



FLORIDA'S CAPITAL CITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022



CITY OF TALLAHASSEE, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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



**CITY OF
TALLAHASSEE**

PREPARED BY:

**Financial Reporting Division
Financial Services Department**

CITY OF TALLAHASSEE, FLORIDA

CITY COMMISSION

JOHN E. DAILEY, Mayor

CURTIS RICHARDSON, Pro Tem

JEREMY MATLOW, Commissioner

DIANNE WILLIAMS-COX, Commissioner

JACQUELINE PORTER, Commissioner

REESE GOAD, City Manager

CYNTHIA BARBER, Deputy City Manager

CHRISTIAN DOOLIN
Assistant City Manager

WAYNE TEDDER
Assistant City Manager

KAREN JUMONVILLE
Assistant City Manager

ABENA OJETAYO
Assistant City Manager

DENNIS R. SUTTON
Inspector General

JIM COOKE
City Treasurer-Clerk

CASSANDRA JACKSON
City Attorney

**CITY OF TALLAHASSEE, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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CITY OF TALLAHASSEE

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INTRODUCTORY SECTION

Letter of Transmittal

Government Finance Officers Association Certificate of Achievement Organizational Chart

List of Elected and Appointed Officials and Directors

List of Financial Reporting Staff



April 28, 2023

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

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

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

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

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

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

PROFILE OF THE CITY

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

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

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

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

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

JOHN E. DAILEY
Mayor

REESE GOAD
City Manager

CURTIS RICHARDSON
Mayor Pro Tem

CASSANDRA K. JACKSON
City Attorney

JACQUELINE "JACK" PORTER
Commissioner

JAMES O. COOKE, IV
City Treasurer-Clerk

JEREMY MATLOW
Commissioner

DENNIS R. SUTTON
Inspector General

DIANNE WILLIAMS-COX
Commissioner

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

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

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

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

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

POPULATION GROWTH

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

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

CONSTRUCTION TRENDS

Residential Construction

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

Commercial Development

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

MILLAGE RATES

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

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

LONG-TERM FINANCIAL PLANNING

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

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

AWARDS AND ACKNOWLEDGEMENT

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

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

Respectfully submitted,



Christian Doolin
Assistant City Manager



Patrick Twyman
Director of Financial Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Tallahassee
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO



THE CITIZENS OF TALLAHASSEE

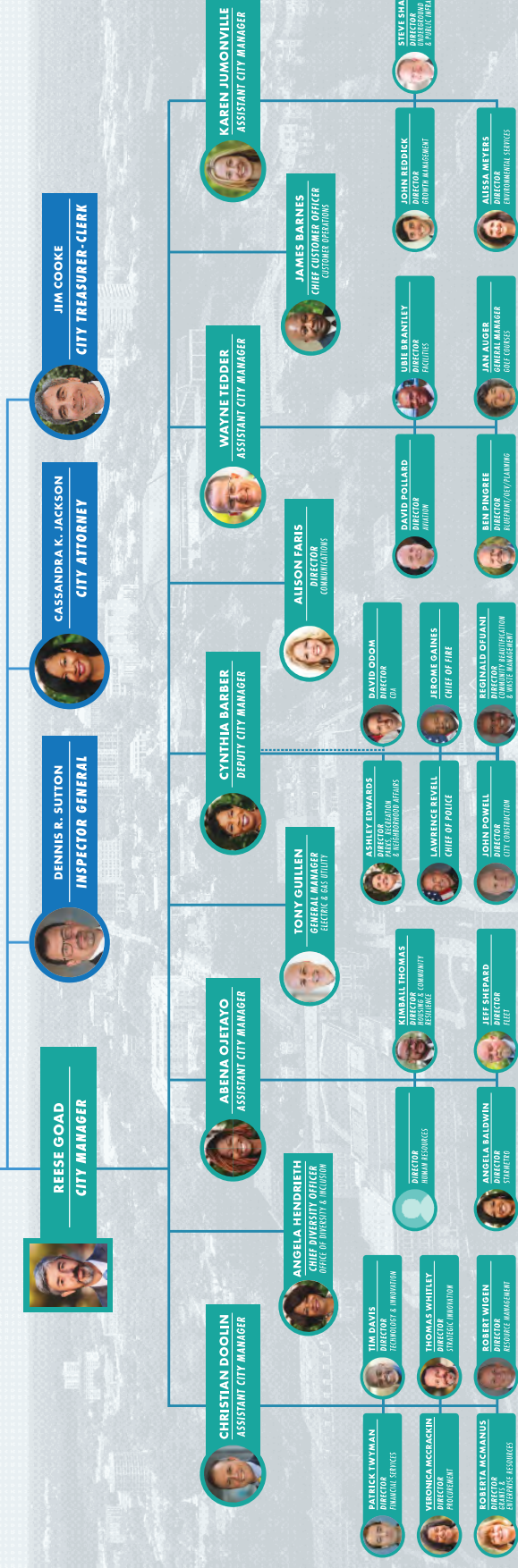


THE CITY COMMISSION

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

CITY OF TALLAHASSEE ORGANIZATIONAL VALUES

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



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

Elected Officials

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

Appointed Officials

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

Deputy City Manager and Assistant City Managers

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

Department Directors

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

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

Assistant City Manager
Christian Doolin

Director of Financial Services
Patrick Twyman

Director of Grants & Enterprise Resources
Roberta McManus, CPA

Manager, Financial Reporting
Rita Stevens, CPA

Manager, Fixed Assets and Accounts Receivable
Robert Bechtol, CPA

Financial Reporting Staff

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

* Tallahassee International Airport Staff
^Grants Management Staff



CITY OF TALLAHASSEE

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FINANCIAL SECTION

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining Financial Statements

Supplementary Information



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Emphasis-of-Matter

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

Required Supplementary Information

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

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining financial statements and the supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules and the other supplementary information are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and the supplementary information are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
April 28, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

FINANCIAL HIGHLIGHTS

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

AN OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

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

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

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

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

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

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

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

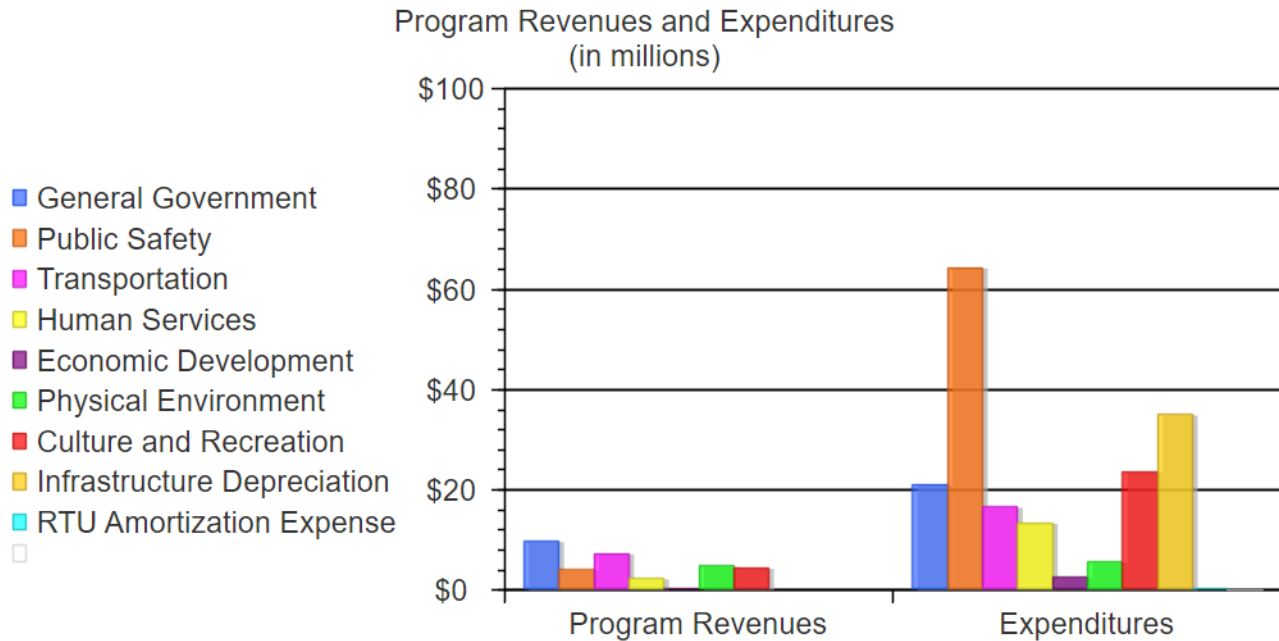
Table 2
Statement of Activities
For the Year Ended September 30
(in millions)

