

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 12, 2024

NEW ISSUE – FULL BOOK-ENTRY-ONLY

**RATINGS: Moody's: "Aa2" (stable outlook)
Fitch: "AA+" (stable outlook)
See "RATINGS" herein**

In the opinion of Bond Counsel, assuming compliance by the City with certain covenants, under existing statutes, regulations and judicial decisions, the interest on the Series 2024 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Series 2024 Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Internal Revenue Code of 1986, as amended (the "Code"). See "TAX MATTERS" herein for a description of other tax consequences to the holders of the Series 2024 Bonds.



\$64,820,000*
CITY OF TALLAHASSEE, FLORIDA
Capital Bonds, Series 2024

Dated: Date of Delivery

Due: October 1, as shown on the inside cover hereof

The City of Tallahassee, Florida Capital Bonds, Series 2024 (the "Series 2024 Bonds") are issuable as fully registered bonds, and when issued will be registered in the name of Cede & Co., as Bondholder and Securities Depository Nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry-only form through DTC Participants, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of the Series 2024 Bonds will not receive physical delivery of bond certificates. Interest on the Series 2024 Bonds shall accrue from the date of delivery at the rates set forth on the inside cover hereof, and is payable semiannually on each April 1 and October 1, commencing October 1, 2024. The interest payment due October 1, 2024 will be paid from proceeds of the Series 2024 Bonds as capitalized interest. Payments of principal of, premium, if any, and interest on the Series 2024 Bonds will be made to purchasers by DTC Participants. U.S. Bank Trust Company, National Association, Jacksonville, Florida, will serve as Paying Agent and Registrar for the Series 2024 Bonds.

The Series 2024 Bonds are subject to optional [and mandatory] redemption prior to maturity in the manner and at the times set forth herein.

The Series 2024 Bonds are being issued by the City of Tallahassee, Florida (the "City") to (i) finance certain capital projects in and for the City, as more particularly described herein; and (ii) pay certain costs of issuance of the Series 2024 Bonds.

The Series 2024 Bonds will be payable solely from and secured as to payment of principal thereof and interest thereon in accordance with their terms and the provisions of Resolution No. 12-R-42, adopted by the City Commission of the City on September 19, 2012, as amended and supplemented, and particularly as supplemented by Resolution No. 24-R-11, adopted on April 10, 2024 (collectively, the "Resolution"), solely by a pledge of and lien on the Pledged Funds, which consist of (a) the City's receipts from the Local Government Half-Cent Sales Tax; (b) the City's Guaranteed Entitlement Revenues; (c) the proceeds of the City's Local Communications Services Tax; (d) the City's Public Service Tax Revenues; and (e) until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts created by the Resolution, except the Rebate Fund and the Unrestricted Revenue Account; all as described in the Resolution. The Series 2024 Bonds are secured by the Pledged Funds on a parity with the City's outstanding Capital Bonds, Series 2018, issued in the original aggregate principal amount of \$27,320,000, of which \$22,940,000 is currently outstanding, its Capital Bond, Series 2021, issued in the original aggregate principal amount of \$6,035,000, of which \$4,490,000 is currently outstanding, its Capital Refunding Bond, Series 2022, issued in the original aggregate principal amount of \$37,455,000, of which \$31,540,000 is currently outstanding, and any Additional Parity Obligations issued pursuant to the terms of the Resolution.

THE SERIES 2024 BONDS SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE CITY AS A "BOND" WITHIN THE MEANING OF THE CONSTITUTION OF FLORIDA, BUT SHALL BE PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND A PLEDGE OF THE PLEDGED FUNDS AS HEREIN PROVIDED. NO HOLDER OR HOLDERS OF ANY SERIES 2024 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER OF THE CITY OR TAXATION IN ANY FORM OF ANY REAL OR PERSONAL PROPERTY THEREIN, OR TO COMPEL THE CITY TO PAY SUCH PRINCIPAL AND INTEREST FROM ANY OTHER FUNDS OR PROPERTY OF THE CITY EXCEPT THE PLEDGED FUNDS.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2024 Bonds are offered when, as and if issued and accepted by the Underwriters, subject to the delivery of an opinion as to legality by Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel. Certain legal matters in connection with the issuance, sale and delivery of the Series 2024 Bonds will be passed upon for the City by Amy M. Toman, Esq., City Attorney, and Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Disclosure Counsel, and for the Underwriters by George A. Smith PLLC, Tallahassee, Florida. PFM Financial Advisors LLC, Orlando, Florida, is serving as Financial Advisor to the City. It is expected that the Series 2024 Bonds in full book-entry form will be available for delivery in New York, New York, on or about May ___, 2024.

