	
Fund Balances:												
Nonspendable	—	—	—	—	—	—	—	—	—	—	—	
Restricted	218,542	—	—	498,766	787,587	83,769	—	—	285,801	—	—	
Committed	—	—	—	—	—	—	—	—	—	140	—	
Assigned	—	66,810	849,615	—	—	—	—	—	—	—	79,858	
Unassigned (Deficit)	—	—	—	—	—	—	(20,196)	(93,518)	—	—	—	
Total Fund Balances (Deficit)	218,542	66,810	849,615	498,766	787,587	83,769	(20,196)	(93,518)	285,801	140	79,858	
Total Liabilities and Fund Balances	\$ 324,080	\$ 68,810	\$ 851,005	\$ 2,611,463	\$ 789,596	\$ 85,931	\$ —	\$ 11,815	\$ 285,801	\$ 140	\$ 80,416	

**COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
September 30, 2024**

	Special Revenue Funds		Capital Project Funds				FDEM Hurricane LAP Fund	Total Nonmajor Governmental Funds
	Environmental Fee Fund	Community Investment Fund	I-95 Interchange Fund	Road Maintenance Fund	Connector Road I-95 Fund			
ASSETS								
Cash and Cash Equivalents	\$ 393,456	\$ 239,402	\$ —	\$ 1,839,480	\$ 795	\$ 1,078,528	\$ 4,210,573	
Investments	—	2,330,094	—	7,971,208	688	712,625	13,837,402	
Restricted Cash and Equivalents	—	—	—	—	—	—	1,287,322	
Restricted Investment	—	—	—	—	—	—	139,998	
Due from Other Governments	—	—	—	—	—	—	200,038	
Prepaid Items	—	—	—	—	—	—	—	
Total Assets	\$ 393,456	\$ 2,569,496	\$ —	\$ 9,810,688	\$ 1,483	\$ 1,791,153	\$ 19,675,333	
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ —	\$ 26,724	\$ 6,301	\$ —	\$ 135,854	\$ 374,157	\$ 547,811	
Accrued Liabilities	—	—	—	—	—	—	8,923	
Due to Other Funds	—	—	—	—	—	—	124,247	
Advances from Other Funds	—	—	—	—	—	—	—	
Due to Other Governments	76,838	—	—	—	—	47,478	124,316	
Unearned Revenue	—	—	—	—	—	—	2,213,938	
Total Liabilities	76,838	26,724	6,301	—	135,854	421,635	3,019,235	
Fund Balances:								
Nonspendable	—	—	—	—	—	—	—	
Restricted	—	—	—	—	—	—	1,874,465	
Committed	—	—	—	9,810,688	—	1,369,518	11,180,346	
Assigned	316,618	2,542,772	—	—	—	—	3,855,673	
Unassigned (Deficit)	—	—	(6,301)	—	(134,371)	—	(254,386)	
Total Fund Balances (Deficit)	316,618	2,542,772	(6,301)	9,810,688	(134,371)	1,369,518	16,656,098	
Total Liabilities and Fund Balances	\$ 393,456	\$ 2,569,496	\$ —	\$ 9,810,688	\$ 1,483	\$ 1,791,153	\$ 19,675,333	

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2024**

	Special Revenue Funds					
	Law Enforcement Trust	PB Municipal Foundation Fund	Code Nuisance Fund	SHIP Program	Community Development Block Grant	HOME Grant
REVENUES						
Intergovernmental Revenues	—	—	—	718,268	441,165	231,217
Charges for Services	—	—	179,535	30,741	—	132,202
Fines and Forfeitures	17,250	—	—	—	—	—
Investment Income	14,225	10	34,098	135,552	24,783	1,160
Miscellaneous Revenues	—	64,014	—	—	—	—
Total Revenues	31,475	64,024	213,633	884,561	465,948	364,579
EXPENDITURES						
Current:						
Public Safety	16,516	—	81,825	—	—	—
Economic Environment	—	104,051	—	880,188	376,284	374,733
Capital Outlay	48,500	—	—	—	197,184	—
Total Expenditures	65,016	104,051	81,825	880,188	573,468	374,733
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,541)	(40,027)	131,808	4,373	(107,520)	(10,154)
OTHER FINANCING SOURCES (USES)						
Transfers In	—	—	—	—	—	—
Transfers Out	—	—	—	(4,373)	(2,000)	(1,001)
Total Other Financing Sources (Uses)	—	—	—	(4,373)	(2,000)	(1,001)
Net Change in Fund Balances	(33,541)	(40,027)	131,808	—	(109,520)	(11,155)
Fund Balances (Deficit) - Beginning	252,083	106,837	717,807	498,766	897,107	94,924
Fund Balances (Deficit) - Ending	\$ 218,542	\$ 66,810	\$ 849,615	\$ 498,766	\$ 787,587	\$ 83,769

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For the Year Ended September 30, 2024**

	Special Revenue Funds					
	Neighborhood Stabilization Program	CDBG Coronavirus Fund	Opioid Settlement Fund	Special Wellness Fund	Misc. Donations	Environmental Fee Fund
REVENUES						
Intergovernmental Revenues	—	111,771	—	—	—	—
Charges for Services	—	—	—	140	—	69,790
Fines and Forfeitures	—	—	—	—	—	—
Investment Income	—	—	8,340	—	3,604	12,659
Miscellaneous Revenues	—	—	189,222	—	26,786	—
Total Revenues	—	111,771	197,562	140	30,390	82,449
EXPENDITURES						
Current:						
Public Safety	—	—	—	—	52,030	—
Transportation	—	—	—	—	—	—
Economic Environment	—	98,577	—	—	—	—
Culture/Recreation	—	—	—	—	—	—
Capital Outlay	—	—	—	—	—	—
Total Expenditures	—	98,577	—	—	52,030	—
Expenditures	—	13,194	197,562	140	(21,640)	82,449
OTHER FINANCING SOURCES (USES)						
Transfers In	—	—	—	—	—	—
Transfers Out	—	(2,999)	—	—	—	—
Total Other Financing Sources (Uses)	—	(2,999)	—	—	—	—
Net Change in Fund Balances	—	10,195	197,562	140	(21,640)	82,449
Fund Balances (Deficit) - Beginning	(20,196)	(103,713)	88,239	—	101,498	234,169
Fund Balances (Deficit) - Ending	\$ (20,196)	\$ (93,518)	\$ 285,801	\$ 140	\$ 79,858	\$ 316,618

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For the Year Ended September 30, 2024**

	Capital Project Funds					
	Community Investment Fund	I-95 Interchange Fund	Road Maintenance Fund	Connector Road I-95 Fund	FDEM Hurricane LAP Fund	Total Nonmajor Governmental Funds
REVENUES						
Intergovernmental Revenues	1,200,000	—	—	—	2,000,000	4,702,421
Charges for Services	—	—	—	—	—	412,408
Fines and Forfeitures	—	—	—	—	—	17,250
Investment Income	134,305	—	440,983	7,732	—	817,451
Contributions	—	—	—	—	—	1,014
Miscellaneous Revenues	—	—	—	—	—	279,008
Total Revenues	1,334,305	—	440,983	7,732	2,000,000	6,229,552
EXPENDITURES						
Current:						
General Government	—	—	—	—	—	81,825
Public Safety	481,685	—	—	—	—	550,231
Physical Environment	—	—	—	—	—	—
Transportation	—	—	1,657,306	—	—	1,657,306
Economic Environment	—	—	—	—	—	1,833,833
Capital Outlay	767,787	—	55,343	177,098	630,482	1,876,394
Total Expenditures	1,249,472	—	1,712,649	177,098	630,482	5,999,589
Excess (Deficiency of Revenues Over (Under) Expenditures	84,833	—	(1,271,666)	(169,366)	1,369,518	229,963
OTHER FINANCING SOURCES (USES)						
Transfers In	360,000	—	4,613,783	—	—	4,973,783
Transfers Out	—	—	—	—	—	(10,373)
Total Other Financing Sources (Uses)	360,000	—	4,613,783	—	—	4,963,410
Net Change in Fund Balances	444,833	—	3,342,117	(169,366)	1,369,518	5,193,373
Fund Balances (Deficit) - Beginning	2,097,939	(6,301)	6,468,571	34,995	—	11,462,725
Fund Balances (Deficit) - Ending	\$ 2,542,772	\$ (6,301)	\$ 9,810,688	\$ (134,371)	\$ 1,369,518	\$ 16,656,098



THIS PAGE INTENTIONALLY LEFT BLANK.

**BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT TRUST
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Fines and Forfeitures	\$ —	\$ 17,250	\$ 17,250
Investment Income	—	14,225	14,225
Miscellaneous Revenues	—	—	—
Total Revenues	—	31,475	31,475
EXPENDITURES			
Current:			
Public Safety	107,850	16,516	91,334
Capital Outlay	55,000	48,500	6,500
Total Expenditures	162,850	65,016	97,834
Excess (Deficiency) of Revenues Over (Under) Expenditures	(162,850)	(33,541)	129,309
Net Change in Fund Balance	\$ (107,850)	(33,541)	\$ 129,309
Fund Balance - Beginning		252,083	
Fund Balance - Ending		\$ 218,542	

**BUDGETARY COMPARISON SCHEDULE
PALM BAY MUNICIPAL FOUNDATION
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Investment Income	\$ —	\$ 10	\$ 10
Miscellaneous Revenues	76,214	64,014	(12,200)
Total Revenues	<u>76,214</u>	<u>64,024</u>	<u>(12,190)</u>
EXPENDITURES			
Current:			
Economic Environment	116,220	104,051	12,169
Total Expenditures	<u>116,220</u>	<u>104,051</u>	<u>12,169</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(40,006)</u>	<u>(40,027)</u>	<u>(21)</u>
Net Change in Fund Balance	<u>\$ (40,006)</u>	<u>(40,027)</u>	<u>\$ (21)</u>
Fund Balance - Beginning		<u>106,837</u>	
Fund Balance - Ending		<u>\$ 66,810</u>	

**BUDGETARY COMPARISON SCHEDULE
CODE NUISANCE FUND
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ 400,000	\$ 179,535	\$ (220,465)
Investment Income	—	34,098	34,098
Total Revenues	<u>400,000</u>	<u>213,633</u>	<u>(186,367)</u>
EXPENDITURES			
Current:			
Public Safety	400,000	81,825	318,175
Total Expenditures	<u>400,000</u>	<u>81,825</u>	<u>318,175</u>
Excess of Revenues Over Expenditures	<u>—</u>	<u>131,808</u>	<u>131,808</u>
Net Change in Fund Balance	<u>\$ —</u>	<u>131,808</u>	<u>\$131,808</u>
Fund Balance - Beginning		<u>717,807</u>	
Fund Balance - Ending		<u>\$ 849,615</u>	

**BUDGETARY COMPARISON SCHEDULE
SHIP PROGRAM
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ —	\$ 718,268	\$ 718,268
Charges for Services	—	30,741	30,741
Investment Income	—	135,552	135,552
Total Revenues	—	884,561	884,561
EXPENDITURES			
Current:			
Economic Environment	4,439,917	880,188	3,559,729
Capital Outlay	—	—	—
Total Expenditures	4,439,917	880,188	3,559,729
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,439,917)	4,373	4,444,290
OTHER FINANCING USES			
Transfers In	—	—	—
Transfers Out	(4,373)	(4,373)	(4,373)
Total Other Financing Sources	(4,373)	(4,373)	(4,373)
Net Change in Fund Balance	\$ (4,444,290)	—	\$ 4,444,290
Fund Balance - Beginning		498,766	
Fund Balance - Ending		\$ 498,766	

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 1,334,098	\$ 441,165	\$ (892,933)
Investment Income	—	24,783	24,783
Charges for Services	—	—	—
Total Revenues	1,334,098	465,948	(868,150)
EXPENDITURES			
Current:			
Economic Environment	580,899	376,284	204,615
Capital Outlay	1,230,010	197,184	1,032,826
Total Expenditures	1,810,909	573,468	1,237,441
Excess (Deficiency) of Revenues Over (Under) Expenditures	(476,811)	(107,520)	369,291
OTHER FINANCING SOURCES			
Transfers In	—	—	—
Transfers Out	(2,000)	(2,000)	—
Total Other Financing Sources	(2,000)	(2,000)	—
Net Change in Fund Balance	\$ (478,811)	(109,520)	\$ 369,291
Fund Balance (Deficit) - Beginning		897,107	
Fund Balance (Deficit) - Ending		\$ 787,587	