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

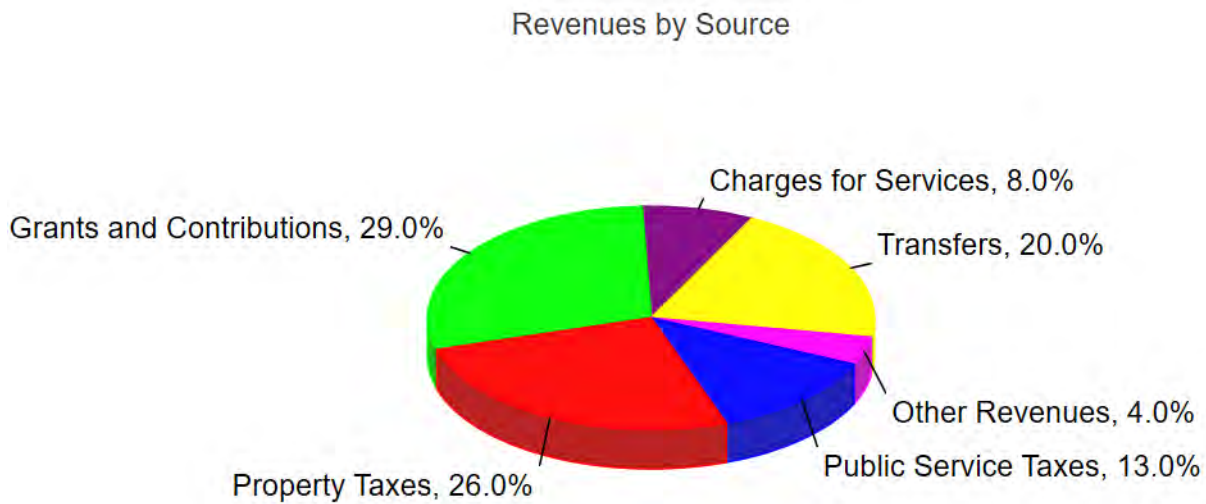
GOVERNMENTAL ACTIVITIES

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

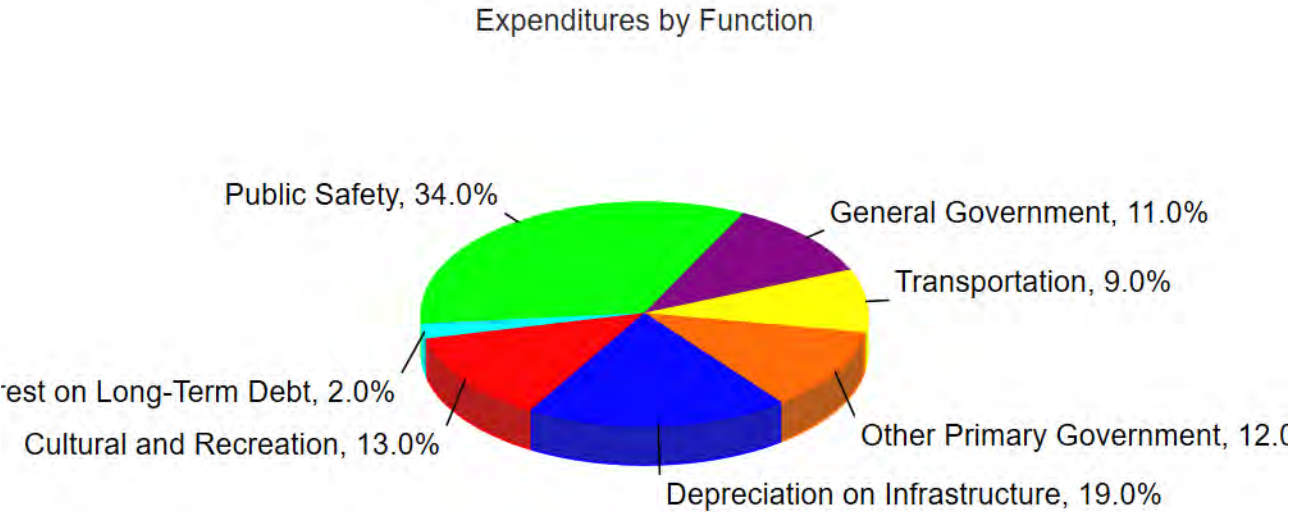
The following chart compares expenditures and program revenues for the governmental activities.



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



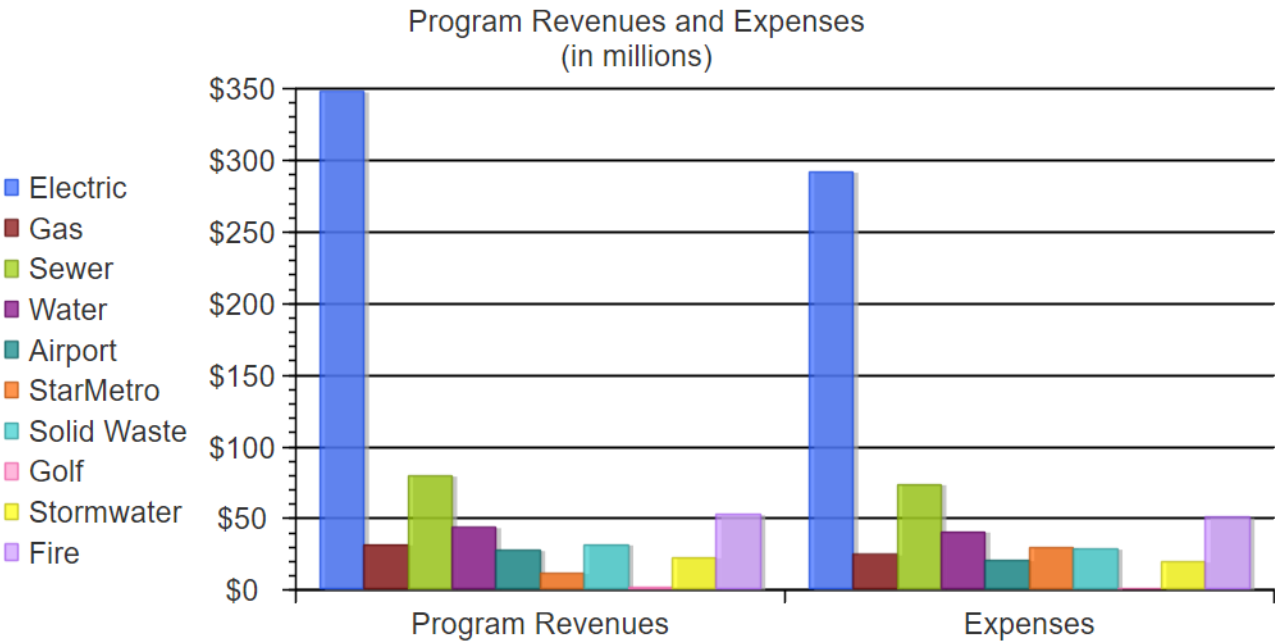
The following chart illustrates the City's expenditures by function for the City's governmental activities.



BUSINESS-TYPE ACTIVITIES

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

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



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

GOVERNMENTAL FUNDS

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

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

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

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

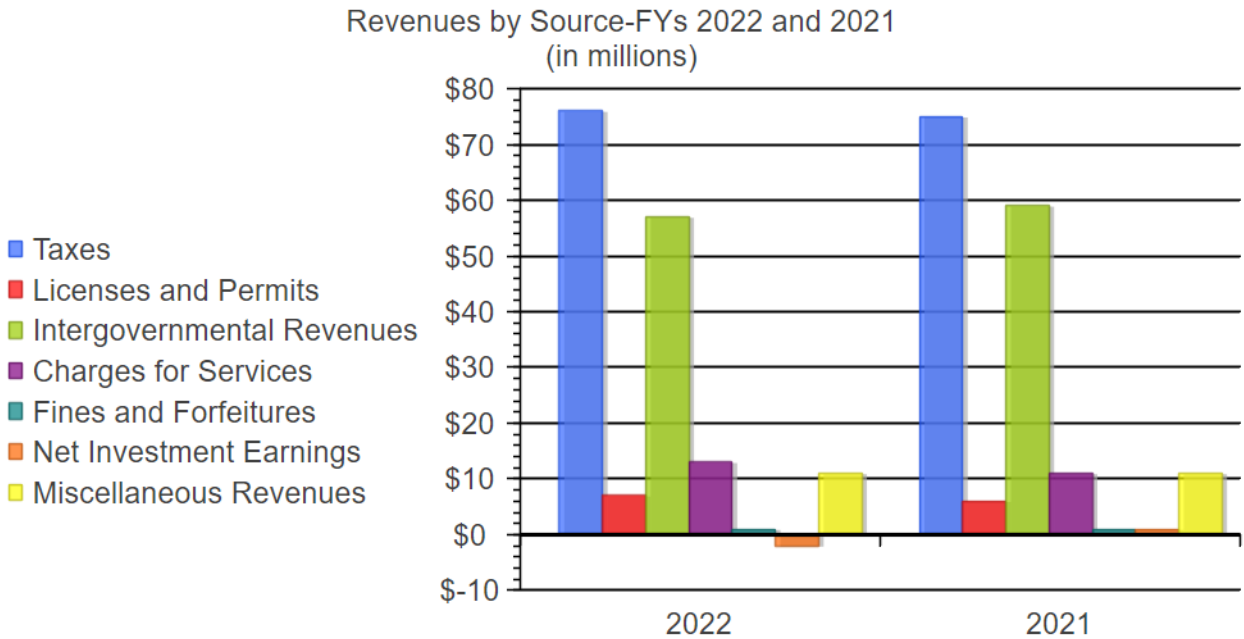
Fund	Fund Balances 9/30/2021	Sources	Uses	Sources Over (Under) Uses	Fund Balances 9/30/2022
General Fund	\$ 26.8	\$ 171.6	\$ 173.6	\$ (2.0)	\$ 24.8
Other Funds	81.4	57.4	68.7	(11.3)	70.1
Total City Funds	<u>\$ 108.2</u>	<u>\$ 229.0</u>	<u>\$ 242.3</u>	<u>\$ (13.3)</u>	<u>\$ 94.9</u>