RBC Capital Markets

Raymond James

Siebert Williams Shank & Co., LLC

Dated: April ___, 2024

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES
AND INITIAL CUSIP NUMBERS**

\$64,820,000*
CITY OF TALLAHASSEE, FLORIDA
Capital Bonds, Series 2024

<u>Maturity (Due October 1)</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Initial CUSIP No.†</u>
2025	\$75,000				
2026	75,000				
2027	80,000				
2028	510,000				
2029	470,000				
2030	485,000				
2031	510,000				
2032	1,165,000				
2033	1,220,000				
2034	1,285,000				
2035	915,000				
2036	965,000				
2037	1,010,000				
2038	1,060,000				
2039	2,325,000				
2040	2,440,000				
2041	2,565,000				
2042	2,690,000				
2043	2,825,000				
2044	2,965,000				
2045	3,115,000				
2046	3,270,000				
2047	3,435,000				
2048	3,605,000				
2049	3,785,000				
2050	3,975,000				
2051	4,175,000				
2052	4,385,000				
2053	4,605,000				
2054	4,835,000				

\$ _____ % Term Bonds due October 1, 20____; Yield _____%; Price _____; Initial CUSIP No.† _____

\$ _____ % Term Bonds due October 1, 20____; Yield _____%; Price _____; Initial CUSIP No.† _____

* Preliminary, subject to change.

† The City is not responsible for the use of CUSIP numbers, nor is any representation made as to their correctness. They are solely included for the convenience of the readers of this Official Statement.

CITY OF TALLAHASSEE, FLORIDA

CITY COMMISSIONERS

John E. Dailey, Mayor
Curtis Richardson
Jeremy Matlow
Jacqueline Porter
Dianne Williams-Cox

ADMINISTRATION

City Manager
Reese Goad

City Treasurer-Clerk
James O. Cooke, IV

City Attorney
Amy M. Toman, Esq.

City Auditor
Dennis Sutton, CPA

CONSULTANTS

Bond Counsel

Bryant Miller Olive P.A.
Tallahassee, Florida

Disclosure Counsel

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

Financial Advisor

PFM Financial Advisors LLC
Orlando, Florida

[THIS PAGE INTENTIONALLY LEFT BLANK]

No dealer or any other person has been authorized to give any information or to make any representation, other than the information and representations contained herein, in connection with the offering of the Series 2024 Bonds and, if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy nor shall there be any sale of any of the Series 2024 Bonds to any person in any jurisdiction to whom it is unlawful to make such solicitation or offer to sell in such jurisdiction. The information contained in this Official Statement has been compiled or prepared from information obtained from the City, publicly available documents and other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of this date. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE SERIES 2024 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2024 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2024 BONDS HAVE BEEN QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2024 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT CONSTITUTE "FORWARD-LOOKING STATEMENTS." SUCH STATEMENTS GENERALLY ARE IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR OTHER SIMILAR WORDS. SUCH FORWARD-LOOKING STATEMENTS INCLUDE BUT ARE NOT LIMITED TO CERTAIN STATEMENTS CONTAINED IN THE INFORMATION UNDER THE CAPTION "ESTIMATED SOURCES AND USES OF FUNDS" IN THIS OFFICIAL STATEMENT. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS

EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. ASIDE FROM ITS CUSTOMARY FINANCIAL REPORTING ACTIVITIES, THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, SUBJECT TO ANY CONTRACTUAL OR LEGAL RESPONSIBILITIES TO THE CONTRARY.

All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Series 2024 Bonds. All statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The cover page hereof and the appendices attached hereto are part of this Official Statement. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 2024 Bonds shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE WEBSITE: WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF RULE 15c2-12 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(B)(1).

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
THE PROJECT	2
ESTIMATED SOURCES AND USES OF FUNDS	3
DESCRIPTION OF THE SERIES 2024 BONDS.....	3
General Description	4
Book-Entry-Only System.....	4
No Assurance Regarding DTC Practices.....	7
Registration, Transfer and Exchange.....	7
Redemption Provisions	8
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS	10
General.....	10
Pledged Funds.....	11
Revenue Covenant	18
Reserve Account	18
Additional Parity Obligations	19
Other Outstanding Indebtedness.....	20
Impact of COVID-19	20
Historical Guaranteed Entitlement Revenues, Local Government Half-Cent Sales Tax Receipts, Local Communications Services Tax, Public Service Tax Revenues and Historical Debt Service Coverage	21
DEBT SERVICE SCHEDULE.....	22
INVESTMENTS.....	23
CONTINUING DISCLOSURE.....	23
OPEB AND PENSION OBLIGATIONS.....	24
Other Post-Employment Benefits	24
Pension Plan.....	24
UNDERWRITING	24
CONTINGENT FEES	25
FINANCIAL ADVISOR	25
RISK MANAGEMENT.....	26
General.....	26
Climate Change Issues.....	26
Cybersecurity	26
LITIGATION.....	28
ENFORCEABILITY OF REMEDIES	28
RATINGS	29
TAX MATTERS.....	29
General.....	29
Information Reporting and Backup Withholding	30
Other Tax Matters	31
Tax Treatment of Original Issue Discount.....	31
Tax Treatment of Bond Premium	31
CERTAIN LEGAL MATTERS	32

FINANCIAL STATEMENTS33
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS33
CERTIFICATE CONCERNING THIS OFFICIAL STATEMENT33
MISCELLANEOUS33
AUTHORIZATION OF OFFICIAL STATEMENT.....35