**BUDGETARY COMPARISON SCHEDULE
HOME GRANT
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 2,228,023	\$ 231,217	\$ (1,996,806)
Charges for Services	102,121	132,202	30,081
Investment Income	—	1,160	1,160
Total Revenues	2,330,144	364,579	(1,965,565)
EXPENDITURES			
Current:			
Economic Environment	5,911,163	374,733	5,536,430
Capital Outlay	—	—	—
Total Expenditures	5,911,163	374,733	5,536,430
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,581,019)	(10,154)	3,570,865
OTHER FINANCING SOURCES			
Transfers In	—	—	—
Transfers Out	(1,001)	(1,001)	—
Total Other Financing Sources	(1,001)	(1,001)	—
Net Change in Fund Balance	\$ (3,582,020)	(11,155)	\$ 3,570,865
Fund Balance - Beginning		94,924	
Fund Balance - Ending		\$ 83,769	

**BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD STABILIZATION PROGRAM
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ —	\$ —	\$ —
Charges for Services	—	—	—
Investment Income	—	—	—
Miscellaneous Revenue	—	—	—
Total Revenues	<u>—</u>	<u>—</u>	<u>—</u>
EXPENDITURES			
Current:			
Economic Environment	—	—	—
Capital Outlay	—	—	—
Total Expenditures	<u>—</u>	<u>—</u>	<u>—</u>
Excess of Revenues Over Expenditures	<u>—</u>	<u>—</u>	<u>—</u>
OTHER FINANCING SOURCES			
Transfers In	—	—	—
Transfers Out	—	—	—
Total Other Financing Sources	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balance	<u><u>\$ —</u></u>	<u><u>—</u></u>	<u><u>\$ —</u></u>
Fund Balance - Beginning		<u>(20,196)</u>	
Fund Balance - Ending		<u><u>\$ (20,196)</u></u>	

**BUDGETARY COMPARISON SCHEDULE
CDBG -CV CORONAVIRUS FUND
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ —	\$ 111,771	\$ 111,771
Total Revenues	<u>—</u>	<u>111,771</u>	<u>111,771</u>
EXPENDITURES			
Current:			
Economic Environment	<u>151,199</u>	<u>98,577</u>	<u>52,622</u>
Total Expenditures	<u>151,199</u>	<u>98,577</u>	<u>52,622</u>
Excess of Revenues Over Expenditures	<u>(151,199)</u>	<u>13,194</u>	<u>164,393</u>
OTHER FINANCING SOURCES			
Transfers Out	<u>(2,999)</u>	<u>(2,999)</u>	<u>—</u>
Net Change in Fund Balance	<u>\$ (154,198)</u>	<u>10,195</u>	<u>\$ 164,393</u>
Fund Balance - Beginning		<u>(103,713)</u>	
Fund Balance - Ending		<u>\$ (93,518)</u>	

**BUDGETARY COMPARISON SCHEDULE
OPIOID SETTLEMENT FUND
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ —	\$ 189,222	\$ 189,222
Investment Income	—	8,340	8,340
Total Revenues	<u>—</u>	<u>197,562</u>	<u>197,562</u>
EXPENDITURES			
Economic Environment	—	—	—
Total Expenditures	<u>—</u>	<u>—</u>	<u>—</u>
Excess of Revenues Over Expenditures	<u>—</u>	<u>197,562</u>	<u>197,562</u>
Net Change in Fund Balance	<u>\$ —</u>	<u>197,562</u>	<u>\$ 197,562</u>
Fund Balance - Beginning		<u>88,239</u>	
Fund Balance - Ending		<u>\$ 285,801</u>	

There was not a legally adopted budget for this fund in FY2024.

**BUDGETARY COMPARISON SCHEDULE
SPECIAL WELLNESS FUND
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ —	\$ 140	\$ 140
Investment Income	—	—	—
Total Revenues	<u>—</u>	<u>140</u>	<u>140</u>
EXPENDITURES			
Economic Environment	—	—	—
Total Expenditures	<u>—</u>	<u>—</u>	<u>—</u>
Excess of Revenues Over Expenditures	<u>—</u>	<u>140</u>	<u>140</u>
Net Change in Fund Balance	<u>\$ —</u>	<u>140</u>	<u>\$ 140</u>
Fund Balance - Beginning		<u>—</u>	
Fund Balance - Ending		<u>\$ 140</u>	

**BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS DONATIONS
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Investment Income	\$ 3,200	\$ 3,604	404
Miscellaneous Revenues	22,000	26,786	4,786
Total Revenues	<u>25,200</u>	<u>30,390</u>	<u>5,190</u>
EXPENDITURES			
Public Safety	51,850	52,030	(180)
Total Expenditures	<u>51,850</u>	<u>52,030</u>	<u>(180)</u>
Excess of Revenues Over Expenditures	<u>(26,650)</u>	<u>(21,640)</u>	<u>5,010</u>
Net Change in Fund Balance	<u>\$ (26,650)</u>	<u>(21,640)</u>	<u>\$ 5,010</u>
Fund Balance - Beginning		<u>101,498</u>	
Fund Balance - Ending		<u>\$ 79,858</u>	

**BUDGETARY COMPARISON SCHEDULE
ENVIRONMENTAL FEE
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Charges for Services	\$ —	\$ 69,790	\$ 69,790
Investment Income	—	12,659	12,659
Total Revenues	—	82,449	82,449
EXPENDITURES			
Current:			
Physical Environment	—	—	—
Total Expenditures	—	—	—
Excess of Revenues Over Expenditures	—	82,449	82,449
OTHER FINANCING (USES)			
Transfers In	—	—	—
Transfers Out	—	—	—
Total Other Financing Sources	—	—	—
Net Change in Fund Balance	\$ —	82,449	\$ 82,449
Fund Balance (Deficit) - Beginning		234,169	
Fund Balance (Deficit) - Ending		\$ 316,618	

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY INVESTMENT FUND
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	\$ 3,823,419	\$ 1,200,000	\$ (2,623,419)
Investment Income	45,000	134,305	89,305
Total Revenues	3,868,419	1,334,305	(2,534,114)
EXPENDITURES			
Current:			
Transportation	—	—	—
Physical Environment	669,885	481,685	188,200
Capital Outlay	4,895,324	767,787	4,127,537
Total Expenditures	5,565,209	1,249,472	4,315,737
Excess of Revenues Over Expenditures	(1,696,790)	84,833	1,781,623
OTHER FINANCING SOURCES (USES)			
Debt Proceeds	—	—	\$ —
Transfers In	360,000	360,000	—
Transfers Out	—	—	—
Total Other Financing Sources (Uses)	360,000	360,000	—
Net Change in Fund Balance	\$ (1,336,790)	444,833	\$ 1,781,623
Fund Balance - Beginning		2,097,939	
Fund Balance - Ending		\$ 2,542,772	

**BUDGETARY COMPARISON SCHEDULE
I-95 INTERCHANGE FUND
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Investment Income	\$ —	\$ —	\$ —
Total Revenues	<u>—</u>	<u>—</u>	<u>—</u>
EXPENDITURES			
Current:			
Transportation	—	—	—
Capital Outlay	—	—	—
Total Expenditures	<u>—</u>	<u>—</u>	<u>—</u>
Excess of Revenues Over Expenditures	<u>—</u>	<u>—</u>	<u>—</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	—	—	—
Total Other Financing Sources (Uses)	<u>—</u>	<u>—</u>	<u>—</u>
Net Change in Fund Balance	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>
Fund Balance - Beginning		<u>(6,301)</u>	
Fund Balance - Ending		<u>\$ (6,301)</u>	

**BUDGETARY COMPARISON SCHEDULE
ROAD MAINTENANCE CIP FUND
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Investment Income	\$ —	\$ 440,983	\$ 440,983
Total Revenues	—	440,983	440,983
EXPENDITURES			
Current:			
Transportation	1,663,664	1,657,306	6,358
Capital Outlay	1,689,336	55,343	1,633,993
Total Expenditures	3,353,000	1,712,649	1,640,351
(Deficiency) of Revenues (Under) Expenditures	(3,353,000)	(1,271,666)	2,081,334
OTHER FINANCING SOURCES (USES)			
Transfers In	4,613,783	4,613,783	—
Total Other Financing Sources (Uses)	4,613,783	4,613,783	—
Net Change in Fund Balance	\$ 1,260,783	3,342,117	\$ 2,081,334
Fund Balance - Beginning		6,468,571	
Fund Balance - Ending		\$ 9,810,688	

**BUDGETARY COMPARISON SCHEDULE
CONNECTOR ROAD I-95 CIP FUND
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Investment Income	\$ —	\$ 7,732	\$ 7,732
Total Revenues	—	7,732	7,732
EXPENDITURES			
Current:			
Transportation	—	—	—
Capital Outlay	177,098	177,098	—
Total Expenditures	177,098	177,098	—
Excess of Revenues Over Expenditures	(177,098)	(169,366)	7,732
Net Change in Fund Balance	\$ (177,098)	(169,366)	\$ 7,732
Fund Balance - Beginning		34,995	
Fund Balance - Ending		\$ (134,371)	

**BUDGETARY COMPARISON SCHEDULE
FDEM HURRICANE LAP FUND
For the Year Ended September 30, 2024**

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Investment Income	\$ 2,000,000	\$ 2,000,000	\$ —
Total Revenues	2,000,000	2,000,000	—
EXPENDITURES			
Current:			
Transportation	—	—	—
Capital Outlay	2,000,000	630,482	1,369,518
Total Expenditures	2,000,000	630,482	1,369,518
Excess of Revenues Over Expenditures	—	1,369,518	1,369,518
Net Change in Fund Balance	\$ —	1,369,518	\$ 1,369,518
Fund Balance - Beginning		—	
Fund Balance - Ending		\$ 1,369,518	



THIS PAGE INTENTIONALLY LEFT BLANK

INTERNAL SERVICE FUNDS

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

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

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

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

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2024**

	Risk Management	Employee Benefit	Fleet Services	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 2,329,231	\$ 7,049,528	\$ 1,918,880	\$ 11,297,639
Investments	11,011,436	13,663,417	3,007,997	27,682,850
Accounts Receivable (Net)	21,491	164,375	955	186,821
Due from Other Government	—	—	18,111	18,111
Inventory	—	—	322,335	322,335
Prepaid Items	5,479	35,101	7,999	48,579
Total Current Assets	13,367,637	20,912,421	5,276,277	39,556,335
Capital Assets:				
Construction in Progress	—	—	29,089	29,089
Machinery, Equipment and Vehicles	—	—	12,848,267	12,848,267
Buildings	—	—	117,408	117,408
Less Accumulated Depreciation	—	—	(9,193,755)	(9,193,755)
Total Capital Assets (Net)	—	—	3,801,009	3,801,009
Total Assets	13,367,637	20,912,421	9,077,286	43,357,344
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to OPEB	—	—	37,241	37,241
Total Deferred Outflows of Resources	—	—	37,241	37,241
LIABILITIES				
Current Liabilities:				
Accounts Payable	181,780	106,426	106,625	394,831
Accrued Liabilities	33,810	161,760	34,250	229,820
Total OPEB Liability	—	—	44,228	44,228
Compensated Absences	—	—	13,006	13,006
Claims Payable	614,880	912,220	—	1,527,100
Total Current Liabilities	830,470	1,180,406	198,109	2,208,985
Noncurrent Liabilities:				
Total OPEB Liability	—	—	232,195	232,195
Compensated Absences	—	—	68,281	68,281
Claims Payable	3,228,120	—	—	3,228,120
Total Noncurrent Liabilities	3,228,120	—	300,476	3,528,596
Total Liabilities	4,058,590	1,180,406	498,585	5,737,581
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows related to OPEB	—	—	41,322	41,322
Total Deferred Outflows of Resources	—	—	41,322	41,322
NET POSITION				
Net Investment in Capital Assets	—	—	3,777,293	3,777,293
Restricted:				
Employee Benefits	—	1,800,000	—	1,800,000
Unrestricted	9,309,047	17,932,015	4,797,328	32,038,390
Total Net Position (Deficit)	\$ 9,309,047	\$ 19,732,015	\$ 8,574,621	\$ 37,615,683

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For Fiscal Year Ended September 30, 2024**