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

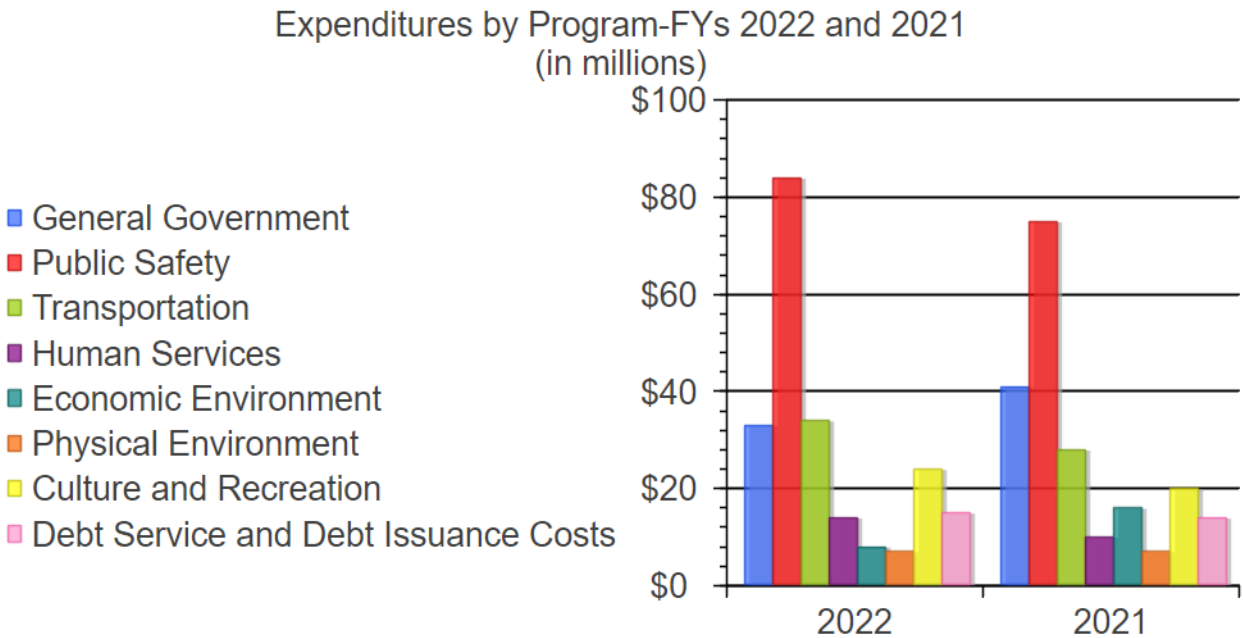
The fund balance for the City's General Fund decreased \$2.0 million during fiscal year 2022. This decrease is due to current year operations.

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

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



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



PROPRIETARY FUNDS

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

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

CAPITAL ASSETS

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

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

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

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

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

LONG-TERM DEBT

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

Table 5
Outstanding Debt at September 30
(in thousands)

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

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

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

Table 6
Bond Ratings

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Significant Revenue Factors

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

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

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

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

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

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

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

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

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

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

FINANCIAL CONTACT

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



CITY OF TALLAHASSEE

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BASIC FINANCIAL STATEMENTS

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

Government-wide Financial Statements

Governmental Funds Financial Statements

Proprietary Funds Financial Statements

Fiduciary Funds Financial Statements

Notes to Financial Statements

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

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Improvement Authority
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current Assets				
Cash and Cash Equivalents	\$ 90,724	\$ 149,642	\$ 240,366	\$ 167
Securities Lending Collateral	488	887	1,375	1
Receivables:				
Accrued Interest	189	529	718	1
Customers and Other	1,235	78,658	79,893	-
Notes	100	6,262	6,362	-
Leases	907	561	1,468	-
Special Assessments	59	-	59	-
Less: Allowance for Doubtful Accounts	(6)	(2,340)	(2,346)	-
Due From Other Governments	17,513	18,918	36,431	-
Prepaid Expenses	-	3,412	3,412	-
Inventory	740	50,832	51,572	-
Cash and Cash Equivalents - Restricted	24,664	261,467	286,131	-
Securities Lending Collateral - Restricted	160	1,465	1,625	-
Receivables - Restricted:				
Accrued Interest	82	835	917	-
Other	5	-	5	-
Notes	486	-	486	-
Leases	2,338	1,035	3,373	-
Due From Other Governments	2,537	2,250	4,787	-
Total Current Assets	142,221	574,413	716,634	169
Noncurrent Assets				
Internal Balances	10,338	(10,338)	-	-
Deposits	-	5,658	5,658	-
Derivative Instrument Asset	-	93,862	93,862	-
Net Pension Asset	31,486	27,503	58,989	56
Capital Assets				
Land and Construction in Progress	389,433	246,353	635,786	-
Other, Net of Accumulated Depreciation	399,850	1,496,751	1,896,601	-
Total Noncurrent Assets	831,107	1,859,789	2,690,896	56
Total Assets	973,328	2,434,202	3,407,530	225
Deferred Outflows of Resources				
Deferred Outflows on Bond Refundings	681	95	776	-
Pension related deferred outflows	61,688	26,793	88,481	60
OPEB related deferred outflows	9,069	7,245	16,314	15
Total Deferred Outflows of Resources	71,438	34,133	105,571	75
Assets and Deferred Outflows of Resources	\$ 1,044,766	\$ 2,468,335	\$ 3,513,101	\$ 300

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

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

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

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

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

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

GENERAL REVENUES AND NET TRANSFERS

Taxes:

- Property Taxes, levied for general purposes
- Public Service Taxes
- Permits and Fees

Grants and Contributions, not restricted to specific programs

Net Unrestricted Investment Earnings

Net Securities Lending Income

Change in Fair Value of Investments

Miscellaneous

Net Transfers

 Total General Revenues and Transfers

 Change in Net Position

Net Position - October 1

Net Position - September 30

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

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

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

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



CITY OF TALLAHASSEE

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GOVERNMENTAL FUNDS

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

PROPRIETARY FUNDS

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

FIDUCIARY FUNDS

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

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

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

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

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

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

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

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

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

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

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

Net Change in Fund Balances - Total Governmental Funds	\$	(13,275)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.		(15,048)
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Internal Service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain internal service funds is reported with governmental activities.		(2,837)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		11,399
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The net change in compensated absences which is reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds.		79
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Pension and OPEB related items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as an expenditure in governmental funds.		29,985
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Change in Net Position of Governmental Activities	\$	<u>10,303</u>
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The notes to the financial statements are an integral part of these financial statements.

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

	Enterprise Funds									
	Electric	Gas	Sewer	Water	Airport	Stormwater Management	Other Enterprise	Total Enterprise	Internal Service	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES										
Current Assets										
Cash and Cash Equivalents	\$ 53,217	\$ 2,066	\$ -	\$ -	\$ 1,144	\$ 36,595	\$ 7,809	\$ 100,831	\$ 51,542	
Securities Lending Collateral	298	12	-	-	6	205	43	564	339	
Receivables:										
Accrued Interest	171	7	-	-	10	118	25	331	209	
Notes	5,234	-	757	-	-	-	-	5,991	-	
Customers and Others	42,721	3,383	8,160	4,879	929	2,494	9,793	72,359	6,661	
Leases	-	-	-	274	287	-	-	561	-	
Due From Other Governments	4,849	1	264	56	3	21	13,038	18,232	460	
Less: Allowance for Doubtful Accounts	(1,048)	(27)	(301)	(224)	(354)	(74)	(314)	(2,342)	-	
Prepaid Expenses	-	-	-	-	-	-	-	-	3,412	
Due From Other Funds	30,000	-	-	-	-	-	-	30,000	51,833	
Inventory	46,228	82	1,036	73	223	-	1,370	49,012	1,819	
Current Assets - Restricted:										
Cash and Cash Equivalents	146,654	9,744	57,333	16,824	30,909	-	-	261,464	-	
Securities Lending Collateral	821	55	321	94	173	-	1	1,465	-	
Accrued Interest	472	31	180	54	93	-	-	830	-	
Due From Other Governments	-	-	56	-	2,194	-	391	2,641	-	
Total Current Assets	<u>329,617</u>	<u>15,354</u>	<u>67,806</u>	<u>22,030</u>	<u>35,617</u>	<u>39,359</u>	<u>32,156</u>	<u>541,939</u>	<u>116,275</u>	
Noncurrent Assets										
Leases	-	-	-	717	318	-	-	1,035	-	
Advances To Other Funds	3,000	-	-	-	-	-	-	3,000	2,018	
Deposits	-	-	-	-	-	-	-	-	5,658	
Derivative Instruments	-	-	-	-	-	-	-	-	93,862	
Net Pension Asset	9,891	887	5,251	2,651	2,135	2,391	4,297	27,503	-	
Capital Assets:										
Land and Construction in Progress	66,969	871	25,219	7,284	23,847	115,380	6,677	246,247	4,883	
Other, Net of Accumulated Depreciation	613,797	59,705	410,958	156,299	89,293	78,436	42,047	1,450,535	87,866	
Total Noncurrent Assets	<u>693,657</u>	<u>61,463</u>	<u>441,428</u>	<u>166,234</u>	<u>115,275</u>	<u>196,207</u>	<u>53,021</u>	<u>1,727,285</u>	<u>194,287</u>	
Total Assets	<u>1,023,274</u>	<u>76,817</u>	<u>509,234</u>	<u>188,981</u>	<u>151,210</u>	<u>235,566</u>	<u>85,177</u>	<u>2,270,259</u>	<u>310,562</u>	
Deferred Outflows of Resources										
Deferred Outflows on Refunding of Bonds	64	4	28	-	-	-	-	96	-	
Pension Related Deferred Outflows	10,187	780	5,043	2,404	1,901	2,201	4,277	26,793	-	
OPEB Related Deferred Outflows	2,032	181	1,065	514	333	336	2,784	7,245	-	
Total Assets and Deferred Outflows of Resources	<u>1,035,557</u>	<u>77,782</u>	<u>515,370</u>	<u>191,899</u>	<u>153,444</u>	<u>238,103</u>	<u>92,238</u>	<u>2,304,393</u>	<u>310,562</u>	