APPENDIX A -- CITY OF TALLAHASSEE GENERAL INFORMATION AND
ECONOMIC DATA
APPENDIX B -- EXCERPTS OF UNAUDITED BASIC FINANCIAL STATEMENTS OF
THE CITY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
APPENDIX C -- FORM OF THE RESOLUTION
APPENDIX D -- FORM OF PROPOSED OPINION OF BOND COUNSEL
APPENDIX E -- FORM OF CONTINUING DISCLOSURE CERTIFICATE

OFFICIAL STATEMENT

Relating to

\$64,820,000*

**CITY OF TALLAHASSEE, FLORIDA
Capital Bonds, Series 2024**

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish information with respect to the issuance by the City of Tallahassee, Florida (the "City"), of its \$64,820,000* Capital Bonds, Series 2024 (the "Series 2024 Bonds").

The Series 2024 Bonds are being issued pursuant to Chapter 166, Part II, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), and Resolution No. 12-R-42, adopted by the City on September 19, 2012, as amended and supplemented, and particularly as supplemented by Resolution No. 24-R-11, adopted on April 10, 2024 (the "Series 2024 Resolution"). The Master Resolution, as amended and supplemented, is referred to collectively herein as the "Resolution".

The meaning of capitalized terms used herein shall be as defined in the Resolution, unless otherwise defined herein or where the context would clearly indicate otherwise. The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to the originals of all such documents for full and complete statements of all matters of fact relating to the Series 2024 Bonds, the security for the payment of the Series 2024 Bonds, and the rights and obligations of Registered Owners thereof. Copies of such documents, agreements, reports and statements that are not included in their entirety in this Official Statement may be obtained from the office of the City Treasurer-Clerk, 300 South Adams Street, Tallahassee, Florida 32301, (850) 891-8130. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

For convenience, copies of certain financial information with respect to the City may be obtained through the following website: www.tallahasseebonds.com. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Except as specifically provided herein, such websites and the information or links contained therein, including specifically (but not limited to) the information on the website described above and the City's general website, are not included by reference herein, and are not part of this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission. Although the City has prepared the information on its website for the convenience of those seeking that information, no decision in reliance upon that information should be made. Further, the City disclaims any duty or obligation to update or maintain the availability of the information contained on any website or any responsibility or liability for any damages caused by viruses contained within

*Preliminary, subject to change.

the electronic files on any website. The City also assumes no liability or responsibility for any errors or omissions or for any updates to dated information contained on any website.

The assumptions, estimates, projections and matters of opinion contained in this Official Statement, whether or not so expressly stated, are set forth as such and not as matters of fact, and no representation is made that any of the assumptions or matters of opinion herein are valid or that any projections or estimates contained herein will be realized. Neither this Official Statement nor any other statement which may have been made verbally or in writing in connection with the Series 2024 Bonds, other than the Resolution, is to be construed as a contract with the Registered Owners of the Series 2024 Bonds.

For a description of the terms and conditions of the Series 2024 Bonds, reference is made to the Form of the Resolution included in Appendix C to this Official Statement. The description of the Resolution and the Series 2024 Bonds contained herein do not purport to be comprehensive or definitive, and reference is made to the Resolution, on file with the City, for the complete terms thereof.

THE PROJECT

The proceeds of Series 2024 Bonds will be used to (i) finance certain capital projects in and for the City (the "Project"), and (ii) pay certain costs of issuance of the Series 2024 Bonds. The Project consists of the following projects:

Tallahassee Police Department at Northwood

The purpose of the project is to create a new campus for the City's police department, which will include (i) a headquarters building, (ii) a police fleet maintenance and rolling assets storage building, (iii) a firing range and officer training building, (iv) a central utility plant, and (v) electric vehicle charging stations and gas fueling stations to support vehicular operations. Substantial completion of this project is expected around early 2026.

Kleman Plaza Garage

The Kleman Plaza Parking Garage is a five-story parking structure that is predominantly subterranean with three sides below grade. The project will include various repairs to the parking garage, including the elevator, in connection with degradation over a period of years associated with chronic water intrusion.

Roads and Sidewalks

This project consists of various road and sidewalk improvements within the City.

Southside Transit Center

The Sustainable Southside Transit Center located at the northwest corner of Orange Avenue and South Meridian Street is designed to meet the existing and future needs of citizens residing in a historically underserved area of the City. It will include 29,373 square feet (SF) of vehicular use

area for the bus bays, drive aisles, and employee and visitor parking, 12,746 SF of sidewalks, a 625 SF maintenance building, and a 9,164 SF two-story main building. There will be a continuous shelter spanning from the main building over all bus bays, protecting passengers from the weather as they purchase their tickets and walk to buses. The main building will contain a ticketing center, restrooms, office space, employee breakroom, and meeting space. Electrical charging will be provided at all bus bays and along the flex lane for paratransit vehicles.