	Risk Management	Employee Benefit	Fleet Services	Total
Operating Revenues:				
Charges to Other Funds	\$ 5,851,172	\$ 19,877,447	\$ 5,258,907	\$ 30,987,526
Charges to Customers and Users	—	578,854	5,267	584,121
Miscellaneous Income	229,622	397,429	44,690	671,741
Total Operating Revenues	6,080,794	20,853,730	5,308,864	32,243,388
Operating Expenses:				
Personal Services	1,268,873	2,862,530	1,326,344	5,457,747
Contracted Services	72,706	15,046,440	17,810	15,136,956
Supplies and Materials	10,147	—	2,004,203	2,014,350
Repairs and Maintenance	—	—	395,821	395,821
Other Services and Charges	148,169	(32,315)	637,317	753,171
Claims/Premium Expense	3,910,721	1,558,934	—	5,469,655
Depreciation	—	—	1,119,265	1,119,265
Total Operating Expenses	5,410,616	19,435,589	5,500,760	30,346,965
Operating Income (Loss)	670,178	1,418,141	(191,896)	1,896,423
Nonoperating Revenues (Expenses)				
Interest Income	622,787	950,252	205,828	1,778,867
Intergovernmental Revenues	—	—	34,655	34,655
Gain (Loss) on Disposal of Capital Assets	—	—	(90,878)	(90,878)
Total Nonoperating Revenues (Expenses)	622,787	950,252	149,605	1,722,644
Income (Loss) Before Transfers	1,292,965	2,368,393	(42,291)	3,619,067
Transfers In	42,218	1,323,964	71,974	1,438,156
Transfers Out	(14,885)	(3,693,938)	(138,752)	(3,847,575)
Change in Net Position	1,320,298	(1,581)	(109,069)	1,209,648
Total Net Position - Beginning	7,988,749	19,733,596	8,683,690	36,406,035
Total Net Position - Ending	\$ 9,309,047	\$ 19,732,015	\$ 8,574,621	\$ 37,615,683

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For Fiscal Year Ended September 30, 2024**

	Risk Management	Employee Benefit	Fleet Services	Total
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ —	\$ 935,422	\$ 85,660	\$ 1,021,082
Receipts from Other Funds	6,078,981	19,877,447	5,258,907	31,215,335
Payments to Suppliers	(4,033,342)	(16,465,094)	(3,089,181)	(23,587,617)
Payments to Employees	(399,873)	(2,729,341)	(1,301,335)	(4,430,549)
Net Cash Provided (Used) by Operating Activities	1,645,766	1,618,434	954,051	4,218,251
Cash Flows from Noncapital Financing Activities				
Intergovernmental Revenues	—	—	34,655	34,655
Transfers from Other Funds	42,218	1,323,964	71,974	1,438,156
Transfers To Other Funds	(14,885)	(3,693,938)	(138,752)	(3,847,575)
Net Cash Provided (Used) by Noncapital Financing Activities	27,333	(2,369,974)	(32,123)	(2,374,764)
Cash Flows from Capital and Related Financing Activities				
Acquisition/Construction of Capital Assets	—	—	129,389	129,389
Proceeds from Sales of Capital Assets	—	—	(90,878)	(90,878)
Net Cash Used by Capital and Related Financing Activities	—	—	38,511	38,511
Cash Flows from Investing Activities				
Investment purchases	(4,753,652)	2,311,040	(984,301)	(3,426,913)
Interest Income on Investments	622,787	950,252	205,828	1,778,867
Net Cash Provided (Used) by Investing Activities	(4,130,865)	3,261,292	(778,473)	(1,648,046)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,457,766)	2,509,752	181,965	233,951
Cash and Cash Equivalents at Beginning of Year	4,786,997	4,539,776	1,736,915	11,063,688
Cash and Cash Equivalents at End of Year	\$ 2,329,231	\$ 7,049,528	\$ 1,918,880	\$ 11,297,639

Continued on the next page

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
For Fiscal Year Ended September 30, 2024

	Risk Management	Employee Benefit	Fleet Services	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 670,178	\$ 1,418,141	\$ (191,896)	\$ 1,896,423
Depreciation	—	—	1,119,265	1,119,265
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(1,813)	(40,861)	35,703	(6,971)
Decrease in Deferred Outflows - OPEB	—	—	14,378	14,378
(Increase) in Inventory	—	—	3,401	3,401
(Increase) in Prepaid Expenses	(5,479)	—	(7,179)	(12,658)
Increase (Decrease) in Accounts Payable	103,562	79,748	(44,998)	138,312
Increase (Decrease) in Accrued Liabilities	10,318	28,217	14,746	53,281
(Decrease) in Total OPEB Liability	—	—	16,080	16,080
(Decrease) in Compensated Absences	—	—	5,186	5,186
Increase (Decrease) in Claims Payable	869,000	133,189	—	1,002,189
(Decrease) in Deferred Inflows - OPEB	—	—	(10,635)	(10,635)
Total Adjustments	975,588	200,293	1,145,947	2,321,828
Net Cash Provided by (Used) in Operating Activities	\$ 1,645,766	\$ 1,618,434	\$ 954,051	\$ 4,218,251

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

PENSION TRUST FUNDS

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

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

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

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

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2024**

ASSETS	Police Officers	Fire Fighters	General Employees	Total
Cash and Cash Equivalents	\$ 4,462,244	\$ 2,358,482	\$ 32,180	\$ 6,852,906
Investments, at fair value:				
Certificates of Deposit	147,606	147,606	—	295,212
Common Stock	36,199,133	23,595,335	—	59,794,468
Domestic Equity Funds	18,054,324	11,663,975	195,835	29,914,134
U.S. Government securities	17,096,087	11,886,367	—	28,982,454
Corporate Bonds	21,443,687	15,759,188	—	37,202,875
Bond Funds	—	—	53,673	53,673
International Equity Funds	18,792,311	18,190,560	—	36,982,871
Real Estate Funds	7,830,461	7,830,461	—	15,660,922
Convertible Securities	8,636,714	8,558,221	—	17,194,935
Master Limited Partnership	4,643,082	4,339,723	—	8,982,805
Total investments	132,843,405	101,971,436	249,508	235,064,349
Receivables:				
Accrued Interest and Dividends	367,574	261,652	—	629,226
Due from Broker	82,572	73,628	—	156,200
Other	149	406,306	—	406,455
Due to/from Other Funds	709	442	(1,151)	—
Total Receivables	451,004	742,028	(1,151)	1,191,881
Other assets:	24,262	18,694	72	43,028
Total Assets	137,780,915	105,090,640	280,609	243,152,164
LIABILITIES				
Accounts Payable	183,231	133,147	71	316,449
Deferred Retirement Option Benefits due and currently payable	—	241,634	—	241,634
Deferred City Contributions	231,163	295,969	—	527,132
Due to broker	73,870	68,802	—	142,672
Total Liabilities	488,264	739,552	71	1,227,887
NET POSITION				
Restricted for Pension Benefits	\$ 137,292,651	\$ 104,351,088	\$ 280,538	\$ 241,924,277

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For Fiscal Year Ended September 30, 2024**

	Police Officers	Fire Fighters	General Employees	Total
ADDITIONS				
Contributions:				
Employer	\$ 2,761,771	\$ 3,277,740	\$ —	\$ 6,039,511
Employee	990,646	759,696	—	1,750,342
State	1,482,346	1,118,779	—	2,601,125
Employee Buybacks	—	—	—	—
Total Contributions	5,234,763	5,156,215	—	10,390,978
Investment Earnings:				
Net Appreciation in Fair Value of Investments	18,857,569	13,295,266	54,300	32,207,135
Interest and Dividends	3,561,627	2,876,745	5,775	6,444,147
Miscellaneous	5,124	3,834	6	8,964
Total Investment Earnings	22,424,320	16,175,845	60,081	38,660,246
Less: Investment Expenses	552,126	432,888	228	985,242
Net investment Income	21,872,194	15,742,957	59,853	37,675,004
Total Additions	27,106,957	20,899,172	59,853	48,065,982
DEDUCTIONS				
Benefits	7,720,488	7,666,154	2,532	15,389,174
Refunds	—	—	—	—
Administrative Expense	361,621	285,449	4,897	651,967
Total Deductions	8,082,109	7,951,603	7,429	16,041,141
Change in Net Position	19,024,848	12,947,569	52,424	32,024,841
Net Position - Beginning of Year	118,267,803	91,403,519	228,114	209,899,436
Net Position - End of Year	\$ 137,292,651	\$ 104,351,088	\$ 280,538	\$ 241,924,277



THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

FINANCIAL TRENDS

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

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

REVENUE CAPACITY

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

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

DEBT CAPACITY

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

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

DEMOGRAPHIC, ECONOMIC AND OPERATING INFORMATION

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

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

OTHER

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

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

ADDITIONAL NOTES

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

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

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



THIS PAGE INTENTIONALLY LEFT BLANK

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 70,258,921	\$ 84,756,657	\$ 78,676,964	\$ 87,256,566	\$ 84,229,260	\$ 83,302,221	\$ 83,057,349	\$ 85,387,851	\$ 101,315,534	\$ 105,360,794
Restricted	5,746,759	5,763,641	7,966,761	11,792,213	19,981,407	33,155,823	78,615,720	51,525,101	68,182,257	101,566,512
Unrestricted	(53,586,502)	(57,691,625)	(55,471,045)	(64,588,210)	(59,297,467)	(56,506,834)	(63,515,371)	(14,804,724)	(9,006,604)	(15,712,113)
Total Governmental Activities Net Position	\$ 22,419,178	\$ 32,828,673	\$ 31,172,680	\$ 34,460,569	\$ 44,913,200	\$ 59,951,210	\$ 98,157,698	\$ 122,108,228	\$ 160,491,187	\$ 191,215,193
Business-Type Activities										
Net Investment in Capital Assets	\$ 58,896,518	\$ 67,665,318	\$ 74,985,257	\$ 83,110,556	\$ 99,514,931	\$ 113,663,888	\$ 122,653,307	\$ 152,554,595	\$ 169,305,206	\$ 160,565,158
Restricted	17,373,682	17,669,639	19,153,725	20,540,196	26,023,818	30,300,551	46,995,758	57,507,936	69,237,638	73,141,700
Unrestricted	13,934,194	11,060,046	9,705,692	14,962,808	15,738,652	18,967,116	21,592,032	16,566,015	19,396,807	56,912,083
Total Business-Type Activities Net Position	\$ 90,204,394	\$ 96,395,003	\$ 103,844,674	\$ 118,613,560	\$ 141,277,401	\$ 162,931,555	\$ 191,241,097	\$ 226,628,546	\$ 257,939,651	\$ 290,618,941
Primary Government										
Net Investment in Capital Assets	\$ 129,155,439	\$ 152,421,975	\$ 153,662,221	\$ 170,367,122	\$ 183,744,191	\$ 196,966,109	\$ 205,710,656	\$ 237,942,446	\$ 270,620,740	\$ 265,925,952
Restricted	23,120,441	23,433,280	27,120,486	32,332,409	46,005,225	63,456,374	125,611,478	167,826,083	137,419,895	174,708,212
Unrestricted	(39,652,308)	(46,631,579)	(45,765,353)	(49,625,402)	(43,558,815)	(37,539,718)	(41,923,339)	(57,031,755)	10,390,203	41,199,970
Total Primary Government Net Position	\$ 112,623,572	\$ 129,223,676	\$ 135,017,354	\$ 153,074,129	\$ 186,190,601	\$ 222,882,765	\$ 289,398,795	\$ 348,736,774	\$ 418,430,838	\$ 481,834,134