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

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

	Enterprise Funds							
	Electric	Gas	Sewer	Water	Airport	Stormwater Management	Other Enterprise	Total Enterprise
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION								
Current Liabilities								
Accounts and Retainage Payable	12,111	2,414	1,441	1,324	1,164	1,765	4,216	24,435
Due To Other Funds	-	-	1,913	1,177	3	-	27,832	30,925
Due To Other Governments	1	-	-	-	-	-	-	1
Compensated Absences	2,207	230	695	609	456	481	3,648	8,326
Lease Payable	-	-	-	-	3	-	381	384
Obligations Under Securities Lending	298	12	-	-	6	205	43	564
Unearned Revenue	-	-	-	-	-	-	54	54
Deposits Payable	23,815	582	-	1,750	-	-	-	26,147
Obligations Under Securities Lending - Restricted	821	55	321	94	173	-	1	1,465
Accounts and Retainage Payable - Restricted	1,170	47	762	169	2,580	-	540	5,268
Loans Payable	1,618	236	34	1,350	-	-	-	3,238
Bonds Payable	19,875	420	8,193	2,892	-	-	867	32,247
Total Current Liabilities	61,916	3,996	13,359	9,365	4,385	2,451	37,582	133,054
Noncurrent Liabilities								
Loans Payable	1,682	217	-	1,334	-	-	-	3,233
Claims Payable	-	-	-	-	-	-	-	-
Derivative Instruments	-	-	-	-	-	-	-	-
Customer Contracts Payable	-	-	1,145	461	-	-	-	1,606
Advances from Other Funds	4,984	-	-	-	198	-	9,328	14,510
Compensated Absences	1,523	140	774	232	269	163	715	3,816
Net OPEB Liability	7,857	859	5,256	2,310	1,289	610	14,602	32,783
Bonds Payable	506,577	3,170	233,294	77,970	-	-	4,642	825,653
Lease Payable	-	-	-	-	8	-	2,889	2,897
Total Noncurrent Liabilities	522,623	4,386	240,469	82,307	1,764	773	32,176	884,498
Total Liabilities	584,539	8,382	253,828	91,672	6,149	3,224	69,758	1,017,552
Deferred Inflows of Resources								
Deferred Inflows on Refunding of Bonds	8,255	346	6,171	1,450	-	-	-	16,222
Pension Related Deferred Inflows	21,145	1,759	10,832	5,391	4,065	4,826	9,071	57,089
OPEB Related Deferred Inflows	2,494	210	1,212	606	408	470	3,096	8,496
Lease Related Deferred Inflows	-	-	-	1,041	602	-	-	1,643
Accumulated Increase in Fair Value of Hedging Derivatives	-	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	616,433	10,697	272,043	100,160	11,224	8,520	81,925	1,101,002
Net Position								
Net Investment in Capital Assets	149,662	56,817	194,441	81,718	112,930	193,817	39,946	829,331
Restricted for Debt Service	1,388	80	641	205	-	-	-	2,314
Restricted for Renewal, Replacement and Improvements	150,715	9,360	33,750	9,940	27,079	29,488	440	260,772
Unrestricted:	117,359	828	14,495	(124)	2,211	6,278	(30,073)	110,974
Total Net Position	419,124	67,085	243,327	91,739	142,220	229,583	10,313	1,203,391
Total Liabilities, Deferred Inflows, and Net Position	1,035,557	77,782	515,370	191,899	153,444	238,103	92,238	310,562
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds								48,240
Net Position of Business-type Activities								\$ 1,251,631

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

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

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

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

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

	Enterprise Funds						Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric	Gas	Sewer	Water	Airport	Stormwater Management			
NON-OPERATING REVENUES (EXPENSES)									
Net Investment Earnings	\$ 1,125	\$ 48	\$ 315	\$ 101	\$ 156	\$ 191	\$ 29	\$ 1,965	\$ 493
Change in Fair Value of Investments	(28,317)	(1,494)	(4,506)	(1,314)	(686)	(45)	(287)	(36,649)	(10,584)
Securities Lending:									
Securities Lending Income	20	-	4	2	2	4	-	32	8
Interest Expense	(8)	-	(2)	(1)	(1)	(2)	-	(14)	(4)
Agent Fees	(2)	-	(1)	-	-	(1)	-	(4)	-
Intergovernmental Revenues	-	-	-	-	2,287	-	5,900	8,187	906
Other Revenues	2,480	1,370	10,841	2,133	238	115	681	17,858	1,508
Interest Income	-	-	-	-	-	-	-	-	38
Interest Expense	(22,301)	(326)	(10,092)	(3,442)	(2)	-	(577)	(36,740)	(171)
Debt Issuance Costs	(148)	(7)	(66)	(24)	-	-	-	(245)	-
Gain (Loss) on Sale of Assets	-	-	-	-	2,004	-	-	2,004	-
Other Expenses	(771)	(9)	(996)	(1,321)	(99)	(1,713)	(20)	(4,929)	(260)
Total Non-Operating Revenues (Expenses)	<u>(47,922)</u>	<u>(418)</u>	<u>(4,503)</u>	<u>(3,866)</u>	<u>3,899</u>	<u>(1,451)</u>	<u>5,726</u>	<u>(48,535)</u>	<u>(8,066)</u>
Income (Loss) Before Capital Contributions and Operating Transfers	<u>6,276</u>	<u>6,496</u>	<u>3,368</u>	<u>3,077</u>	<u>(3,434)</u>	<u>641</u>	<u>(10,445)</u>	<u>5,979</u>	<u>(14,021)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS									
Capital Contributions	23,187	-	-	-	10,371	1,997	392	35,947	-
Transfers In	768	-	279	582	-	-	7,059	8,688	787
Transfers Out	(32,816)	(3,609)	(5,299)	(3,847)	-	(532)	(2,457)	(48,560)	(2,047)
Total Capital Contributions and Transfers	<u>(8,861)</u>	<u>(3,609)</u>	<u>(5,020)</u>	<u>(3,265)</u>	<u>10,371</u>	<u>1,465</u>	<u>4,994</u>	<u>(3,925)</u>	<u>(1,260)</u>
Change in Net Position	(2,585)	2,887	(1,652)	(188)	6,937	2,106	(5,451)	2,054	(15,281)
Net Position - October 1	421,709	64,198	244,979	91,927	135,283	227,477	15,764		100,715
Net Position - September 30	<u>\$ 419,124</u>	<u>\$ 67,085</u>	<u>\$ 243,327</u>	<u>\$ 91,739</u>	<u>\$ 142,220</u>	<u>\$ 229,583</u>	<u>\$ 10,313</u>		<u>\$ 85,434</u>
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds								(12,444)	
Change in net position of Business-type Activities								<u>\$ (10,390)</u>	