Energy Savings Project

This project consists of clean energy infrastructure upgrades to existing City facilities, including, but not limited to, LED lighting, direct digital control upgrades, HVAC upgrades and window replacements.

As described herein under the caption SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS -- Additional Parity Obligations, the City expects to issue Additional Bonds in 2025 and 2026, totaling an estimated \$127 million in aggregate principal amount, for additional capital projects.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the sources and uses of funds from the sale of the Series 2024 Bonds:

Sources:

Principal Amount of Series 2024 Bonds [Net] Original Issue [Premium] [Discount]	\$
Total	<u>\$</u>

Uses:

Deposit to Construction Fund Capitalized Interest Costs of Issuance ⁽¹⁾	\$
Total	<u>\$</u>

⁽¹⁾ Includes underwriters' discount, legal fees, rating agency fees and other costs of issuance.

DESCRIPTION OF THE SERIES 2024 BONDS

The following is a summary of certain provisions of the Series 2024 Bonds. Reference is made to the Resolution and to the Series 2024 Bonds themselves for the complete text thereof, and the discussion herein is qualified by such reference.

General Description

The Series 2024 Bonds will be executed and delivered in fully registered form in the denomination of \$5,000 or any integral multiple thereof. The Series 2024 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 2024 Bonds will be made in book-entry-only form (without certificates). See "Book-Entry-Only System" herein for additional information.

The Series 2024 Bonds shall be dated their date of delivery, and shall mature on the dates and in the principal amounts as set forth on the inside cover page of this Official Statement. The Series 2024 Bonds shall bear interest at the rates set forth on the inside cover page of this Official Statement, calculated on the basis of a 360 day year consisting of twelve 30-day months, payable semiannually in arrears on each April 1 and October 1, commencing October 1, 2024. The interest payment due October 1, 2024 will be paid from proceeds of the Series 2024 Bonds as capitalized interest.

Interest on the Series 2024 Bonds shall be payable on each interest payment date to the person whose name appears on the registration books as the registered owner thereof on the fifteenth day of the month immediately preceding that interest payment date. U.S. Bank Trust Company, National Association, Jacksonville, Florida, will serve as Bond Registrar and Paying Agent pursuant to the Resolution. So long as the Series 2024 Bonds shall be in book-entry-only form, the principal of, redemption premium, if any, and interest on the Series 2024 Bonds are payable by wire or check mailed or delivered to Cede & Co., as registered owner thereof and will be redistributed by DTC and the DTC Participants (see "Book-Entry-Only System", below).

All of the funds and accounts created under the Resolution, other than the Rebate Fund, constitute trust funds for the security of the Holders of the Bonds. Each of such funds and accounts will be held by the City and will not be established with a separate trustee. Moneys on deposit in such funds and accounts will be invested in authorized investments, as set forth in the Resolution. See "APPENDIX C -- FORM OF THE RESOLUTION."

Book-Entry-Only System

The information provided immediately below concerning DTC and the Book Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters, the City or U.S. Bank Trust Company, National Association, as Registrar (the "Registrar").

Unless the book-entry system described herein is terminated, DTC will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One or more fully-registered bond certificates will be issued for the Series 2024 Bonds, and will be deposited with the Registrar on behalf of DTC. Individual purchases of beneficial interests in the Series 2024 Bonds will be made in increments of \$5,000 or integral multiples thereof.

DTC and its Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's Rating of AA+. The DTC rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The contents of such website do not constitute a part of this Official Statement.

Purchases. Purchases of the Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

Transfers. To facilitate subsequent transfers, all Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Neither the City nor the Registrar will have any responsibility or obligation to such Participants or the persons for whom they act as nominees with respect to the payments to or the providing of notice for the DTC participants, the Indirect Participants or the Beneficial Owners of the Series 2024 Bonds. The City cannot provide any assurance that DTC, Direct Participants or others will distribute payments of principal of, premium, if any, or interest on the Series 2024 Bonds paid to DTC or its nominee, as the Registered Owner, or any notices to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will act in the manner described in this Official Statement.

Payments. Payments on the Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Registrar on the relevant payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuance of Book Entry-Only System. DTC may discontinue providing its services as depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the City or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, certificated Series 2024 Bonds are required to be printed and delivered to the holders of record.

The City may decide to discontinue use of the system of book entry-only transfers through DTC (or a successor securities depository) with respect to the Series 2024 Bonds. Under current industry practices, however, DTC would notify its Direct or Indirect Participants of the City's decision but will only withdraw beneficial interests from a Series 2024 Bond at the request of any Direct or Indirect Participant. In that event, certificates for the Series 2024 Bonds will be printed and delivered.

No Assurance Regarding DTC Practices

The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City, the Underwriters and the Registrar take no responsibility for the accuracy thereof.

So long as Cede & Co. is the registered owner of the Series 2024 Bonds as nominee of DTC, references herein to the holders or registered owners of the Series 2024 Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the Series 2024 Bonds.