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

Source: City of Palm Bay Finance Department

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities:										
General Government	\$ 12,492,364	\$ 18,278,547	\$ 18,030,253	\$ 18,031,358	\$ 24,380,488	\$ 18,919,703	\$ 17,519,522	\$ 22,356,726	\$ 26,682,060	\$ 32,669,094
Public Safety	32,769,687	31,933,038	33,513,185	30,947,636	34,160,050	34,253,417	31,171,376	47,613,049	57,713,891	61,963,714
Physical Environment	585,508	570,447	536,267	545,462	510,564	492,951	517,059	657,311	655,120	715,987
Transportation	8,363,210	9,065,890	10,938,430	11,737,057	9,226,210	9,611,992	10,429,829	11,731,563	14,129,877	22,552,652
Economic Environment	1,313,271	1,181,876	1,406,369	1,751,250	748,663	1,421,940	1,662,294	3,152,205	4,942,951	5,251,951
Culture/Recreation	4,873,978	3,988,802	5,392,682	4,804,488	4,865,004	5,293,102	5,428,966	2,480,305	2,975,379	3,204,066
Interest on Long-Term Debt	5,017,788	5,102,968	4,321,154	5,208,624	1,916,027	5,998,985	5,895,736	6,919,093	6,312,137	8,308,168
Total Governmental Activities Expenses	65,415,806	70,121,568	74,138,340	73,025,875	75,807,006	75,992,090	72,624,782	94,910,252	113,411,415	134,665,632
Business-Type Activities:										
Water and Wastewater	22,319,745	21,842,674	22,352,343	23,474,356	23,687,045	23,662,920	24,839,990	25,086,246	27,544,424	31,418,028
Building Inspections & Permitting	761,991	948,470	1,203,472	1,723,865	2,059,136	2,612,624	4,380,403	4,290,827	4,812,291	5,195,612
Stormwater Utility	3,684,940	3,635,942	4,087,303	5,562,055	5,744,908	5,814,390	4,572,429	5,216,563	5,949,957	12,717,382
Solid Waste	5,332,128	5,367,656	5,378,107	5,042,519	5,919,240	6,207,723	12,141,781	13,007,692	13,859,494	15,245,448
Total Business-Type Activities Expenses	32,098,804	31,794,742	33,021,225	35,802,795	37,410,329	38,297,657	45,934,603	47,601,328	52,166,166	64,576,470
Total Primary Government Expenses	\$ 97,514,610	\$ 101,916,310	\$ 107,159,565	\$ 108,828,670	\$ 113,217,335	\$ 114,289,747	\$ 118,559,385	\$ 142,511,580	\$ 165,577,581	\$ 199,242,102
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 3,014,113	\$ 3,024,578	\$ 3,107,163	\$ 3,510,018	\$ 4,074,433	\$ 4,376,161	\$ 5,297,015	\$ 6,068,618	\$ 5,867,097	\$ 6,204,090
Public Safety	764,000	824,263	1,015,504	1,074,778	1,050,036	1,649,367	3,619,819	3,738,398	3,919,055	4,147,533
Physical Environment	232,242	281,573	314,000	421,054	434,255	525,415	684,835	771,397	856,430	769,089
Transportation	1,710,317	1,871,355	2,511,864	3,420,947	4,575,752	5,839,498	12,248,174	11,781,420	16,508,317	17,291,826
Economic Environment	103,081	109,255	299,757	272,945	57,055	158,824	1,006,626	113,551	685,405	162,943
Culture/Recreation	460,205	870,841	1,776,798	1,746,744	1,733,944	2,194,690	4,057,172	3,556,320	4,260,775	4,161,879
Operating Grants and Contributions	780,996	1,713,078	1,797,091	3,238,810	3,586,892	1,285,813	2,463,249	2,493,759	5,929,855	6,727,475
Capital Grants and Contributions	3,187,506	14,539,432	156,824	383,046	132,180	950,180	2,181,200	123,779	556,609	3,200,000
Total Governmental Activities Program	10,252,460	23,234,375	10,979,001	14,068,342	15,644,547	16,979,948	31,558,090	28,647,242	38,583,543	42,664,835
Business-Type Activities:										
Charges for Services	35,731,792	37,513,330	39,583,404	49,570,994	50,058,912	51,886,498	59,109,616	65,262,953	70,127,095	74,745,222
Operating Grant and Contributions	—	—	264,422	924,986	177,515	384,333	2,931,607	341,092	93,838	—
Capital Grants and Contributions	1,211,678	1,690,644	2,072,222	2,679,813	10,365,135	7,592,339	13,273,957	18,805,325	10,116,972	15,691,268
Total Business-Type Activities Program Revenues	36,943,470	39,203,974	41,920,048	53,175,793	60,601,562	59,863,170	75,315,180	84,409,370	80,337,905	90,436,490
Total Primary Government Program Revenues	\$ 47,195,930	\$ 62,438,349	\$ 52,899,049	\$ 67,244,135	\$ 76,246,109	\$ 76,843,118	\$ 106,873,270	\$ 113,056,612	\$ 118,921,448	\$ 133,101,325
Net (Expense)/Revenue										
Governmental Activities	\$ (55,163,346)	\$ (46,887,193)	\$ (63,159,339)	\$ (58,957,533)	\$ (60,162,459)	\$ (59,012,142)	\$ (41,066,692)	\$ (66,263,010)	\$ (74,827,872)	\$ (92,000,797)
Business-Type Activities	4,844,666	7,409,232	8,898,823	17,372,998	23,191,233	21,565,513	29,380,577	36,808,042	28,171,739	25,860,020
Total Primary Government Net Expense	\$ (50,318,680)	\$ (39,477,961)	\$ (54,260,516)	\$ (41,584,535)	\$ (36,971,226)	\$ (37,446,629)	\$ (11,686,115)	\$ (29,454,968)	\$ (46,656,133)	\$ (66,140,777)

General Revenues and Other Changes in Net Position	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Property Taxes	\$ 23,657,324	\$ 24,728,117	\$ 27,050,557	\$ 29,893,290	\$ 33,081,759	\$ 38,668,807	\$ 40,709,084	\$ 47,027,598	\$ 56,145,684	\$ 61,967,137
Franchise Fees	5,414,637	5,367,504	5,440,630	5,588,373	5,811,170	5,691,227	6,186,091	7,203,233	8,104,510	8,189,409
Utility Service Taxes	7,978,611	8,288,194	8,529,879	8,878,776	9,111,670	9,347,939	9,814,779	10,429,242	12,225,888	12,832,319
Communication Service Taxes	2,953,713	2,756,084	2,569,293	2,638,032	2,540,717	2,613,856	2,559,292	2,686,205	2,830,974	2,935,974
State Revenue Sharing	3,490,076	3,854,156	4,089,629	3,744,098	4,147,267	3,706,202	3,817,012	4,165,133	4,464,352	4,389,908
Gas Tax	9,691,968	10,074,949	10,910,021	11,579,482	11,702,036	10,987,149	13,090,384	15,569,918	16,543,010	16,043,272
Investment Earnings	108,870	129,394	283,435	675,851	1,311,729	1,591,414	203,078	681,557	10,108,687	14,770,443
Miscellaneous	560,143	548,241	840,762	653,012	1,117,075	547,059	1,505,852	1,122,959	1,359,945	1,549,740
Transfers	1,607,411	1,549,049	1,789,140	2,087,287	1,791,667	896,499	1,387,608	1,327,695	1,427,781	46,601
Total Governmental Activities	55,462,753	57,295,688	61,503,347	65,738,201	70,615,090	74,050,152	79,273,180	90,213,540	113,210,831	122,724,803
Business-Type Activities:										
Investment Earnings	287,353	318,936	316,365	454,585	1,253,244	956,975	137,227	(142,740)	4,516,988	6,844,448
Miscellaneous	32,033	11,490	23,623	31,314	11,031	28,165	179,345	49,842	50,158	21,424
Transfers	(1,607,411)	(1,549,049)	(1,789,140)	(2,087,287)	(1,791,667)	(896,499)	(1,387,608)	(1,327,695)	(1,427,781)	(46,601)
Total Business-Type Activities	(1,288,025)	(1,218,623)	(1,449,152)	(1,601,388)	(527,392)	88,641	(1,071,036)	(1,420,593)	3,139,365	6,819,271
Total Primary Government	\$ 54,174,728	\$ 56,077,065	\$ 60,054,195	\$ 64,136,813	\$ 70,087,698	\$ 74,138,793	\$ 78,202,144	\$ 88,792,947	\$ 116,350,196	\$ 129,544,074
Change in Net Position										
Governmental Activities	\$ 299,407	\$ 10,409,495	\$ (1,655,993)	\$ 6,780,668	\$ 10,452,631	\$ 15,038,010	\$ 38,206,488	\$ 23,950,530	\$ 38,382,959	\$ 30,724,006
Business-Type Activities	3,556,641	6,190,609	7,449,671	15,771,610	22,663,841	21,654,154	28,309,541	35,387,449	31,311,104	32,679,291
Total Primary Government	\$ 3,856,048	\$ 16,600,104	\$ 5,793,678	\$ 22,552,278	\$ 33,116,472	\$ 36,692,164	\$ 66,516,029	\$ 59,337,979	\$ 69,694,063	\$ 63,403,297

Source: City of Palm Bay Finance Department

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 46,334	\$ 39,002	\$ 21,112	\$ 32,134	\$ 92,969	\$ 81,503	\$ 100,302	\$ 124,145	\$ 9,762	\$ 12,733
Restricted	—	—	—	—	800,000	800,000	800,000	800,000	—	—
Committed	184,176	184,628	193,358	3,032,788	255,356	2,793,774	1,815,813	2,341,618	6,792,295	13,492,664
Assigned	152,211	50,883	149,855	154,098	302,040	342,873	574,580	802,276	636,274	1,920,763
Unassigned	7,899,629	8,900,069	8,267,662	11,753,606	17,648,421	20,521,877	27,323,087	32,900,669	43,206,318	39,975,592
Total General Fund	\$ 8,282,350	\$ 9,174,582	\$ 8,631,987	\$ 14,972,626	\$ 19,098,786	\$ 24,540,027	\$ 30,613,782	\$ 36,968,708	\$ 50,644,649	\$ 55,401,752
All Other Governmental Funds										
Nonspendable	\$ 15,980	\$ 17,289	\$ 870	\$ 4,979	\$ 3,595	\$ —	\$ —	\$ —	\$ 352	\$ —
Restricted	14,941,367	9,604,137	11,745,717	13,495,777	73,692,646	50,349,857	101,987,429	109,954,083	151,843,724	99,495,776
Committed	2,717,649	2,991,029	3,193,172	11,568,282	2,251,588	3,093,642	4,708,861	6,645,254	7,306,133	75,633,798
Assigned	144,627	647,747	692,699	659,468	797,146	1,434,447	2,647,705	2,671,316	2,455,683	3,855,673
Unassigned	(1,109,237)	(831,310)	(639,711)	(640,598)	(573,794)	(842,840)	(326,646)	(185,234)	(130,210)	(254,386)
Total All Other Governmental Funds	\$ 16,710,386	\$ 12,428,892	\$ 14,992,747	\$ 25,087,908	\$ 76,171,181	\$ 54,035,106	\$ 109,017,349	\$ 119,085,419	\$ 161,475,682	\$ 178,730,861

Source: City of Palm Bay Finance Department

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 38,618,035	\$ 40,176,777	\$ 42,789,546	\$ 45,720,435	\$ 49,444,711	\$ 54,890,449	\$ 57,425,638	\$ 64,833,375	\$ 76,202,731	\$ 82,830,655
Impact Fees	1,877,655	2,176,573	2,963,444	3,849,450	5,261,719	7,880,081	18,384,411	17,148,790	22,398,807	23,825,119
Licenses and Permits	5,423,766	5,376,631	5,449,708	5,605,873	5,829,324	5,747,984	6,319,285	7,727,302	8,799,519	8,903,151
Intergovernmental Revenues	13,756,149	14,579,032	13,694,884	15,871,102	16,138,666	14,014,090	18,317,291	18,353,232	23,229,960	26,191,290
Charges for Services	3,060,208	3,381,246	3,897,960	4,613,847	4,651,704	4,885,233	7,195,395	7,125,287	8,470,397	7,506,676
Fines and Forfeitures	527,797	553,825	580,173	604,150	574,090	509,531	514,531	827,841	453,424	611,787
Investment Income	105,157	120,831	240,902	597,276	1,081,119	1,383,384	176,809	500,687	8,667,969	12,901,901
Miscellaneous Revenues	674,725	669,186	970,787	700,513	969,610	490,782	863,900	794,404	988,115	848,800
Total Revenues	64,043,492	67,034,101	70,587,404	77,562,646	83,950,943	89,801,534	109,197,260	117,310,918	149,210,922	163,620,393
Expenditures										
General Government	10,823,743	14,493,101	15,234,453	18,191,610	20,061,644	17,694,839	18,265,433	23,651,796	28,361,762	26,551,987
Public Safety	32,918,077	31,307,440	32,606,478	33,194,023	35,878,114	36,453,290	38,405,746	41,502,021	47,560,323	51,606,005
Physical Environment	—	—	—	—	—	—	—	86,578	55,777	—
Transportation	4,624,274	4,599,336	6,509,086	7,901,067	5,100,262	5,610,373	6,485,591	6,226,032	8,515,860	10,015,991
Economic Environment	1,001,717	691,830	491,654	802,224	748,663	1,421,940	1,543,515	3,034,668	4,813,170	5,040,789
Culture/Recreation	4,550,190	3,610,577	4,519,649	4,293,661	4,235,530	4,771,475	4,922,815	1,810,794	2,254,506	2,406,509
Debt Service:										
Principal Retirement	1,967,805	2,344,046	2,564,622	2,506,898	4,398,095	5,645,088	6,334,540	7,635,950	8,235,482	9,871,130
Interest and Fiscal Charges	4,505,412	4,431,182	4,387,618	4,261,115	5,451,823	5,697,114	5,062,106	7,031,830	6,093,829	7,635,940
Capital Outlay	4,788,835	11,238,697	3,175,468	4,361,160	9,263,528	31,252,195	25,488,845	9,678,921	42,308,221	35,499,750
Contributions	—	—	—	—	—	—	—	—	—	—
Total Expenditures	65,180,053	72,716,209	69,489,028	75,511,758	85,137,659	108,546,314	106,508,591	100,658,590	148,198,930	148,628,101
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,136,561)	(5,682,108)	1,098,376	2,050,888	(1,186,716)	(18,744,780)	2,688,669	16,652,328	1,011,992	14,992,292
Other Financing Sources (Uses)										
Transfers In	10,416,938	11,192,306	10,210,916	10,230,312	12,616,664	14,210,874	12,219,371	16,322,101	72,866,264	21,060,454
Transfers Out	(9,217,429)	(10,262,545)	(9,669,517)	(9,753,116)	(11,742,301)	(13,953,980)	(12,012,641)	(17,185,648)	(71,209,262)	(18,604,434)
Proceeds From Sale of Capital Assets	—	409,500	330,390	566,866	713,075	134,185	1,723,365	534,795	159,922	455,191
Issuance of SBITA Liability	—	—	—	—	—	—	—	—	1,950,817	4,108,779
Issuance of Debt	4,744,000	—	—	9,000,000	50,000,000	—	50,000,000	—	50,000,000	—
Bond Premium	—	—	—	—	4,808,811	—	6,437,163	—	1,286,470	—
Bond Discount	—	—	—	(22,500)	—	—	—	—	—	—
Issuance of Refunding Debt	—	15,922,652	3,983,000	—	—	51,670,000	4,258,000	—	—	—
Proceeds From Financed Purchase Payable	—	754,000	—	4,363,350	—	6,419,119	—	—	—	—
Payment to Refunded Bond Escrow Agent	—	(15,723,067)	(3,931,905)	—	—	(56,430,252)	(4,258,000)	—	—	—
Total Other Financing Sources (Uses)	5,943,509	2,292,846	922,884	14,384,912	56,396,249	2,049,946	58,367,258	(328,752)	55,054,211	7,019,990
Special Item	—	—	—	—	—	—	—	—	—	—
Net Change in Fund Balances	\$ 4,806,948	\$ (3,389,262)	\$ 2,021,260	\$ 16,435,800	\$ 55,209,533	\$ (16,694,834)	\$ 61,055,927	\$ 16,323,576	\$ 56,066,203	\$ 22,012,282
Debt Service as a Percentage of Noncapital Expenditures	10.76%	11.08%	10.61%	9.82%	13.61%	15.00%	14.23%	16.37%	13.95%	16.03%