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

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

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

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

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

	Electric	Gas	Sewer	Water	Airport	Stormwater Management	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest Received on Investments	1,103	48	303	118	129	176	20	1,897	549
Increase (Decrease) in the Fair Value of Investments	(28,317)	(1,494)	(4,506)	(1,314)	(686)	(45)	(287)	(36,649)	8,456
Net Cash Provided by (Used for) Investing Activities	\$ (27,214)	\$ (1,446)	\$ (4,203)	\$ (1,196)	\$ (557)	\$ 131	\$ (267)	\$ (34,752)	\$ 9,005
Net Increase (Decrease) in Cash and Cash Equivalents	(9,281)	(1,532)	(2,850)	(8,648)	3,670	590	1,636	(16,415)	(28,118)
Cash and Cash Equivalents - October 1	209,152	13,342	60,183	25,472	28,383	36,005	6,173	378,710	79,660
Cash and Cash Equivalents - September 30	<u>\$ 199,871</u>	<u>\$ 11,810</u>	<u>\$ 57,333</u>	<u>\$ 16,824</u>	<u>\$ 32,053</u>	<u>\$ 36,595</u>	<u>\$ 7,809</u>	<u>\$ 362,295</u>	<u>\$ 51,542</u>
Classified As:									
Unrestricted Assets	\$ 53,217	\$ 2,066	\$ -	\$ -	\$ 1,144	\$ 36,595	\$ 7,809	\$ 100,831	\$ 51,542
Restricted Assets	146,654	9,744	57,333	16,824	30,909	-	-	261,464	-
	<u>\$ 199,871</u>	<u>\$ 11,810</u>	<u>\$ 57,333</u>	<u>\$ 16,824</u>	<u>\$ 32,053</u>	<u>\$ 36,595</u>	<u>\$ 7,809</u>	<u>\$ 362,295</u>	<u>\$ 51,542</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:									
Operating Income (Loss)	\$ 54,198	\$ 6,914	\$ 7,871	\$ 6,943	\$ (7,333)	\$ 2,092	\$ (16,171)	\$ 54,514	\$ (5,955)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:									
Depreciation/Amortization	58,605	2,346	21,071	6,814	8,458	2,188	5,567	105,049	13,684
Net pension and OPEB liability changes	(3,341)	(278)	(1,696)	(844)	(629)	(745)	(1,782)	(9,315)	-
Provision for Uncollectible Accounts	52	27	216	202	1	-	108	606	-
Lease Revenue	-	-	-	(284)	(292)	-	-	(576)	-
Other	1,709	(9)	5,456	(876)	85	(1,598)	(2)	4,765	-
(Increase) Decrease in Accounts Receivable	(4,484)	(1,055)	(1,027)	(914)	(104)	(253)	(1,603)	(9,440)	(1,220)
(Increase) Decrease in Inventory	(546)	121	(35)	-	-	-	(558)	(1,018)	(1,089)
(Increase) Decrease in Deposits	-	-	-	-	(21)	-	-	(21)	-
(Increase) Decrease in Notes Receivables	765	-	13	-	-	-	-	778	-
(Increase) Decrease in Due From Other Funds	-	-	-	-	-	(1)	-	(1)	-
(Increase) Decrease in Due From Other Governments	600	(1)	(35)	1	8	-	(5,836)	(5,263)	532
Increase (Decrease) in Accounts Payable	(14,562)	(499)	103	14	1,906	726	365	(11,947)	14,369
Increase (Decrease) in Utility Deposits Payable	603	25	-	58	-	-	-	686	-
Increase (Decrease) in Customer Contracts Payable	-	-	387	91	-	-	-	478	-
Increase (Decrease) in Compensated Absences	186	62	(20)	25	46	(1)	(30)	268	(145)
Increase (Decrease) in Insurance Deposits	-	-	-	-	-	-	-	-	(551)
Total Adjustments	<u>39,587</u>	<u>739</u>	<u>24,433</u>	<u>4,287</u>	<u>9,458</u>	<u>316</u>	<u>(3,771)</u>	<u>75,049</u>	<u>25,580</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 93,785</u>	<u>\$ 7,653</u>	<u>\$ 32,304</u>	<u>\$ 11,230</u>	<u>\$ 2,125</u>	<u>\$ 2,408</u>	<u>\$ (19,942)</u>	<u>\$ 129,563</u>	<u>\$ 19,625</u>

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

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

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

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

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

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

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



CITY OF TALLAHASSEE

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NOTES TO THE FINANCIAL STATEMENTS

Note I - Summary of Significant Accounting Policies

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

Note III - Stewardship, Compliance, and Accountability

Note IV - Detailed Notes - All Funds

Note V - Other Information

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

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

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

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

1. BLENDED COMPONENT UNIT

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

1. BLENDED COMPONENT UNIT

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

2. DISCRETELY PRESENTED COMPONENT UNIT

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

3. JOINT VENTURES EXCLUDED FROM THE REPORTING ENTITY

Sunshine State Governmental Financing Commission

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

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

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

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

Capital Region Transportation Planning Agency

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

3. JOINT VENTURES EXCLUDED FROM THE REPORTING ENTITY

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

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

Consolidated Dispatch Agency

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

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

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

4. JOINTLY GOVERNED ORGANIZATION

City of Tallahassee-Leon County Blueprint Intergovernmental Agency

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

The government reports the following major governmental fund:

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The government reports the following major proprietary funds:

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

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

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

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

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

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

Additionally, the government reports the following fund types:

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. CASH AND CASH EQUIVALENTS

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

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

2. INVESTMENTS

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

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

3. LEASES

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4. INVENTORY

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

5. ADVANCES TO OTHER FUNDS

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

6. RESTRICTED ASSETS

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

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

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

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

7. CAPITAL ASSETS

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

7. CAPITAL ASSETS

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

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

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

8. RIGHT TO USE LEASED ASSETS

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

9. DEFERRED OUTFLOWS OF RESOURCES

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

10. COMPENSATED ABSENCES

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

10. COMPENSATED ABSENCES

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

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

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

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

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

10. COMPENSATED ABSENCES

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

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

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

11. BOND PREMIUMS, DISCOUNTS AND REFUNDING GAINS AND LOSSES

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

12. DEFERRED INFLOWS OF RESOURCES

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

13. INDIRECT COST ALLOCATION

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

14. FUELS MANAGEMENT PROGRAM

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

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

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

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

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

B. COMPLIANCE WITH FINANCE - RELATED LEGAL AND CONTRACTUAL PROVISIONS

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

C. DEFICIT FUND EQUITY - FUND BALANCE OF INDIVIDUAL FUNDS

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

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

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

1. CASH AND CASH EQUIVALENTS

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

1. CASH AND CASH EQUIVALENTS

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

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

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

1. CASH AND CASH EQUIVALENTS

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

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

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

2. INVESTMENTS

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS **September 30, 2022**

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

2. INVESTMENTS

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

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

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

2. INVESTMENTS

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

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

A. CASH, CASH EQUIVALENTS, AND INVESTMENTS

2. INVESTMENTS

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

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

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

B. SECURITIES LENDING TRANSACTIONS

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

B. SECURITIES LENDING TRANSACTIONS

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

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

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

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

C. RECEIVABLES

1. PROPERTY TAXES

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

C. RECEIVABLES

2. LEASES

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

C. RECEIVABLES

3. REGULATED LEASES

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

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

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

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

D. CAPITAL ASSETS

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

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

1. INTERFUND RECEIVABLES/PAYABLES

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

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

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

2. INTRAGOVERNMENTAL CHARGES

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

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

3. INTERFUND TRANSFERS

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

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

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

F. LEASE PAYABLES

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

F. LEASE PAYABLES

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

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

1. SUMMARY OF CHANGES IN LONG-TERM DEBT

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

2. SUMMARY OF INDIVIDUAL BOND ISSUES

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

GENERAL REVENUE BONDS:

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

2. SUMMARY OF INDIVIDUAL BOND ISSUES PROPRIETARY REVENUE BONDS

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

2. SUMMARY OF INDIVIDUAL BOND ISSUES

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

3. PRIVATE PLACEMENT BONDS/DIRECT BORROWINGS

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

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

4. LOANS PAYABLE

AMI Loan Program

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

Bank of America Loan

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

Public Improvement Revenue Note, Series 2020

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

Community Redevelopment Revenue Note, Series 2020

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

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

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

6. OTHER DEBT CONSIDERATIONS

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

G. LONG-TERM DEBT

7. CONDUIT DEBT OBLIGATIONS

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

H. NET POSITION

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

1. NET INVESTMENT IN CAPITAL ASSETS

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

2. RESTRICTED ASSETS

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

3. UNRESTRICTED ASSETS

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

I. FUND BALANCE

The City classifies governmental fund balances as follows:

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

Spendable Fund Balance

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

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE IV. DETAILED NOTES - ALL FUNDS

I. FUND BALANCE

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

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

CITY OF TALLAHASSEE, FLORIDANOTES TO FINANCIAL STATEMENTS
September 30, 2022**NOTE IV. DETAILED NOTES - ALL FUNDS****I. FUND BALANCE**

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE V. OTHER INFORMATION

A. OUTSTANDING CONTRACTS

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

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

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

B. RISK MANAGEMENT PROGRAM

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE V. OTHER INFORMATION

B. RISK MANAGEMENT PROGRAM

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

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

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

C. LITIGATION

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

D. FEDERAL AND STATE GRANTS

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

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

E. LONG-TERM CONTRACTS

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE V. OTHER INFORMATION

E. LONG-TERM CONTRACTS

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

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

F. PENSION PLAN OBLIGATIONS

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

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

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

The 2022 membership statistical information is as follows:

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

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

1. DEFINED BENEFIT PROVISION

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

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

CITY OF TALLAHASSEE, FLORIDA

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NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

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

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

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

Police Officers Pension Plan - Increase(Decrease)

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

Firefighters Pension Plan - Increase(Decrease)

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

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

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

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

General Employees	Police Officers	Firefighters
7.40 %	7.40 %	7.40 %

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

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NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