Neither the City, the Registrar nor the Underwriters will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to the Direct Participants, the Indirect Participants or the Beneficial Owners, (iii) the selection by DTC or by any Direct or Indirect Participant of any Beneficial Owner to receive payment in the event of a partial redemption of the Series 2024 Bonds or (iv) any other action taken by DTC or its partnership nominee as owner of the Series 2024 Bonds.

Registration, Transfer and Exchange

The Series 2024 Bonds, upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Holder thereof or such Holder's attorney duly authorized in writing, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of registered Series 2024 Bonds of the same Series, maturity of any other authorized denominations and type.

Each Series 2024 Bond shall be transferable only upon the books of the City, at the office of the Registrar, under such reasonable regulations as the City may prescribe, by the Holder thereof in person or by such Holder's attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed and guaranteed by the Holder or such Holder's duly authorized attorney. Upon the transfer of any such Series 2024 Bond, the City shall issue, and cause to be authenticated, in the name of the transferee a new Series 2024 Bond or Series 2024 Bonds of the same aggregate principal amount and Series and maturity as the surrendered Series 2024 Bond. The City, the Registrar and any Paying Agent or fiduciary

of the City may deem and treat the Person in whose name any Outstanding Series 2024 Bond shall be registered upon the books of the City as the absolute owner of such Series 2024 Bond, whether such Series 2024 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if applicable, and interest on such Series 2024 Bond and for all other purposes, and all such payments so made to any such Holder or upon such Holder's order shall be valid and effectual to satisfy and discharge the liability upon such Series 2024 Bond to the extent of the sum or sums so paid, and neither the City nor the Registrar nor any Paying Agent or other fiduciary of the City shall be affected by any notice to the contrary.

The Registrar, in any case where it is not also the Paying Agent in respect to any Series of Bonds, forthwith (A) following the fifteenth day prior to an Interest Payment Date for such Series; (B) following the fifteenth day next preceding the date of first mailing of notice of redemption of any Bonds of such Series; and (C) at any other time as reasonably requested by the Paying Agent of such Series, shall certify and furnish to such Paying Agent the names, addresses and holdings of Bondholders and any other relevant information reflected in the registration books. Any Paying Agent of any fully registered Series 2024 Bond shall effect payment of interest on such Series 2024 Bonds by mailing a check or draft to the Holder entitled thereto or may, in lieu thereof, upon the request and at the expense of such Holder, transmit such payment by bank wire transfer or other such electronic method of payment for the account of such Holder.

In all cases in which the privilege of exchanging Series 2024 Bonds or transferring Series 2024 Bonds is exercised, the City shall execute and the Registrar shall authenticate and deliver such Series 2024 Bonds in accordance with the provisions of the Resolution. Execution of Bonds pursuant to the Resolution for purposes of exchanging, replacing or transferring Bonds may occur at the time of the original delivery of the Series of which such Bonds are a part. All Series 2024 Bonds surrendered in any such exchanges or transfers shall be held by the Registrar in safekeeping until directed by the City to be canceled by the Registrar. For every such exchange or transfer of Series 2024 Bonds, the City or the Registrar may make a charge sufficient to reimburse it for any tax, fee, expense or other governmental charge required to be paid with respect to such exchange or transfer. The City and the Registrar shall not be obligated to make any such exchange or transfer of Bonds of any Series during the fifteen days next preceding an Interest Payment Date on the Bonds of such Series (other than Variable Rate Bonds), or, in the case of any proposed redemption of Bonds of such Series, then during the fifteen days next preceding the date of the first mailing of notice of such redemption and continuing until such redemption date.

Redemption Provisions

Optional Redemption. The Series 2024 Bonds maturing on or prior to October 1, 20__ are not subject to optional redemption prior to maturity. The Series 2024 Bonds maturing after October 1, 20__ are subject to redemption prior to maturity at the option of the City, as a whole or in part at any time (if in part, the maturities and the principal amounts to be redeemed are to be determined by the City in its sole discretion) on or after October 1, 20__ at a redemption price of 100% of the principal amount of the Series 2024 Bonds to be redeemed, plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The Series 2024 Bonds maturing October 1, 20__ are subject to mandatory sinking fund redemption prior to maturity, in part and selected by lot, at

a redemption price of one hundred percent (100%) of the principal amount thereof on October 1, 20__ and on each October 1 thereafter set forth below in the following principal amounts:

Due (October 1)	Amortization Installment
--------------------	-----------------------------

*

*Final maturity.

Notice and Effect of Redemption. Unless waived by any Holder of the Series 2024 Bonds to be redeemed, notice of any redemption made pursuant to the Resolution shall be given by the Registrar on behalf of the City by mailing a copy of an official redemption notice by registered or certified mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to each Holder of the Series 2024 Bonds to be redeemed at the address of such Holder shown on the registration books maintained by the Registrar or at such other address as shall be furnished in writing by such Holder to the Registrar; provided, however, that no defect in any notice given pursuant to the Resolution to any Holder of Series 2024 Bonds to be redeemed nor failure to give such notice shall in any manner defeat the effectiveness of a call for redemption as to all other Holders of the Series 2024 Bonds to be redeemed.