Source: City of Palm Bay Finance Department

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

Fiscal Year Ended September 30	Centrally Assessed	Real Property	Personal Property	Total Estimated Actual Value	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2024	\$ 5,690,549	\$ 15,400,357,520	\$ 564,793,332	\$ 15,970,841,401	\$ 8,000,106,860	\$ 7,970,734,541	7.9255
2023	4,839,099	13,152,889,710	480,564,785	13,638,293,594	7,043,863,083	6,594,430,511	8.6926
2022	4,477,825	9,585,586,520	389,560,748	9,979,625,093	4,620,984,302	5,358,640,791	8.9419
2021	4,381,074	8,710,327,220	356,690,043	9,071,398,337	4,227,618,210	4,843,780,127	8.5894
2020	4,432,723	8,101,501,430	319,025,182	8,424,959,335	4,039,242,345	4,385,716,990	8.9675
2019	4,439,296	7,351,414,300	307,274,133	7,663,127,729	3,675,352,667	3,987,775,062	8.4500
2018	4,286,855	6,557,914,630	292,093,163	6,854,294,648	3,257,123,697	3,597,170,951	8.4500
2017	4,043,730	5,826,201,100	302,075,674	6,132,320,504	2,864,512,704	3,267,807,800	8.4500
2016	3,680,327	5,004,843,870	285,414,593	5,293,938,790	2,325,206,127	2,968,732,663	8.5000
2015	2,770,508	4,482,050,210	305,316,609	4,790,137,327	1,994,187,604	2,795,949,723	8.6326

Source: Brevard County Property Appraiser

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

Fiscal Year	City of Palm Bay Direct Rates			Overlapping Rates Brevard County			Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total Direct Rates	Operating Millage	School District	Special Districts	
2024	7.0171	0.9084	7.9255	3.8662	6.3830	0.3147	18.4894
2023	7.5995	1.0931	8.6926	4.1716	5.4950	0.3067	18.6659
2022	7.5995	1.3424	8.9419	4.7864	5.8500	0.3274	19.9057
2021	7.8378	0.7516	8.5894	4.9681	5.9420	0.3403	19.8398
2020	8.1379	0.8296	8.9675	5.1891	6.0860	0.3565	20.5991
2019	8.4500	—	8.4500	5.3540	6.2990	0.3759	20.4789
2018	8.4500	—	8.4500	5.6025	6.5680	0.3981	21.0186
2017	8.4500	—	8.4500	5.8548	6.9160	0.4212	21.6420
2016	8.5000	—	8.5000	6.0692	7.2750	0.4212	22.2654
2015	8.6326	—	8.6326	6.2310	7.3390	0.4633	22.6659

Source: Brevard County Tax Collector

PRINCIPAL PROPERTY TAXPAYERS
September 30, 2024

Taxpayers	2024			2015		
	Taxes Assessed	Rank	Percentage of Total Taxes Levied	Taxes Assessed	Rank	Percentage of Total Taxes Levied
Aqua Property LP Total	\$393,106	1	0.6%	\$—	-	0.0%
L3Harris Technologies Inc Total	363,033	2	0.6%	227,375	1	0.9%
Braxton AL LP Total	291,299	3	0.5%	—	—	0.0%
Alliance Palm Bay Holdings LLC Total	187,770	4	0.3%	—	—	0.0%
Pavillions Property Owner LLC Total	172,953	5	0.3%	—	—	0.0%
FR-Cypress LLC Total	171,428	6	0.3%	—	—	0.0%
WE Lighthouse Pointe Owner LLC Total	159,786	7	0.3%	—	—	0.0%
WRH MADALYN LANDING LLC Total	155,380	8	0.2%	50,150	18	0.2%
Renasas Electronics America Inc Total	144,120	9	0.2%	—	—	0.0%
BAF Assets 5 LLC Total	133,961	10	0.2%	—	—	0.0%
RIVIERA TERRACE PROPERTIES LLC Total	117,326	11	0.2%	—	—	0.0%
Mercury Avenue LLC Total	113,125	12	0.2%	—	—	0.0%
H F PARTNERSHIP LLP Total	112,813	13	0.2%	63,750	10	0.3%
Palm Bay West LLC Total	108,176	14	0.2%	—	—	0.0%
Upward America Southeast Property Owner LP Total	102,570	15	0.2%	—	—	0.0%
Mogra Circle LLC Total	100,523	16	0.2%	—	—	0.0%
WAL-MART STORES EAST LP Total	92,499	17	0.1%	74,800	6	0.3%
VS RIVERVIEW LLC Total	88,060	18	0.1%	—	—	—
Second Avenue SFR Holdings III LLC Total	87,487	19	0.1%	—	—	0.0%
IH6 Property Florida LP Total	87,358	20	0.1%	—	—	0.0%
Intersil Corporation	—	—	—	119,000	2	0.5%
815 Briar Creek Blvd & Holdings	—	—	—	115,856	3	0.5%
Palm Bay Shopping Plaza LLC	—	—	—	96,900	4	0.4%
Vinings Palm Bay Investment	—	—	—	90,738	5	0.4%
Bayside Lakes LLP	—	—	—	67,150	7	0.3%
Rivera Terrace Properties LLC	—	—	—	66,300	8	0.3%
CSFB 2004-C3 Lighthouse Point	—	—	—	65,450	9	0.3%
Palm Bay Improvements LLC	—	—	—	61,625	11	0.3%
Bass Pro Outdoor World LLC	—	—	—	56,234	12	0.2%
Pavillions Manor Six LLC	—	—	—	53,125	15	0.2%
Total	\$3,182,773		5.0%	\$1,208,453		5.1%

Source: Brevard County Tax Collector

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Taxes Collected	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2024	\$ 63,319,921	\$ 61,820,825	97.6%	\$ 146,312	\$ 61,967,137	97.9%
2023	57,404,687	56,060,070	97.7%	85,614	56,145,684	97.8%
2022	48,006,978	46,898,514	97.7%	29,085	46,927,599	97.8%
2021	41,659,836	40,592,718	97.4%	116,366	40,709,084	97.7%
2020	39,385,383	38,517,192	97.8%	151,615	38,668,807	98.2%
2019	33,696,699	32,987,945	97.9%	93,814	33,081,759	98.2%
2018	30,396,095	29,713,617	97.8%	179,673	29,893,290	98.3%
2017	27,612,976	26,938,819	97.6%	111,738	27,050,557	98.0%
2016	25,234,228	24,629,466	97.6%	99,651	24,729,117	98.0%
2015	24,125,115	23,528,650	97.5%	128,673	23,657,323	98.1%

Source: City of Palm Bay Finance Department

**RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities										Business Type Activities											
	Municipal Service Tax Bonds	Taxable Special Obligation Bonds	Sales Tax Revenue Bonds	2013 TSO Refunding Bonds	Sales Tax Refunding Bonds*	General Obligation Bonds**	2019 TSO Refunding Bonds	Financed Purchase Payable	SBITA Payable	BCRA Notes Payable	PST Loan Payable	LOGT Refunding Notes	2015 Franchise Fee Revenue Notes	2016 Franchise Fee Revenue Notes	Utility Revenue Bonds	Utility Notes	State Revolving Loan Payable	SBITA Payable	Building Lease	Total Primary Government	% of Personal Income	Per Capita
2024	\$ —	\$ 141,861	\$ —	\$ 1,350,000	\$11,132,941	\$145,909,918	\$49,505,000	\$ 4,287,189	\$3,788,063	\$ —	\$ —	\$6,061,000	\$ 3,814,000	\$3,499,000	\$2,927,853	\$ 9,566,000	\$19,355,253	\$1,186,772	\$ 361,257	\$262,886,107	5 %	\$ 1,875
2023	—	210,147	—	2,660,000	11,799,020	150,348,860	50,145,000	4,718,976	1,000,341	—	—	6,649,000	4,538,000	3,757,000	3,448,917	10,842,000	8,275,334	—	434,053	265,600,893	6 %	1,990
2022	—	276,035	—	3,945,000	12,440,099	103,443,852	50,770,000	5,133,570	—	—	—	7,221,000	5,233,000	4,010,000	4,007,963	16,073,000	1,346,123	—	500,678	221,329,531	6 %	1,746
2021	—	340,936	—	5,195,000	13,061,178	106,870,853	51,385,000	5,531,622	—	342,000	—	7,778,000	5,904,000	4,258,000	4,597,582	22,007,000	—	—	—	228,617,294	8 %	1,862
2020	4,850,000	402,345	—	5,760,000	13,657,257	52,672,929	51,670,000	5,913,753	—	752,000	—	8,944,000	6,547,000	—	5,728,475	16,807,000	—	—	—	173,704,759	6 %	1,455
2019	5,015,000	462,065	—	50,320,000	14,233,336	54,568,370	—	4,231,728	—	1,142,000	—	10,086,000	7,165,000	—	6,580,885	21,932,000	—	—	273,247	176,009,631	6 %	1,526
2018	5,175,000	519,121	—	50,855,000	14,789,415	—	—	4,624,767	—	2,505,000	—	10,846,000	3,873,000	—	7,459,667	26,957,000	—	—	561,614	128,165,584	5 %	1,137
2017	5,330,000	573,305	—	50,855,000	15,330,494	—	—	793,941	—	2,865,000	—	2,446,000	4,313,000	—	8,373,342	31,935,000	—	—	840,174	123,655,256	5 %	1,118
2016	5,485,000	4,652,695	—	50,855,000	15,896,573	—	—	1,382,836	—	3,210,000	—	3,041,000	4,744,000	—	9,953,729	37,200,000	—	—	1,109,260	137,530,093	6 %	1,260
2015	5,485,000	4,784,387	15,853,121	50,855,000	—	—	—	965,385	—	3,545,000	761,000	3,625,000	4,744,000	—	26,940,143	28,000,000	—	—	1,369,194	146,927,230	6 %	1,367

Debt Limitation: The City does not have a legal debt limit

*Includes unamortized premium
**Includes unamortized premium/discount

Source: City of Palm Bay Finance Department

DIRECT AND OVERLAPPING BONDED DEBT – GENERAL OBLIGATION BONDS
September 30, 2024

Taxing District	Assessed Valuation	Net Debt Outstanding	Overlapping	City's Share of Debt
Brevard County	\$ 61,218,295,899	\$ 6,724,410	13.02%	\$ 875,531