2. DEFINED CONTRIBUTION PROVISION

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

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

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

CITY OF TALLAHASSEE, FLORIDA

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F. PENSION PLAN OBLIGATIONS

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

5. SUPPLEMENTAL PLANS

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

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE V. OTHER INFORMATION

G. OTHER EMPLOYEE BENEFITS

1. DEFERRED COMPENSATION

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

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

2. FLEXIBLE BENEFITS

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

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

1. OPEB PLAN DESCRIPTION

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

1. OPEB PLAN DESCRIPTION

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

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

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

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

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

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

1. OPEB PLAN DESCRIPTION

*Capital Health Plan **Blue Cross/Blue Shield

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

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

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

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

2. OPEB PLAN INVESTMENTS

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

3. NET OPEB LIABILITY

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

3. NET OPEB LIABILITY

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

3. NET OPEB LIABILITY

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

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

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

3. NET OPEB LIABILITY

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

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

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

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

4. FUNDING POLICY

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE V. OTHER INFORMATION

I. DERIVATIVE INSTRUMENTS

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

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

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS September 30, 2022

NOTE V. OTHER INFORMATION

J. RELATED PARTY TRANSACTIONS

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

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

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

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

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

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

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

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

K. SUBSEQUENT EVENTS

CAPITAL BONDS, SERIES 2022

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

REQUIRED SUPPLEMENTARY INFORMATION

THIS SUBSECTION CONTAINS THE FOLLOWING:

Budgetary Comparison Schedule-General Fund

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

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

Schedule of Net Pension Liability by Employer - General Employees

Schedule of Contributions - General Employees

Notes to Schedule of Contributions - General Employees

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

Schedule of Contributions - Police Officers

Notes to Schedule of Contributions - Police Officers

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

Schedule of Contributions - Firefighters

Notes to Schedule of Contributions - Firefighters

Schedule of Investment Returns - Pension Plans

Schedule of Changes in the Net OPEB Liability and Related Ratios

Schedule of the Net OPEB Liability

Notes to Schedule of Net OPEB Liability

Schedule of Contributions - OPEB

Notes to Schedule of Contributions - OPEB

Schedule of Investment Returns - OPEB

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

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

See Independent Auditors' Report

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

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

Inflows of Resources

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

Outflows of Resources

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

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS - GENERAL EMPLOYEES PENSION PLAN
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2022)
For the Fiscal Year Ended September 30
(in thousands)
(Unaudited)

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

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

CITY OF TALLAHASSEE, FLORIDA

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

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

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

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

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

NOTES TO SCHEDULE OF CONTRIBUTIONS - GENERAL EMPLOYEES

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

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

Methods and Assumption Used to Determine Contribution Rates:

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

Other Information:

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

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2022)
For the Fiscal Year Ended September 30
(in thousands)
(Unaudited)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service Cost	\$ 7,304	\$ 7,203	\$ 7,178	\$ 6,858	\$ 6,777	\$ 6,031	\$ 5,573	\$ 5,570	\$ 6,094
Interest	31,398	31,491	30,192	28,820	27,583	25,451	23,784	22,775	21,635
Benefit Changes	-	509	-	-	(5,904)	-	-	-	-
Difference between actual & expected experience	-	737	1,907	6,042	3,283	8,041	-	1,263	-
Assumption Changes	-	(12,726)	-	4,893	4,776	11,610	-	-	-
Benefit Payments	(22,478)	(21,347)	(19,873)	(18,729)	(17,606)	(16,699)	(15,737)	(14,684)	(12,638)
Refunds	(165)	(323)	(90)	(210)	(184)	(105)	(156)	(64)	(151)
Net Change in Total Pension Liability	16,059	5,544	19,314	27,674	18,725	34,329	13,464	14,860	14,940
Total Pension Liability - Beginning	428,317	422,773	403,459	375,785	357,060	322,731	309,267	294,407	279,467
Total Pension Liability - Ending (a)	<u>\$ 444,376</u>	<u>\$ 428,317</u>	<u>\$ 422,773</u>	<u>\$ 403,459</u>	<u>\$ 375,785</u>	<u>\$ 357,060</u>	<u>\$ 322,731</u>	<u>\$ 309,267</u>	<u>\$ 294,407</u>
Plan Fiduciary Net Position									
Contributions - Employer	\$ 9,452	\$ 9,456	\$ 8,905	\$ 8,304	\$ 8,326	\$ 6,996	\$ 6,585	\$ 5,940	\$ 5,779
Contributions - Non-Employer Contributing Entity	-	28	1	2	4	109	-	6	26
Contributions - Member	3,092	3,324	3,369	3,187	3,451	3,483	3,230	3,104	2,808
Net Investment Income	(21,609)	88,199	21,789	15,073	29,685	39,016	25,772	2,843	26,199
Benefits Payments	(22,478)	(21,347)	(19,873)	(18,729)	(17,606)	(16,699)	(15,737)	(14,684)	(12,638)
Refunds	(165)	(323)	(90)	(210)	(184)	(105)	(156)	(64)	(151)
Administrative Expense	(181)	(196)	(173)	(500)	(153)	(369)	(200)	(187)	(192)
Other - Reallocation of Prior Years' Investment Earnings	-	-	(13,119)	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(31,889)	79,141	809	7,127	23,523	32,431	19,494	(3,042)	21,831
Plan Fiduciary Net Position - Beginning	422,805	343,664	342,855	335,728	312,205	279,774	260,280	263,322	241,491
Plan Fiduciary Net Position - Ending (b)	<u>\$ 390,916</u>	<u>\$ 422,805</u>	<u>\$ 343,664</u>	<u>\$ 342,855</u>	<u>\$ 335,728</u>	<u>\$ 312,205</u>	<u>\$ 279,774</u>	<u>\$ 260,280</u>	<u>\$ 263,322</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 53,460</u>	<u>\$ 5,512</u>	<u>\$ 79,109</u>	<u>\$ 60,604</u>	<u>\$ 40,057</u>	<u>\$ 44,855</u>	<u>\$ 42,957</u>	<u>\$ 48,987</u>	<u>\$ 31,085</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.97 %	98.71 %	81.29 %	84.98 %	89.34 %	87.44 %	86.69 %	84.16 %	82.03 %
Covered Payroll	\$ 29,509	\$ 27,424	\$ 27,031	\$ 26,071	\$ 26,235	\$ 27,170	\$ 25,573	\$ 25,559	\$ 24,865
Net Pension Liability as a Percentage of Covered Payroll	181.17 %	20.10 %	292.66 %	232.46 %	152.69 %	165.09 %	167.98 %	191.66 %	125.02 %

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

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

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

NOTES TO SCHEDULE OF CONTRIBUTIONS - POLICE OFFICERS

Valuation Date: October 1, 2020

Measurement Date: September 30, 2022

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

Methods and Assumption Used to Determine Contribution Rates:

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

Other Information:

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

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS - FIREFIGHTERS
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2022)
For the Fiscal Year Ended September 30
(in thousands)
(Unaudited)

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

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

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

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

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

NOTES TO SCHEDULE OF CONTRIBUTIONS - FIREFIGHTERS

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

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

Methods and Assumption Used to Determine Contribution Rates:

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

Other Information:

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

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

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

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

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

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

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

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

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

NOTES TO SCHEDULE OF NET OPEB LIABILITY

Valuation date: September 30, 2021

Measurement Date: September 30, 2022

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

Methods and Assumptions Used to Determine Net OPEB Liability::

Actuarial Cost Method Entry Age Normal.

Inflation 2.25%.

Discount Rate 4.50%, the resulting Single Discount Rate based on the expected rate of return on OPEB plan investments as of September 30, 2022 at 7.40% and the long-term municipal bond rate as of September 30, 2022 at 4.40%.

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

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

Mortality Mortality tables used in the July 1, 2020 actuarial valuation of the Florida Retirement System (FRS). They are based on the results of a statewide experience study covering the period from 2013 to 2018. These rates were taken from adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using Scale MP-2018.

Healthcare Cost Trend Rates Based on the Getzen Model, with a trend starting at 4.40% for 2022 and 4.10% for 2023 (based on actual premium increases), followed by 5.60% for 2024, and then gradually decreasing to an ultimate trend rate of 3.75%.

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

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

Other Information:

Notes There were no benefit changes during the year.

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

-The Single Discount Rate from the beginning of the year at 2.36% is changed to the end of the year at 4.50% (the resulting Single Discount Rate based on the expected rate of return on OPEB plan investments as of September 30, 2021 at 7.40% and the long-term municipal bond rate as of September 30, 2022 at 7.40%).

-All other assumption changes reflected in the September 30, 2021 OPEB Actuarial Valuation Report dated January 23, 2023, which include:

-The assumed long-term medical trend rates were changed to reflect the updated September 2020 forecasting model.

-Per capita costs and premium amounts were revised to reflect premium rates adopted for the 2021 plan year. For more details on these assumption changes, refer to sections E and G of the September 30, 2021 OPEB Actuarial Valuation Report.