Every official notice of redemption shall be dated and shall state: (i) the redemption date, (ii) the Redemption Price, (iii) if less than all Outstanding Series 2024 Bonds are to be redeemed, the number (and, in the case of a partial redemption of any Series 2024 Bond, the principal amount) of each Series 2024 Bond to be redeemed, (iv) that, on the redemption date, the Redemption Price will become due and payable upon each such Series 2024 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (v) that such Series 2024 Bonds to be redeemed, whether as a whole or in part, are to be surrendered for payment of the redemption price at the designated office of the Registrar.

Notice of redemption having been given substantially as aforesaid and the Redemption Price having been deposited, the Series 2024 Bonds or portions of Series 2024 Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Series 2024 Bonds or portions of Series 2024 Bonds shall cease to bear interest. Upon surrender of such Series 2024 Bonds for redemption in accordance with said notice, such Series 2024 Bonds shall be paid by the Registrar and/or Paying Agent at the appropriate redemption price, plus accrued interest. All Series 2024 Bonds which have been redeemed shall be canceled by the Registrar and shall not be reissued.

Notwithstanding the foregoing or any other provision of the Resolution, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events as may be specified in each notice of optional redemption and may also be subject to rescission by the City if expressly set forth in such notice.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS

General

The Series 2024 Bonds shall not be or constitute a general obligation or indebtedness of the City as a "bond" within the meaning of the Constitution of Florida or law of the State of Florida, but shall be special obligations of the City, payable solely from and secured by a lien upon and pledge of the Pledged Funds as provided in the Resolution, on a parity with the Parity Obligations (as defined below). No Holder or Holders of any Series 2024 Bonds shall ever have the right to compel the exercise of any ad valorem taxing power to pay the Series 2024 Bonds or be entitled to payment of the Series 2024 Bonds from any moneys of the City, except from the Pledged Funds in the manner provided in the Resolution.

The Series 2024 Bonds are payable solely from and secured as to the payment of the principal of and interest thereon, in accordance with the terms and the provisions of the Resolution, solely by a lien on and pledge of (i) the City's receipts from the Local Government Half-Cent Sales Tax; (ii) the City's Guaranteed Entitlement Revenues; (iii) the proceeds of the City's Local Communications Services Tax and (iv) the City's Public Service Tax Revenues (collectively, the "Pledged Revenues"); and, until applied in accordance with the provisions of the Resolution, all moneys, including investments thereof, in the funds and accounts created by the Resolution, except the Rebate Fund and the Unrestricted Revenue Account (collectively, with the Pledged Revenues, the "Pledged Funds"). The Series 2024 Bonds are issued on a parity with the City's outstanding Capital Bonds, Series 2018, issued in the original aggregate principal amount of \$27,320,000, of which \$22,940,000 is currently outstanding, its Capital Bond, Series 2021, issued in the original aggregate principal amount of \$6,035,000, of which \$4,490,000 is currently outstanding, its Capital Refunding Bond, Series 2022, issued in the original aggregate principal amount of \$37,455,000, of which \$31,540,000 is currently outstanding, and any Additional Parity Obligations issued in the future (collectively, the "Parity Obligations"), all as more fully described herein and in the Resolution and subject to the provisions of the Resolution permitting the application thereof for the purposes of and on the terms and conditions set forth therein. The Series 2024 Bonds do not constitute indebtedness of the City within the meaning of any constitutional, statutory or charter provision or limitation, and are payable as described above and in the Resolution.

All Pledged Revenues shall, promptly upon receipt, be deposited in the Restricted Revenue Account of the Revenue Fund created by the Resolution. The moneys in the Restricted Revenue Account are to be deposited or credited monthly on or before the 21st day of such month, and applied first to make the required deposits for such month to the Debt Service Fund in the manner required by the Resolution. The balance of any moneys remaining in the Restricted Revenue Account of the Revenue Fund after the required monthly payments have been made may be transferred, at the discretion of the City, to the Unrestricted Revenue Account or any other appropriate fund or account of the City and may be used for any lawful purpose, and therefore are no longer subject to the lien and pledge of the Resolution.

The Resolution provides that the provisions thereof and of the Bonds constitute a contract with Holders of the Bonds and, in accordance with the Resolution, the Holders of the Bonds or any trustee acting for such Holders may, either at law or in equity, by suit, mandamus or other

proceeding in any court of competent jurisdiction, protect, enforce or compel the performance of all duties required under the Resolution.

The Pledged Revenues shall immediately be subject to the lien of the pledge described in the Resolution without any physical delivery thereof or further act, and the lien of the pledge described in the Resolution shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City, until such time as the Pledged Revenues are deposited in the Unrestricted Revenue Account or any other appropriate fund or account of the City.

Pledged Funds

The following describes the Pledged Funds, which consist of proceeds from the Local Government Half-Cent Sales Tax, the Guaranteed Entitlement Revenues, the Local Communications Services Tax and the Public Service Tax Revenues, as well as all moneys and investment income earned on such moneys in all funds and accounts created by the Resolution or any supplemental resolution, except the Rebate Fund and the Unrestricted Revenue Account, all as described in the Resolution, and subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein.