City of Palm Bay Governmental Activities Direct Debt

Bonds Payable	\$ 208,039,720	
Notes Payable	13,374,000	
Finance Purchase Payable	4,287,189	
SBITA Payable	3,788,063	<u>229,488,972</u>

Total Direct and Overlapping Governmental Activities Debt \$ 230,364,503

Notes: Based on 2023 estimated taxable assessed valuation.
The percentage of overlapping debt is estimated using taxable property values.
The calculation was derived by dividing the City's total taxable value by the total Outstanding debt for Brevard County

Sources: City of Palm Bay Finance Department
Brevard County Finance Department

**PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years**

Fiscal Year	Water and Sewer System Revenue Bonds					
	Operating Revenue (1)	Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2024	\$ 46,138,749	\$ 22,464,827	\$ 23,673,922	\$ 1,797,064	\$ 1,580,440	7.01
2023	41,183,456	20,887,658	20,295,798	5,790,046	1,658,755	2.72
2022	35,184,129	17,594,346	17,589,783	6,258,620	1,741,255	2.20
2021	32,962,002	16,548,056	16,413,946	6,189,560	1,809,518	2.05
2020	31,768,978	16,616,785	15,152,193	5,544,082	1,690,235	2.09
2019	29,993,764	16,310,408	13,683,356	5,485,672	1,750,593	1.89
2018	28,248,280	15,678,734	12,569,546	5,420,748	1,809,119	1.74
2017	28,099,716	14,188,214	13,911,502	5,367,565	1,862,622	1.92
2016	26,930,542	13,565,725	13,364,817	4,622,371	2,072,108	2.00
2015	25,606,702	13,713,299	11,893,403	5,365,152	2,282,307	1.56

Notes:

(1) Operating Revenue includes interest income.

(2) Direct Operating Expenses are operating expenses excluding depreciation and amortization.

Calculations for item (1) and (2) exclude construction and assessment fund activities; therefore, it will not tie directly to the Statement of Revenues, Expenses and Change in Fund Positions Proprietary Funds

This table does not include the full provisions of the bond covenants.

Source: City of Palm Bay Finance Department

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Years

Year	Population	Personal		Median Age	Education	School Enrollment	Unemployment Rate
		Income (thousands)	Per Capita Income		Level in Years of Schooling		
2024	140,199	\$ 4,869,627	\$ 34,610	42.8	14.3	13,500	3.4%
2023	133,459	4,091,986	30,661	41.3	14.3	14,368	3.5%
2022	126,748	3,710,294	29,273	41.2	14.3	14,376	2.8%
2021	122,765	3,012,800	25,011	41.6	14.2	13,731	3.9%
2020	119,530	2,958,746	24,954	41.2	14.3	14,595	5.7%
2019	115,322	2,718,947	23,577	41.2	14.1	14,577	3.1%
2018	112,703	2,483,072	22,032	40.8	14.1	14,587	3.1%
2017	110,623	2,316,335	20,939	43.0	14.1	14,711	3.8%
2016	109,162	2,277,447	20,863	40.7	14.1	14,661	5.4%
2015	107,481	2,276,018	21,176	40.6	14	14,896	5.9%

Sources:
 Florida Department of Education
 Bureau of Economics and Business Research, University of Florida
 US Department of Labor
 City of Palm Bay Growth Management Department

PRINCIPAL EMPLOYERS IN THE CITY OF PALM BAY
Current Year and Nine Years Ago

Employer	2024			2015		
	Number of Employees	Rank	% of Total Employment	Number of Employees	Rank	% Total Employment
L3Harris	4,300	1	7.73%	2,901	1	6.16%
Brevard County School Board	2,840	2	2.64%	1,729	2	3.67%
City of Palm Bay	981	3	1.57%	780	3	1.66%
Palm Bay Hospital	610	4	1.05%	580	4	1.23%
Publix (3 of 3 locations reported)	651	5	0.93%	435	5	0.92%
Wal*Mart	375	6	0.64%	395	6	0.84%
Renasas (Formerly Intersil)	338	7	0.58%	391	7	0.83%
Winn Dixie (2 locations)	176	9	0.30%	246	8	0.52%
Home Depot	175	10	0.30%	150	11	0.32%
Eastern Florida State College	176	8	0.32%	206	9	0.44%
Totals	<u>10,622</u>		<u>16.06%</u>	<u>7,977</u>		<u>16.94%</u>

Note:
Number of employees listed is employed within the City of Palm Bay

Sources:
US Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics
City of Palm Bay Growth Management Department
City of Palm Bay Budget Division

City of Palm Bay, Florida

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government										
Legislative	9	5	5	4	4	4	4	4	4	4
Management	12	11	10	6	9	5	5	5	5	6
Finance	13	16	15	19	19	16	16	16	22	20
Procurement	8	7	7	7	7	7	6	6	—	—
Community Planning	—	—	—	—	2	2	2	2	2	2
Parks & Facilities	57	52	69	—	—	—	—	—	—	—
Other	40	48	46	58	57	61	61	59	58	38
Public Safety										
Police	278	268	262	257	251	243	236	236	243	249
Fire	170	142	137	132	132	137	137	136	136	134
Code Enforcement	9	9	9	9	11	11	9	9	—	—
Building	36	36	36	9	38	33	30	23	17	15
Physical Environment										
Utilities	178	172	164	152	149	145	141	132	135	135
Economic Environment										
Economic /Neighborhood Development	10	26	21	13	5	7	7	8	7	4
Transportation										
Public Works	147	132	123	124	131	132	128	128	126	120
Culture/Recreation										
Recreation	35	20	20	55	55	54	54	55	52	52
Total	1002	944	924	845	870	857	836	819	807	779

Note: The methodology for full-time equivalents changed in fiscal year 2006/2007 to include part-time employees

In FY22 Parks and Recreation split into two separate divisions: Part & Facilities which oversees maintenance and repairs Recreation which manages activities and events

Source: City of Palm Bay Budget Division

City of Palm Bay, Florida

CAPITAL ASSETS STATISTICS

Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol Units	130	119	113	110	123	122	118	125	125	125
Policemen and Officers	198	182	176	172	172	166	160	159	160	160
Fire										
Stations	6	6	6	6	6	6	6	6	6	6
Firefighters and Officers	132	130	123	114	112	122	122	125	123	135
Public Works										
Streets (miles)	872.47	869.85	864.42	864.42	863.31	865.37	865.37	865.37	865.37	865.37
Street lights	4,428	4,368	4,061	4,061	5,109	5,108	5,108	5,108	5,108	3,968
Parks and Recreation										
Community Centers	3	3	3	3	3	3	3	2	2	1
Developed Parks	33	33	33	33	32	32	32	32	32	31
Acreage of developed parks	520	520	520	520	515	515	515	515	515	315
Acreage of all park land	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,225	2,025
Water System										
Water mains (miles)	690	684	676	629	623	622	618	619	617	614
Fire hydrants	3,236	3,184	3,129	3,047	2,978	2,960	2,908	2,913	2,899	2,888
Treatment plants	3	3	3	3	3	3	3	3	3	3
Service connections	43,976	42,405	39,854	38,186	36,262	35,158	34,439	33,840	33,221	32,812
Capacity (mgd)	16	16	14	16	15.5	15.5	15.5	15.5	15.5	15.5
Wastewater System										
Sanitary sewer lines (miles)	356	350	342	306	300	300	296	307	301	295
Treatment plants	2	2	2	2	2	2	2	2	2	2
Service connections - sewer	21,659	20,774	19,676	18,269	17,841	17,377	17,075	16,858	16,484	16,221
Service connections - reclaimed water	608	569	548	533	486	455	427	427	427	425
Treatment capacity (mgd)	5	5	5	5	5.2	5.2	5.2	5.2	5.2	5.2

Source: Various City Departments

City of Palm Bay, Florida

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
Physical Arrests	2,548	2,702	1,665	1,669	2,278	2,799	3,273	3,770	2,530	3,076
Parking Violations	12	—	—	—	—	—	—	1	—	11
Traffic Tickets	9,955	8,761	4,891	4,273	3,541	4,520	4,577	4,185	3,842	4,847
Total Traffic Stops	14,184	21,937	16,466	15,497	15,280	17,493	17,760	14,524	11,075	10,568
Calls for Service	105,592	127,334	92,384	81,326	93,335	95,862	100,309	98,155	87,635	143,882
Fire										
Number of calls for service	19,423	18,766	18,130	16,894	15,138	15,066	14,713	14,761	14,443	13,408
Number of fires extinguished	361	374	342	365	301	472	430	465	405	280
Public Works										
Canal Clearing (2)	10,305	17,215	12,325	—	1,458,312	1,081,080	986,836	498,088	716,105	16,888
New Street (1)	3	1	—	—	1	—	—	—	—	—
Potholes repaired	393	426	539	739	1164	1329	1245	1294	1275	1441
Recreation (3)										
Community Center Attendance	53,539	63,091	68,174	34,914	4,264	23,191	19,000	17,340	12,989	18,690
Camp Programs	6,664	5,533	2,946	4,381	78	1,404	960	877	1,160	790
Program Membership	1,963	9,532	5,501	1,008	2,027	24,565	6,000	5,157	6,764	4,363
Water System										
New Connections	1,423	1,551	1,793	1,799	1,104	719	668	559	409	317
Water main breaks	16	4	38	19	6	5	4	5	—	1
Average daily consumption (millions of gallons)	8.3	7	7.2	7.2	7.1	6.7	7	6.6	6.5	6
Active accounts	42,868	42,405	39,854	38,061	36,262	35,158	34,439	33,840	33,221	32,812
Wastewater System										
Average daily sewage treatment (millions of gallons)	3915	4	3	4	4	4	4	3	3	3
Active Accounts	21558	20,774	19,676	18,632	17,841	17,377	17,075	16,858	16,484	16,221
Building										
Total Inspections	93,109	102,066	70,602	17,394	24,068	22,077	26,035	16,455	12,874	10,461
Permits Issued	14,120	15,385	14,292	12,955	10,845	9,320	11,415	7,696	6,328	5,468

(1) Information could not be retrieved for years prior to 2020

(2) Started tracking in 2012- decrease in 2014 due to concentration on drainage cleaning.

In 2016, canal clearing transitioned to a more accurate GIS information tracking system. This accounts for the large variance.

In 2021, the City did not have a canal clearing contract.

(3) Recreation activities decreased in 2020 due to COVID-19.

Source: Various City Departments

City of Palm Bay, Florida

Statistical Section

IMPACT FEE COLLECTIONS AND BALANCES
Last Ten Fiscal Years
Last Ten Fiscal Years

Collections						
Fiscal Year	Police Impact Fees	Fire Impact Fees	Parks Impact Fees	Transportation Impact Fees	Total Collections	
2024	\$ 1,424,855	\$ 2,251,834	\$ 4,436,116	\$ 19,629,222	\$ 27,742,027	
2023	1,314,749	2,062,049	4,247,972	17,236,221	24,860,991	
2022	1,030,763	1,606,431	3,219,112	11,520,980	17,377,286	
2021	1,169,860	1,825,074	3,749,856	11,671,949	18,416,739	
2020	360,552	684,556	1,474,498	5,449,526	7,969,132	
2019	44,516	295,657	661,635	4,402,272	5,404,080	
2018	30,022	217,586	508,619	3,147,058	3,903,285	
2017	28,369	193,301	437,373	2,326,002	2,985,045	
2016	21,970	145,907	325,258	1,688,950	2,182,085	
2015	19,636	121,065	189,269	1,574,917	1,904,887	

Balances						
Type	Balance at beginning of Fiscal Year	Collections	Uses	Balance at end of Fiscal Year		
Police Impact Fees	\$ 3,318,817	\$ 1,424,855	\$ 562,374	\$ 4,181,298		
Fire Impact Fees	5,316,727	2,251,834	386,793	7,181,768		
Parks Impact Fees	13,869,555	4,436,116	441,696	17,863,975		
Transportation Impact Fees	42,260,667	19,629,222	3,032,007	58,857,882		
Totals	\$ 64,765,766	\$ 27,742,027	\$ 4,422,870	\$ 88,084,923		

Significant Usage	
SJHP Traffic Signal @ MAL 18PW01	\$ 52,684
Wake Forest BB Court 18PR04	96,536
Find Boat Grant Program 23PD03	70,366
FY24 PD Imp Fee Vehicles 24PD08	463,394
FPRP Bridge 24PK30	213,281
Minton Rd Widening 24PW10	65,036
I-95 Interchange/Pkwy 15PW11	147,902
Riviera Dog Park 21PR01	113,403
SJHP Intersxn and Babcock 21PW06	1,659,360
Malabar Rd PD&E Study 20PW01	36,599
Emerson Dr @ St John Heritage Parkway Intersection Improvements 23PW02	45,422
Brush Truck St 4 22FD08	31,765
First Aid & Safety Equipment	54,282
Transportation Transfers to Debt Service for 2015 Sales Tax Bond	226,888
Transportation Transfers to Debt Service for 2018 LOGT Note	768,253

Note: Collections include interest earnings

Sources: City of Palm Bay Finance Department

**UTILITIES DEBT SERVICE APPLICABLE TO TRANSPORTATION PROJECTS
Last Ten Fiscal Years**

Fiscal Year	Debt Service			Portion Related To Road Improvements
	Refunding Bonds Series 2005B	Refunding Notes Series 2016	Special Assessment Bonds Series 2003	
2024	\$ —	\$ 562,100	\$ —	241,703
2023	—	5,311,170	—	2,283,803
2022	—	1,531,420	—	658,511
2021	—	1,531,010	531,038	881,370
2020	—	1,335,760	214,351	664,404
2019	—	1,285,000	271,068	666,399
2018	—	1,275,000	302,178	675,165
2017	—	1,363,250	870,250	951,703
2016	3,182,706	476,211	246,850	1,472,241
2015	1,777,681	—	248,250	868,668

Note:

Portion of project costs related to roadway restoration and drainage improvements:
43% for 1998 Utility Revenue Bonds
42% for 2003 Utility Assessment Bonds

Portion of principal for Special Assessment Bonds was prepaid in fiscal year 2006.