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

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

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

NOTES TO SCHEDULE OF CONTRIBUTIONS - OPEB

Valuation date: September 30, 2021

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

Methods and Assumptions Used to Determine Contribution Rates:

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

Other Information:

Notes	There were no benefit changes during the year. See Summary of Funding Results in section C of the September 30, 2021 OPEB Actuarial Valuation Report.
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Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

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

FY Ending September 30,	Annual Return*	
2017	18.68	%
2018	17.87	
2019	4.27	
2020	15.10	
2021	26.89	
2022	(16.73)	

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

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



CITY OF TALLAHASSEE

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COMBINING FINANCIAL STATEMENTS

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

Nonmajor Governmental Funds

Nonmajor Enterprise Funds

Internal Service Funds

Fiduciary Funds



CITY OF TALLAHASSEE

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NONMAJOR GOVERNMENTAL FUNDS

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

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

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

See Independent Auditors' Report

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

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

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

See Independent Auditors' Report

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

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

See Independent Auditors' Report

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

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

See Independent Auditors' Report

NONMAJOR ENTERPRISE FUNDS

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

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

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

See Independent Auditors' Report

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

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

See Independent Auditors' Report

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

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

See Independent Auditors' Report



CITY OF TALLAHASSEE

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INTERNAL SERVICE FUNDS

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

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

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

See Independent Auditors' Report

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

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

See Independent Auditors' Report

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

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

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

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

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

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

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

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

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CITY OF TALLAHASSEE

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PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

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

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

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

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

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

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CITY OF TALLAHASSEE

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SUPPLEMENTARY INFORMATION

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

Capital Improvement Refunding Revenue Bonds, Series 2009

Capital Refunding Bonds, Series 2012

Capital Bonds, Series 2014

Capital Bonds, Series 2018

Capital Bonds, Series 2021

Energy System Revenue Bonds, Series 2010B

Energy System Refunding Revenue Bonds, Series 2015

Energy System Refunding Revenue Bonds, Series 2017

Energy System Revenue Bonds, Series 2018

Energy System Refunding Revenue Bonds, Series 2020

Energy System Refunding Revenue Bonds, Series 2022

Consolidated Utility System Revenue Bonds, Series 2010A

Consolidated Utility System Refunding Revenue Bonds, Series 2015

Consolidated Utility System Refunding Revenue Bonds, Series 2017

Consolidated Utility System Revenue Bonds, Series 2018

Consolidated Utility System Refunding Revenue Bonds, Series 2020

Consolidated Utility System Refunding Revenue Bonds, Series 2022

Transportation Improvement Bonds, Series 2019

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

See Independent Auditors' Report

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

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



CITY OF TALLAHASSEE

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STATISTICAL SECTION

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

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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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STATISTICAL SECTION

(Continued)

Demographic and economic Information

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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

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

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

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

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

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

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

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

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

See Independent Auditors' Report

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

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

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

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

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

See Independent Auditors' Report

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

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

Source: Leon County Property Appraiser

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

⁽¹⁾ Total assessed values less exemptions

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

⁽³⁾ Calculated Figure

See Independent Auditors' Report

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

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

Source: Leon County Tax Collector

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

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

Source: Leon County Tax Collector

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

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

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

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

Source: Leon County Property Appraiser

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

⁽²⁾ Net collected includes penalties or late payments.

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

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

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

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

Source: City of Tallahassee, Accounting Services

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

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

See Independent Auditors' Report

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

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

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

⁽²⁾ Leon County School Board

⁽³⁾ Leon County

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

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

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

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

⁽¹⁾ Total operating revenues plus operating interest earned.

⁽²⁾ Total operating expenses exclusive of depreciation.

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

See Independent Auditors' Report

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

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

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

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

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

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
DEMOGRAPHIC STATISTICS
Last Ten Fiscal Years

Year	Estimated ⁽¹⁾ Population	Airline Passengers	Electric KWH Sold (000's)	Water Consumed (Gals) (Millions)	Gas Used (Cu. Ft.) (Millions)	Housing Units	Leon County School (2) Enrollment
2013	183,727	697,633	2,638,092	8,492	2,714	85,475	34,738
2014	183,784	708,433	2,763,936	8,801	2,931	86,242	34,955
2015	187,996	690,533	2,677,292	8,540	2,930	86,735	34,797
2016	189,675	699,035	2,623,259	8,705	2,719	89,252	33,300
2017	189,625	717,559	2,693,286	9,145	2,705	89,798	33,993
2018	192,381	796,214	2,798,286	8,578	2,916	91,703	34,012
2019	195,713	851,689	2,857,242	8,643	2,953	92,349	34,085
2020	198,627	513,719	2,787,057	10,070	2,767	93,295	34,000
2021	198,371	539,609	2,784,362	9,534	3,006	96,521	32,000
2022	200,289	607,645	2,891,167	8,724	2,912	94,161	33,952

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

Source: City records, except as noted.

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

⁽²⁾Leon County School Board

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

⁽⁴⁾Florida Department of Economic Opportunity

N/A - Not Available

See Independent Auditors' Report

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

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

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

⁽¹⁾ Data from employers or Website

⁽²⁾ Data from Leon County CAFR 2008.

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

See Independent Auditors' Report

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

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

Source: City of Tallahassee Budget

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

"N / A" = not applicable

See Independent Auditors' Report

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

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

Source: Various city departments

N / A - Not Available

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

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

Source: Various city departments

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

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

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

Source: City of Tallahassee Records except as noted below:

⁽¹⁾ Leon County /School Board

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

⁽³⁾ Tallahassee Memorial Healthcare and Capital Regional Medical Center

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

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

Line of Coverage	Carrier	Limits/Coverage	Deductible/Retention	Effective	Expiration	Premium		Policy #
Surety	Auto-Owners Insurance Co.	James Cooke Bond		9/8/2022	9/8/2023	Premium	\$ 259.00	66117834
Airport Operators Liability	Global Aerospace	Per Occurrence - \$100,000,000 Damage to Premises Rented to You - \$1,000,000 Personal and Advertising Injury Aggregate - \$25,000,000 Products-Completed Operations Aggregate - \$100,000,000 Hangar keepers' Each Accident - \$100,000,000 Hangar keepers' Each Aircraft - \$100,000,000 Non-Owned Aircraft - \$100,000,000	\$0 Each Occurrence or Offense Deductible.\$0 Aggregate Deductible	10/1/2022	10/1/2023	Premium	\$ 50,615.95	15001414
Cyber Liability	AIG Specialty Insurance Co.	\$1,000,000 - Maximum Aggregate Limit \$1,000,000 - Security and Privacy Liability \$1,000,000 - Regulatory Action \$1,000,000 - Network Interruption \$1,000,000 - Event Management \$1,000,000 - Cyber Extortion	\$350,000 Each Incident	10/1/2022	10/1/2023	Premium	\$ 65,126.15	01-593-78-84
EMS Liability	General Star Indemnity Co	\$6,000,000/\$8,000,000 - Professional Liability \$1,000,000/\$1,000,000 - Abuse Molestation	\$0 Each Claim	10/1/2022	10/1/2023	Premium	\$ 79,021.00	IJG927317F
Firefighter Cancer Benefit	ACE American Insurance Co.	\$25,000 - First Diagnosis Cancer Benefit \$75,000 - Cancer Death Benefit	\$0	10/1/2022	10/1/2023	Premium	\$ 60,136.00	PTP N17937674
Fiduciary Firefighters	Travelers Casualty and Surety	\$1,000,000 for all Claims Settlement Program Limit of Liability \$250,000 HIPAA Limit of Liability \$1,000,000 502 (c) Penalties Limit of Liability \$250,000	\$0 Retention	10/1/2021	10/1/2024	Premium & Annual Installment	\$ 4,322.50	106176744
Broker/Agency Fee - Casualty	Public Risk Insurance Agency			10/1/2017	10/1/2020	Annual Installments	\$ 36,000	
AD&D	ACE American Insurance Co.	Statutory AD&D Coverage		10/1/2021	10/1/2023	Premium	\$ 42,017.00	ADD N17938459
Boiler & Machinery	Liberty Mutual Fire Insurance Company	Limit Per Breakdown: \$100,000,000 Total Insured Values: \$397,290,690 <i>*See Policy for complete Limits/Sublimits</i>	Property Damage: \$25,000 Business Income: 24 Hour Waiting Period Extra Expense: Included in Business Income & Spoilage: Included in PD	5/1/2022	5/1/2023	Premium: \$17,497.00 FL EMPA: \$ 4.00 Policy Fee: \$ 120.00 TOTAL: \$17,621.00		YB2-L9L-474411-012
XS Workers' Compensation	Safety National Casualty Co.	Statutory - Workers' Compensation \$1,000,000 - Employers Liability	\$1,250,000 Per Occurrence Retention	10/1/2022	10/1/2023	Premium	\$ 287,754.00	SP 4067373