Local Government Half-Cent Sales Tax. The State of Florida levies and collects a sales tax on, among other things, the sales price of each item or article of tangible personal property sold at retail in the State of Florida, subject to certain exceptions and dealer allowances. In 1982, the Florida legislature created the Local Government Half-Cent Sales Tax Program (the "Half-Cent Sales Tax Program") which distributes sales tax revenue and money from the State's General Revenue Fund to counties and municipalities that meet strict eligibility requirements. In 1982, when the Half-Cent Sales Tax Program was created, the general rate of sales tax in the State was increased from 4% to 5%, and one-half of the fifth cent was devoted to the program, thus giving rise to the name "Half-Cent Sales Tax." Although the amount of sales tax revenue deposited into the Half-Cent Sales Tax Program is no longer one-half cent on every dollar of the sales price of an item subject to sales tax (it is currently 8.8054% of the sales tax remitted), the name "Half-Cent Sales Tax" has continued to be utilized.

All funds received and collected by the State of Florida are required to be deposited in the General Revenue Fund of the State and then distributed to various funds as enumerated in the Sales Tax Act. After various enumerated distributions, a portion of the amount remitted by a sales tax dealer within a participating county is required to be transferred into the Local Government Half-Cent Sales Tax Clearing Trust Fund (the "Trust Fund") and earmarked for distribution to the governing body of that participating county and of each participating municipality within that county pursuant to a distribution formula. The Half-Cent Sales Tax Revenues are distributed from the Trust Fund on a monthly basis to participating units of local government in accordance with Part VI, Chapter 218, Florida Statutes (the "Sales Tax Act"). The general rate of sales tax in the State is currently 6%. The rate of sales tax collected within the City is currently 7.5%, reflecting the addition of certain local option taxes.

The amount of Half-Cent Sales Tax Revenues distributed to the City is subject to increase or decrease due to (i) increases or decreases in the dollar volume of taxable sales within Leon

County, (ii) legislative changes relating to the sales tax, which may include changes in the scope of taxable sales, changes in the tax rate and changes in the amount of sales tax revenue deposited into the Trust Fund, (iii) changes in the relative population of Leon County and the City which affect the percentage of Half-Cent Sales Tax Revenues distributed to the City and (iv) other factors, some or all of which may be beyond the control of the City or the Series 2024 Bondholders.

In order to be eligible to receive distributions of the Local Government Half-Cent Sales Tax, each participating county and eligible municipalities must satisfy the conditions for eligibility for distribution of certain revenue-sharing moneys pursuant to Section 218.23, Florida Statutes, as more particularly described below under the heading "SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2024 BONDS – Pledged Funds – Guaranteed Entitlement Revenues".

Failure by the City to meet the foregoing eligibility requirements results in the deposit of the City's share of the Local Government Half-Cent Sales Tax into the General Fund of the State for the twelve-month period following the determination of noncompliance. There is no provision for the City to recover moneys that are deposited into the State General Fund.

The City has complied with all the requirements for participation in the Local Government Half-Cent Sales Tax distribution as set forth in Chapter 218, Part VI, Florida Statutes, including the filing of a certificate of compliance with the State Department of Revenue, which are necessary in order for the City to receive its distribution of funds from the Trust Fund during the current fiscal year. Moreover, the City historically has not failed to satisfy the eligibility requirements for distribution of its share of the Local Government Half-Cent Sales Tax. The City has covenanted in the Resolution to proceed diligently to perform legally and effectively all steps required on its part to collect and receive the Pledged Revenues, including the Local Government Half-Cent Sales Tax.

Although no limitation is imposed on the number of years during which the City can receive distributions of the Local Government Half-Cent Sales Tax from the Trust Fund, there may be future amendments to Chapter 218, Part VI, Florida Statutes, imposing additional requirements of eligibility for municipalities and counties to receive distribution of the Local Government Half-Cent Sales Tax, or the distribution formulas in Section 212.20 and 218.62, Florida Statutes, may be revised.

The Local Government Half-Cent Sales Tax collected within a county is distributed to each participating county and municipality in accordance with the formula set forth in Section 218.62, Florida Statutes. The distribution formula is as follows:

$$\begin{array}{lcl}
 \text{County's share} & = & \text{unincorporated} \\
 \text{(percentage of total Local} & & \text{area population} \\
 \text{Government Half-Cent} & & \text{total county} \\
 \text{Sales Tax receipts)} & & \text{population} \\
 & & + \frac{2/3 \text{ incorporated}}{\text{area population}}
 \end{array}$$

$$\begin{array}{lcl}
 \text{Municipality's share} & = & \frac{\text{municipality population}}{\text{total county}} \\
 \text{(percentage of total Local} & & \text{population} \\
 \text{Sales Tax receipts)} & & + \frac{2/3 \text{ incorporated}}{\text{area population}}
 \end{array}$$

As used in the above formula, "population" means the latest official state estimate of population certified pursuant to Section 186.901, Florida Statutes, prior to the beginning of the local government fiscal year. Revenues are distributed on a monthly basis to eligible cities and counties. For the fiscal year ended September 30, 2023, the City received 46.2% of the Half-Cent Sales Tax Revenues distributed as a whole to Leon County.