Source: City of Palm Bay Utilities

City of Palm Bay, Florida

Statistical Section

Last Ten Fiscal Years

Fiscal Year	Electricity	Communication Services	Gas	Water	Total
2024	10,693,584	2,935,974	139,923	1,998,812	15,768,293
2023	10,231,665	2,830,974	153,911	1,840,312	15,056,862
2022	8,556,952	2,686,205	144,821	1,727,469	13,115,447
2021	8,050,678	2,559,292	124,899	1,639,203	12,374,072
2020	7,702,572	2,613,855	113,410	1,531,957	11,961,794
2019	7,570,916	2,540,717	124,903	1,415,851	11,652,387
2018	7,356,613	2,638,032	128,314	1,393,850	11,516,809
2017	7,050,646	2,569,292	112,092	1,367,141	11,099,171
2016	6,862,108	2,756,084	97,281	1,328,805	11,044,278
2015	6,597,099	2,953,713	100,256	1,281,256	10,932,324

Last Ten Fiscal Years

Fiscal Year	Sales Tax Revenue	Max Annual Debt Service 2015 Bonds	Debt Service Coverage
2024	8,990,425	1,054,206	8.53
2023	9,148,718	1,050,606	8.71
2022	8,577,966	1,054,406	8.14
2021	7,563,292	1,054,406	7.17
2020	6,599,351	1,054,406	6.26
2019	6,751,673	1,054,406	6.40
2018	6,822,769	1,054,406	6.47
2017	6,311,425	1,054,406	5.99
2016	5,900,650	1,054,406	5.60
2015	5,627,552	1,162,250	4.84

Historical Pledged State Revenue Sharing Funds

Last Ten Fiscal Years

Fiscal Year	State Revenue Sharing
2024	\$ 6,971,531
2023	7,325,279
2022	6,927,757
2021	5,466,964
2020	4,316,688
2019	4,885,364
2018	4,690,878
2017	4,525,840
2016	4,109,953
2015	3,997,325

Source: City of Palm Bay Finance Department

**CERTIFIED GALLONS OF TAXABLE FUEL SOLD IN BREVARD COUNTY, FLORIDA AND LOCAL
OPTION GAS TAX REVENUE
Last Ten Fiscal Years**

Fiscal Year	Motor Fuel	Diesel Fuel	Total	Annual Local Option Gas Tax Revenue
2024	\$ 272,317,505	\$ 207,850,675	\$ 480,168,180	4,389,908
2023	270,545,730	208,754,194	479,299,924	4,464,352
2022	177,248,615	68,416,276	245,664,891	4,165,133
2021	247,284,877	187,607,808	434,892,686	3,817,013
2020	250,055,588	194,640,059	444,695,648	3,706,201
2019	269,240,363	179,364,276	448,604,638	4,147,267
2018	263,674,585	136,285,660	399,960,245	3,744,098
2017	259,014,856	137,871,185	396,886,040	4,089,629
2016	251,459,738	149,535,894	400,995,632	3,854,156
2015	235,247,029	127,886,050	363,133,079	3,490,076

Sources:
Florida Department of Revenue
City of Palm Bay Finance Department

DISTRIBUTION OF BREVARD COUNTY LOCAL OPTION GAS TAX REVENUES
Fiscal Year Ended September 30, 2024

Jurisdiction	Percent Share Total	Percent Share Municipalities	2024 Revenue Share
Brevard County	47.14	—	\$ 10,660,215
Cape Canaveral	1.14	2.15	256,853
Cocoa	1.98	3.75	448,506
Cocoa Beach	1.43	2.70	322,579
Grant-Valkaria	0.53	1.00	120,121
Indialantic	0.50	0.95	112,995
Indian Harbor Beach	1.29	2.43	290,762
Malabar	0.46	0.88	105,118
Melbourne	14.17	26.81	3,205,060
Melbourne Beach	0.44	0.83	99,411
Melbourne Village	0.07	0.13	15,461
Palm Bay	17.56	33.22	3,971,272
Palm Shores	0.11	0.21	24,698
Rockledge	3.46	6.54	782,220
Satellite Beach	2.06	3.90	466,486
Titusville	4.37	8.27	988,231
West Melbourne	3.29	6.22	743,941
Total	100.00	100.00	22,613,929.00

Source: Brevard County Board of County Commissioners

UTILITIES DEBT SERVICE COVERAGE
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Revenues	\$ 25,381,193	\$ 26,654,593	\$ 27,831,857	\$ 27,927,138	\$ 29,143,681	\$ 31,049,923	\$ 32,870,515	\$ 35,422,351	\$ 38,222,197	\$ 41,378,498
Interest Income	225,509	275,950	267,859	321,142	850,083	668,859	113,694	(238,222)	2,961,259	4,760,251
Operating Expenses (excl. depreciation/amortization)	(13,713,299)	(13,565,725)	(14,188,214)	(15,678,734)	(16,310,408)	(16,616,785)	(16,578,255)	(17,594,346)	(20,887,658)	(22,464,827)
Net Revenues	\$ 11,893,403	\$ 13,364,818	\$ 13,911,502	\$ 12,569,546	\$ 13,683,356	\$ 15,101,997	\$ 16,405,954	\$ 17,589,783	\$ 20,295,798	\$ 23,673,922
Restricted MLE Account Balance	1,768,801	1,363,250	1,364,490	1,345,180	1,335,760	1,531,010	1,531,420	1,531,420	3,750,000	523,542
MLE Portion Attributable to MLE Expansion %	818,917	1,363,250	1,364,490	1,345,180	1,335,760	1,531,010	1,531,420	1,531,420	3,750,000	523,542
Connection Fees Available for Debt Service	3,372,758	3,363,377	3,363,207	3,171,095	3,175,938	3,057,999	3,703,989	3,703,989	1,754,792	2,328,080
Parity Debt Service	6,694,479	7,230,186	7,229,866	7,236,265	7,234,317	7,999,077	7,999,873	7,999,873	7,449,815	3,377,504
2001 Revenue Bonds	1,920,000	1,917,135	1,917,675	1,916,926	1,920,000	1,919,539	1,915,630	1,915,630	1,920,000	1,917,528
2005 B Refunding Bonds	342,706	—	—	—	—	—	—	—	—	—
2014 Refunding Note	3,955,562	3,949,801	3,947,701	3,974,159	3,978,557	3,786,307	3,786,426	3,786,426	—	—
2016 Refunding Note	476,211	1,363,250	1,364,490	1,345,180	1,335,760	1,531,010	1,531,420	1,531,420	5,311,170	562,100
2020 Revenue Note	—	—	—	—	—	762,221	766,397	766,397	218,645	897,876
Total Debt Service	6,694,479	7,230,186	7,229,866	7,236,265	7,234,317	7,999,077	7,999,873	7,999,873	7,449,815	3,377,504
DEBT SERVICE COVERAGE										
PART A: Parity Debt Service										
Test 1										
Net Revenues	11,893,403	13,364,818	13,911,502	12,569,546	13,683,356	15,101,997	16,405,954	17,589,783	20,295,798	23,673,922
Parity Debt Service Less Portion Attributable to MLE Expansion %	5,875,562	5,866,936	5,865,376	5,891,085	5,898,557	6,468,067	6,468,453	6,468,453	3,699,815	2,853,962
Actual	2.02	2.28	2.37	2.13	2.32	2.33	2.54	2.72	5.49	8.30
Required	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
and										
Test 2										
Net Revenues	\$ 11,893,403	\$ 13,364,818	\$ 13,911,502	\$ 12,569,546	\$ 13,683,356	\$ 15,101,997	\$ 16,405,954	\$ 17,589,783	\$ 20,295,798	\$ 23,673,922
Restricted MLE Account Balance	1,768,801	1,363,250	1,364,490	1,345,180	1,335,760	1,531,010	1,531,420	1,531,420	3,750,000	523,542
Total	\$ 13,662,204	\$ 14,728,068	\$ 15,275,992	\$ 13,914,726	\$ 15,019,116	\$ 16,633,007	\$ 17,937,374	\$ 19,121,203	\$ 24,045,798	\$ 24,197,464
Parity Debt Service	6,694,479	7,230,186	7,229,866	7,236,265	7,234,317	7,999,077	7,999,873	7,999,873	7,449,815	3,377,504
Actual	2.04	2.04	2.11	1.92	2.08	2.08	2.24	2.39	3.23	7.16
Required	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
or										
PART B: Parity Debt Service										
Test 1										
Net Revenues	\$ 11,893,403	\$ 13,364,818	\$ 13,911,502	\$ 12,569,546	\$ 13,683,356	\$ 15,101,997	\$ 16,405,954	\$ 17,589,783	\$ 20,295,798	\$ 23,673,922
Connection Fees Available for Debt Service	3,372,758	3,363,377	3,363,207	3,171,095	3,175,938	3,057,999	3,703,989	3,703,989	1,754,792	2,328,080
Total	\$ 15,266,161	\$ 16,728,195	\$ 17,274,709	\$ 15,740,641	\$ 16,859,294	\$ 18,159,996	\$ 20,109,943	\$ 21,293,772	\$ 22,050,590	\$ 26,002,002
Parity Debt Service Less Portion Attributable to MLE Expansion %	5,875,562	5,866,936	5,865,376	5,891,085	5,898,557	6,468,067	6,468,453	6,468,453	3,699,815	2,853,962
Actual	2.60	2.85	2.95	2.67	2.86	2.81	3.11	3.29	5.96	9.11
Required	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
and										
Test 2										
Net Revenues	\$ 11,893,403	\$ 13,364,818	\$ 13,911,502	\$ 12,569,546	\$ 13,683,356	\$ 15,101,997	\$ 16,405,954	\$ 17,589,783	\$ 20,295,798	\$ 23,673,922
Connection Fees Available for Debt Service	3,372,758	3,363,377	3,363,207	3,171,095	3,175,938	3,057,999	3,703,989	3,703,989	1,754,792	2,328,080
Restricted MLE Account Balance	1,768,801	1,363,250	1,364,490	1,345,180	1,335,760	1,531,010	1,531,420	1,531,420	3,750,000	523,542
Total	\$ 17,034,962	\$ 18,091,445	\$ 18,639,199	\$ 17,085,821	\$ 18,195,054	\$ 19,691,006	\$ 21,641,363	\$ 22,825,192	\$ 25,800,590	\$ 26,525,544
Parity Debt Service	6,694,479	7,230,186	7,229,866	7,236,265	7,234,317	7,999,077	7,999,873	7,999,873	7,449,815	3,377,504
Actual	2.54	2.50	2.58	2.36	2.52	2.46	2.71	2.85	3.46	7.85
Required	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
and										
Proviso										
Net Revenues	11,893,403	13,364,818	13,911,502	12,569,546	13,683,356	15,101,997	16,405,954	17,589,783	20,295,798	23,673,922
Parity Debt Service	6,694,479	7,230,186	7,229,866	7,236,265	7,234,317	7,999,077	7,999,873	7,999,873	7,449,815	3,377,504
Actual	1.78	1.85	1.92	1.74	1.89	1.89	2.05	2.20	2.72	7.01
Required	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Note: The calculation of Net Revenue only includes utility water and sewer fund activities

Source: City of Palm Bay Billing & Collections Division

UTILITY RATE COMPARISON WITH NEIGHBORING UTILITIES
September 30, 2024

<u>Neighboring Utilities</u>	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
Brevard County	\$ 35.46	\$ 57.81	\$ 93.27
City of Cocoa	35.90	60.42	96.32
City of Daytona Beach	38.44	57.58	96.02
City of Edgewater	50.01	71.45	121.46
City of Holly Hill	49.78	57.28	107.06
City of Melbourne	35.17	52.54	87.71
City of New Smyrna Bch	25.50	44.23	69.73
City of Ormond Beach	28.06	36.39	64.45
City of Port Orange	25.18	35.37	60.55
City of Port St. Lucie	34.17	59.00	93.17
City of Vero Beach	24.47	54.03	78.50
City of West Melbourne	51.81	39.45	91.26
Indian River County	22.86	33.98	56.84
City of Palm Bay	36.18	59.72	95.90
Average of Neighboring Utilities	\$ 35.14	\$ 50.73	\$ 85.87

Note:

Amounts shown are for 5,000 gallons monthly service and reflect standard residential single-family rates effective October 1, 2022 and are exclusive of taxes.