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

Line of Coverage	Carrier	Limits/Coverage	Deductible/Retention	Effective	Expiration	Premium		Policy #
Crime	Travelers Casualty and Surety	\$1,000,000 - Employee Theft Per Loss Coverage \$1,000,000 - Employee theft Per Employee Coverage \$1,000,000 - Forgery or Alteration \$1,000,000 - On Premises \$1,000,000 - In Transit \$1,000,000 - Money Orders & Counterfeit Money \$1,000,000 - Computer Crime \$1,000,000 - Funds Transfer Fraud EXCLUDED - Social Engineering Fraud \$100,000 Telecommunication Fraud \$25,000 - Personal Accounts Protection \$25,000 - Identity Fraud Expense Reimbursement \$5,000 - Claim Expense	\$75,000 \$75,000 \$75,000 \$75,000 \$75,000 \$75,000 \$75,000 \$75,000 n/a \$75,000 \$0 \$0 \$0	10/1/2022	10/1/2023	Premium	\$ 12,086.96	106175065
Fiduciary General Employees	Travelers Casualty and Surety	\$1,000,000 for all Claims Settlement Program Limit of Liability \$250,000 HIPAA Limit of Liability \$1,000,000 502 (c) Penalties Limit of Liability \$250,000	\$0 Retention	10/1/2022	10/1/2023	Premium	\$ 26,212.31	106176742
Fiduciary Police Officers	Travelers Casualty and Surety	\$1,000,000 for all Claims Settlement Program Limit of Liability \$250,000 HIPAA Limit of Liability \$1,000,000 502 (c) Penalties Limit of Liability \$250,000	\$1,000 Retention	10/1/2021	10/1/2024	Premium & Annual Installment	\$ 5,536.60	106176738
Terrorism	Lloyd's of London	First Loss Per Occurrence: \$350,000,000 <i>*See Policy for complete Coverage Extensions</i>	Deductible: Nil <i>*See Policy for Waiting Period(s)</i>	5/1/2022	5/1/2023	Premium: \$92,500.00 FL EMPA: \$4.00 TOTAL: \$92,504		B0621MCITY06122
Property - Municipal	See Separate Tab for placement	Per Occurrence: \$250,000,000 Total Insured Value: \$397,284,690 <i>*See Policy for complete Limits/Sublimits</i>	All Other Perils: \$100,000 <i>*See Policy for complete Deductibles</i>	5/1/2022	5/1/2023	Premium: \$1,069,197.00 FL EMPA: \$ 36.00 Policy Fee: \$ 1,800.00 TOTAL: \$1,071,033.00	Various See Separate Tab for placement	
Fine Arts	Travelers Property & Casualty Company of America	Total Limit of Insurance for all Scheduled Items: \$123,500 <i>*See Policy for complete Limits/Sublimits</i>	Per Covered Loss: \$1,000 <i>*See Policy for complete Deductibles</i>	8/19/2022	8/19/2023	Premium: \$2,582.00		QT-660-5T508694-TIL-22
Property - Utility	Factory Mutual Insurance Company	Per Occurrence: \$1,000,000,000 <i>*See Policy for complete Limits/Sublimits</i>	Various <i>*See Policy for complete Deductibles</i>	5/1/2022	5/1/2023	Premium: \$4,631,754.00 FL FIGA: \$32,422.00 FL Fire Fee: \$2,600.00 TOTAL: \$4,666,817.00		1097176

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



CITY OF TALLAHASSEE

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SINGLE AUDIT AND OTHER REPORTS

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

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

Schedule of Findings and Questioned Costs

Schedule of Expenditures of Federal Awards and State Financial Assistance

Schedule of Expenditures of Passenger Facility Charges

Independent Accountant's Report

Independent Auditor's Management Letter



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

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

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

Report on Internal Control over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

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

Purpose of this Report

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

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
April 28, 2023



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

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

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

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

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

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

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

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

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

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

Responsibility of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs, state projects, and the passenger facility charge program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*; and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program, major state project, and the passenger facility charge program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, and the Guide, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program, state project, or the passenger facility charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program, state project, or the passenger facility charge program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program, state project, or the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
April 28, 2023

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2022

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified? ___ Yes X None reported
- Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards and State Financial Assistance

Internal control over major programs/projects:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified? ___ Yes X None reported

Type of report issued on compliance for major federal programs and major state projects:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) of the Uniform Guidance?

___ Yes X No

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.554(1)(l)4, *Rules of the Auditor General*?

___ Yes X No

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.554(1)(i), *Rules of the Auditor General*?

___ Yes X No

Identification of Major Federal Programs and Major State Projects

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

Dollar threshold used to distinguish between
Type A and Type B programs/projects: Federal
State

\$ 750,000
750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?

 X Yes No

CITY OF TALLAHASSEE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)
For the Year Ended September 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

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

None reported.

SECTION IV - PRIOR YEAR AUDIT FINDINGS

None reported.

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

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

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

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

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

Federal State Program Title	AL or CSFA No	FAIN/State Grant Number	Pass-Through Grantor Award Number	21/22 Expenditures	FN	Subrecipient Expenditures
NOTES						
1) The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (Schedule) presents the activity of all federal programs and state projects of the City of Tallahassee for the year ended September 30, 2022. All expenditures related to federal awards and state projects received directly from federal and state agencies, as well as federal awards and state projects passed through other governmental agencies, are included in the accompanying Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2, US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and Chapter 10.550, Rules of the Florida Auditor General.						
2) The Schedule was prepared on the modified accrual basis of accounting.						
3) No federal or state financial assistance was expended in non-cash assistance.						
4) The City has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.						
5) Housing loans outstanding at year end:						
Community Development Block Grant – Entitlement	14.218			524,587		
Home Investment Partnerships Program	14.239			3,595,947		
State Housing Initiatives Partnership Program	40.901			1,586,468		
				<u>\$ 5,707,002</u>		
6) Expenditures for the following awards included expenditures incurred through September 30, 2020:						
Federal Transit Formula Grant	20.507	FL-2022-043	\$	3,685,877		
7) Statement in accordance with Chapter 341.052, Florida Statutes, Florida Department of Transportation, Public Transit Block Grant funds did not exceed local revenue; were not expended for depreciation or amortization of capital assets; and did not supplant local tax revenues made available for operations in the previous year.						

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

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



INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the compliance of the City of Tallahassee, Florida (the "City") with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2022. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
April 28, 2023



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the basic financial statements of the City of Tallahassee, Florida (the "City") as of and for the year ended September 30, 2022, and have issued our report thereon dated April 28, 2023.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program, Major State Project, and the Passenger Facility Charge Program and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance and Schedule of Passenger Facility Charges Required by the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, and *Passenger Facility Charge Audit Guide for Public Agencies*; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 28, 2023, should be considered in conjunction with this management letter.

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

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with the preceding audit, the current year status of prior audit findings is as follows:

2021-001 – Interfund Activity Accounting

Current Year Status: Corrective action has taken place and we consider this comment fully resolved.

2019-003 – Utility Accounts Receivable Aging Reports

Criteria:

Utility accounts receivable aging reports are an important tool to determine if the City's customer accounts receivable is properly valued. It can also be used to assist the City with determining if there are any issues with collections.

Condition:

During our testing of utility accounts receivable, it was noted that the City was not able to produce a detailed utility accounts receivable aging by customer.

Cause:

The City's Customer Information System ("CIS") does not have the capability to generate the report.

Effect:

The City may not be able to properly analyze its utility customer A/R including: the general aging of receivables, are there significant aged credit balances and which customers are significantly past due.

Recommendation:

The City is currently considering upgrading to a new CIS software. We recommend that the City require that the detailed accounts receivable customer aging reports be part of the reporting package for the new CIS software. We also recommend that the City include the Financial Services Department ("FSD") as part of the evaluation and conversion team for any new CIS software.

Current Year Status:

Repeated in the current year, the City is currently in the process of upgrading to a new CIS software.

Views of responsible officials and plan corrective action:

The City's Financial Services staff have continued to be part of the evaluation, conversion, and implementation team for the new Utility Billing system capable of producing detailed accounts receivable reports. The system went live on February 13 and the aged receivables report at March 31, 2023 has been produced and the review and reconciliation process is in progress.

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

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c, *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, see Attachment A for required information on the dependent special districts that are included in the reporting entity. The information in Attachment A has not been subject to auditing procedures, therefore no assurance is given on the provided information.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Mayor, City Council, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

MSL, P.A.

Certified Public Accountants

Tallahassee, Florida
April 28, 2023

Attachment A

Special District Component Units - Reporting Requirements		
As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General		
	Blended Component Unit	Discretely Presented Component Unit
Reporting Requirements from Section 218.39 (3)(b), Florida Statutes	Community Redevelopment Agency	Downtown Improvement District
The total number of district employees compensated in the last pay period of the district's fiscal year as of September 30, 2022.	5	2
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as of September 30, 2022.	6	4
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as of September 30, 2022.	\$499,051	\$135,692
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as of September 30, 2022.	\$2,800,130	\$46,342
Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as of September 30, 2022.	Short Hike, LLC dba Amicus Brewing - \$297,220 Frenchtown Squared CDC - \$344,026 LeMoyne Studios - \$100,000	None
A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as of September 30, 2022.	Refer to separately issued Financial Statements	See Attachment B

Attachment B

CITY OF TALLAHASSEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule
Downtown Improvement Authority
September 30, 2022
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Budgetary Fund Balance - October 1	\$ -	\$ -	\$ -	\$ -
Resources				
Taxes	231	231	234	(2)
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	-	-	-	-
Charges for Services	98	98	118	(20)
Fines and Forfeitures	-	-	-	-
Interest Earned	2	2	1	1
Miscellaneous	17	17	10	7
Transfers from Other Funds	-	-	-	-
Amounts Available for Appropriations	348	348	363	14
Charges to Appropriations				
General Government	-	-	-	-
Public Safety	-	-	-	-
Transportation	-	-	-	-
Human Services	-	-	-	-
Economic Development	348	338	351	(12)
Physical Environment	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service	-	-	-	-
Transfers to Other Funds	-	10	-	10
Total Charges to Appropriations	348	348	351	(2)
Budgetary fund balance, September 30	\$ -	\$ -	\$ 12	\$ 12



CITY OF TALLAHASSEE

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