Source: City of Palm Bay Billing & Collections Division

TEN LARGEST WATER AND WASTEWATER SYSTEM CUSTOMERS**September 30, 2024**

Water Customers	12-Month Usage (1)	Percent of Total	Revenue Generated	Percent of Total
WOODLAKE VILLAGE APARTMENTS	35,442	1.53 %	\$ 285,975	1.48 %
HARRIS CORPORATION	29,917	1.29 %	260,448	1.35 %
SCHOOL BOARD OF BREVARD COUNTY	23,821	1.03 %	175,486	0.91 %
PALM BAY COMMUNITY HOSPITAL	19,067	0.82 %	158,874	0.82 %
THE PARK AT PALM BAY	15,569	0.67 %	106,309	0.55 %
NSD PALM BAY II, LLC	10,780	0.47 %	68,730	0.36 %
WRH MADALYN LANDING	8,960	0.39 %	57,190	0.30 %
PAVILIONS PROPERTY OWNER LLC	8,573	0.37 %	56,948	0.30 %
PINE COVE PARTNERS LLC	7,976	0.34 %	61,454	0.32 %
RENESAS ELECTRONIC AMERICA INC	7,710	0.33 %	58,816	0.30 %
Total	167,815	7.25 %	\$ 1,290,230	6.70 %

Wastewater Customers	12-Month Usage (1)	Percent of Total	Revenue Generated	Percent of Total
WOODLAKE VILLAGE APARTMENTS	35,442	2.98 %	\$ 273,003	1.86 %
HARRIS CORPORATION	29,917	2.51 %	217,910	1.48 %
SCHOOL BOARD OF BREVARD COUNTY	20,405	1.71 %	191,049	1.30 %
THE PARK AT PALM BAY	15,569	1.31 %	132,806	0.90 %
NSD PALM BAY II, LLC	10,780	0.91 %	99,186	0.68 %
WRH MADALYN LANDING	8,960	0.75 %	86,589	0.59 %
PAVILIONS PROPERTY OWNER LLC	8,573	0.72 %	74,965	0.51 %
PINE COVE PARTNERS LLC	8,063	0.68 %	64,122	0.44 %
PALM BAY COMMUNITY HOSPITAL	7,973	0.67 %	60,866	0.41 %
RENESAS ELECTRONIC AMERICA INC	7,710	0.65 %	61,640	0.42 %
Total	153,392	12.89 %	1,262,136	8.59 %

(1) In thousands of gallons

Source: City of Palm Bay



THIS PAGE INTENTIONALLY LEFT BLANK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 For the year ended September 30, 2024

FEDERAL AWARDS

Federal Grantor/Pass-Through Grantor/Program of Cluster	Federal Assistance Listing No.	Pass-Through Entity Identifying Number/Contract No./ Grant No.	Total Federal Expenditures	Provided to Subrecipients
<u>U.S. Department of Housing & Urban Development</u>				
Direct Awards:				
CDBG Entitlement Grants Cluster				
Community Development Block Grant / Entitlement Grant	14.218	B-17-MC-12-0032	\$ 13,786	\$ —
Community Development Block Grant / Entitlement Grant	14.218	B-22-MC-12-0032	77,898	—
Community Development Block Grant / Entitlement Grant	14.218	B-23-MC-12-0032	322,967	111,308
COVID-19-Community Development Block Grant / Entitlement Grant	14.218	B-20-MW-12-0032	115,828	30,260
Total CDGB Entitlement Grants Cluster			530,479	141,568
Passed through Brevard County:				
Home Investment Partnerships Program	14.239	M-20-DC-12-0200	375,734	—
Total Passed through Brevard County			375,734	—
Total Department of Housing & Urban Development			906,213	141,568
<u>U.S. Department of Justice</u>				
Passed through the Florida Office of the Attorney General:				
Victim Crime Assistance	16.575	D-00675	53,050	—
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0219	3,674	—
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA21GG01336	24,719	—
Total Passed through the Florida Office of the Attorney General			81,443	—
Direct Award:				
Equitable Sharing Program	16.922	FL0051200	48,500	—
Direct Award:				
Public Safety Partnerships and Community Policing Grants	16.710	2020-UM-WX-0101	240,528	—
Total U.S. Department of Justice			370,471	—
<u>U.S. Department of Treasury</u>				
Direct Award:				
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-5031	5,322,369	1,252,759
Total U.S. Department of Treasury			5,322,369	1,252,759
<u>U.S. Department of Transportation</u>				
Passed through Florida Department of Transportation:				
Transit Services Cluster				
State and Community Highway Safety	20.600	G2Q12	47,420	—
Total Transit Services Cluster			47,420	—
Highway Planning and Construction	20.205	G1F62	64,521	—
Total Passed through Florida Department of Transportation			111,941	—
Total U.S. Department of Transportation			111,941	—
<u>U.S. Department of Homeland Security - FEMA</u>				
Passed through Florida Division of Emergency Management				
Disaster Grants - Public Assistance				
(Presidentially Declared Disaster)	97.036	FEMA-4680-DR-FL	16,586	—
Disaster Grants - Public Assistance				
(Presidentially Declared Disaster) - Hurricane Idalia	97.036	FEMA-4734-DR-FL	120,332	—
Total U.S. Department of Homeland Security			136,918	—
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 6,847,912	\$ 1,394,327

The accompanying note are an integral part of this Schedule.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
 For the year ended September 30, 2024

STATE AWARDS

State Grantor/Pass through Grantor/Program or Cluster	State CSFA No.	Pass-Through Entity Identifying Number/ Contract No./ Grant No.	Total State Expenditures	Provided to Subrecipients
<u>Florida Department of Environmental Protection</u>				
Wastewater Treatment Facility Construction	37.077	WW050720	7,971,985	—
Total Florida Department of Environmental Protection			7,971,985	—
<u>Florida Department of Transportation</u>				
Transportation Regional Incentive Program (TRIP)	55.026	G1F62	64,521	—
Total Florida Department of Transportation			64,521	—
<u>Florida Department of Law Enforcement</u>				
Sacrafice Park Public Safety Memorial Improvement	71.114	3W005	3,200	—
Total Florida Department of Law Enforcement			3,200	—
<u>Florida Executive Office of the Governor</u>				
State Hurricane Recovery Grant Program (Hurricane LAP)	31.081	D1528	630,482	—
Total Florida Executive Office of the Governor			630,482	—
<u>Florida Housing Finance Corporation</u>				
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	884,561	—
Total Florida Housing Finance Corporation			884,561	—
TOTAL STATE EXPENDITURES			\$ 9,554,749	\$ —
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			\$ 16,402,661	\$ 1,394,327

The accompanying note are an integral part of this Schedule.

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS and State Financial Assistance
September 30, 2024****NOTE 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards and state financial assistance (the "Schedule") includes the federal and state award activity of City of Palm Bay, Florida under programs of the federal and state governments for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of City of Palm Bay, Florida, it is not intended to and does not present the financial position, changes in net position/fund balance, or cash flows of City of Palm Bay, Florida.

NOTE 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - Indirect Cost Rate

City of Palm Bay, Florida has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



THIS PAGE INTENTIONALLY LEFT BLANK.

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

Honorable Mayor and City Council
City of Palm Bay, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Palm Bay, Florida (the "City") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 29, 2025. Our report includes a reference to other auditors who audited the financial statements of the Police and Firefighters' Retirement System, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

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

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 May 29, 2025.

Purpose of this Report

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

Forvis Mazars, LLP

**Orlando, Florida
May 29, 2025**

Report on Compliance for the Major Federal Program and the Major State Project and on Report Internal Control Over Compliance

Independent Auditor's Report

Honorable Mayor and City Council
City of Palm Bay, Florida

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

Opinion on the Major Federal Program and the Major State Project

We have audited the City of Palm Bay, Florida's (the "City") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the Department of Financial Services State Projects *Compliance Supplement* that could have a direct and material effect on the major federal program and the major state project for the year ended September 30, 2024. The City's major federal program and major state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and major state projects for the year ended September 30, 2024.

Basis for Opinion for the Major Federal Program and the Major State Project

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

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

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 and state projects.

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

Honorable Mayor and City Council
City of Palm Bay, Florida

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

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

Forvis Mazars, LLP

**Orlando, Florida
May 29, 2025**

**City of Palm Bay, Florida
 Schedule of Findings and Questioned Costs
 Year Ended September 30, 2024**

Section I – Summary of Auditor’s Results

Financial Statements

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

- Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

3. Noncompliance material to the financial statements noted? Yes No

Federal Awards and State Financial Assistance

4. Internal control over major federal programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

5. Type of auditor’s report issued on compliance for major federal program(s):

- Unmodified Qualified Adverse Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.557, *Rules of the Auditor General*? Yes No

7. Identification of major federal programs and major state projects:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Fund

<u>CSFA Number</u>	<u>Name of State Project</u>
37.077	Wastewater Treatment Facility Construction

8. Dollar threshold used to distinguish between Type A and Type B programs:

Federal \$750,000.
 State \$750,000.

9. Auditee qualified as a low-risk auditee? Yes No

City of Palm Bay, Florida
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2024

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable

City of Palm Bay, Florida
Schedule of Findings and Questioned Costs (Continued)
Year Ended September 30, 2024

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
---------------------	---------

No matters are reportable

**City of Palm Bay, Florida
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2024**

Reference Number	Summary of Finding	Status
-----------------------------	---------------------------	---------------

No matters are reportable.

Management Letter

Honorable Mayor and City Council
City of Palm Bay, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Palm Bay, Florida (the "City") as of and for the year ended September 30, 2024, and have issued our report thereon dated May 29, 2025.

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, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have also 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 the Major Federal Program and State Project and on Internal Control over Compliance; Schedule of Findings and Questioned Costs; 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 May 29, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

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

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*, requires 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 condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures 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.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the City's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicated the failure of 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.

Specific information of the Bayfront Community Redevelopment Agency (the "CRA"), a dependent district of the City of Palm Bay, Florida, that is required by Section 218.39(3)(c), Florida Statutes, and Section 10.544(1)(i)6, *Rules of the Auditor General*, is reported in the CRA's management letter for the fiscal year ended September 30, 2024.

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 have any such findings.

Purpose of this Letter

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

Forvis Mazars, LLP

**Orlando, Florida
May 29, 2025**

Independent Accountant's Report

Honorable Mayor and City Council
City of Palm Bay, Florida

We have examined the City of Palm Bay, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2024. 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.

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

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

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.

Forvis Mazars, LLP

Orlando, Florida
May 29, 2025

AFFIDAVIT

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

1. I am the Chief Financial Officer of the City of Palm Bay which is a local governmental entity of the State of Florida.
2. City of Palm Bay adopted (Ordinance No. 89-03) implementing an impact fee; and
3. City of Palm Bay has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.




Finance Director

STATE OF FLORIDA
COUNTY OF BREVARD

SWORN TO AND SUBSCRIBED before me this 27 day of May, 2025.




NOTARY PUBLIC
Print Name Judy C. Denis

Sworn to (or Affirmed) and subscribed before me by means of physical presence or online notarization this 27 day of May, 2025, by Larry Wojciechowski who is personally known to me or produced a _____ as identification.

(Seal)

notary public signature

notary public printed name