Moneys in the Trust Fund are earmarked for distribution to the governing body of the county in which collected and to each municipality within that county, subject to the eligibility requirements in Section 218.23, Florida Statutes, and pursuant to the distribution formula described above. Money in the Trust Fund is distributed on a monthly basis to eligible cities and counties. When distributed to the City, the moneys become subject to the lien of the Resolution and are referred to herein as the "Local Government Half-Cent Sales Tax."

Section 218.64, Florida Statutes, permits local governments to pledge their share of the proceeds of the Local Government Half-Cent Sales Tax for the payment of the principal of and interest on bonds issued for the financing of any capital project.

Guaranteed Entitlement Revenues. The definition of Guaranteed Entitlement, as it applies to Florida municipalities, was amended in 2003 and is currently defined in the Florida Revenue Sharing Act of 1972, which is contained in Chapter 218, Part II, Florida Statutes (the "Revenue Sharing Act") to mean the amount of revenue which must be shared with an eligible unit of local government so that no eligible municipality will receive less funds from the Revenue Sharing Trust Fund for Municipalities established by the Revenue Sharing Act in any State fiscal year, to the extent available, than the amount received by that municipality in the aggregate from certain State taxes in the State 1971-72 fiscal year.

The guaranteed entitlement portion of State revenue sharing which accrues annually to the City totals \$1,250,000, and this amount is received by the City in substantially equal monthly payments. The City has pledged for the payment of the Bonds its guaranteed entitlement portion of state revenue sharing. The City has covenanted in the Resolution to perform all of the conditions precedent for eligibility under the Revenue Sharing Act.

Revenue Sharing Act.

A portion of certain taxes levied and collected by the State is shared with local governments under provisions of Chapter 218.215, Florida Statutes. The amount deposited by the Florida Department of Revenue ("FDOR") into the State Revenue Sharing Trust Fund for Municipalities is 1.3653% of available sales and use tax collections after certain required distributions and the net collections from the one-cent municipal fuel tax. Beginning January 1, 2024, 25% of the 4 cents of excise tax levied upon each motor fuel equivalent gallon of natural gas fuel, pursuant to Section 206.9955(2)(a), Florida Statutes, will be transferred to the State Revenue Sharing Trust Fund for Municipalities.

To be eligible for State Revenue Sharing funds beyond the minimum entitlement (defined as the amount necessary to meet obligations to which the City has pledged amounts received from the State Revenue Sharing Trust Fund for Municipalities), a local government must have:

- (i) reported its finances for its most recently completed fiscal year to the Florida Department of Financial Services as required by Florida law;
- (ii) made provisions for annual post audits of financial accounts in accordance with provisions of law;
- (iii) levied, as shown on its most recent financial report, ad valorem taxes, exclusive of taxes levied for debt service or other special millages authorized by the voters, to produce the revenue equivalent to a millage rate of three (3) mills on the dollar based upon 1973 taxable values or, in order to produce revenue equivalent to that which would otherwise be produced by such three (3) mill ad valorem tax, to have received a remittance from the county pursuant to a municipal services benefit unit, collected an occupational license tax, utility tax, or ad valorem tax, or have received revenue from any combination of those four sources;
- (iv) certified that persons in its employ as law enforcement officers meet certain qualifications for employment, and receive certain compensation;
- (v) certified that persons in its employ as firefighters meet certain employment qualifications and are eligible for certain compensation;
- (vi) certified that each dependent special district that is budgeted separately from the general budget of such county or municipality has met the provisions for annual post audit of its financial accounts in accordance with law; and
- (vii) certified to the FDOR that it has complied with certain procedures regarding the establishment of the ad valorem tax millage of the county or municipality as required by law.

If the City fails to comply with such requirements, the FDOR may utilize the best information available to it, if such information is available, or take any necessary action including disqualification, either partial or entire, and the City shall further waive any right to challenge the determination of the FDOR as to its distribution, if any. Eligibility is retained if the local government has met eligibility requirements for the previous three years, even if the local government reduces its millage or utilities taxes because of the receipt of State Revenue Sharing funds. The City has continuously maintained eligibility to receive the State Revenue Sharing funds.

The amount of the State Revenue Sharing Trust Fund for Municipalities distributed to any one municipality is the average of three factors: an adjusted population factor; a sales tax collection factor, which is the proportion of the local City's ordinary sales tax distribution the municipality would receive if the distribution were strictly population-based; and a relative revenue-raising ability factor, which measures the municipality's ability to raise revenue relative to other qualifying municipalities in the State.

The distribution to an eligible municipality is determined by the following procedure. First, a municipal government's entitlement is computed on the basis of the apportionment factor applied to all State Revenue Sharing Trust Fund receipts available for distribution. Second, the revenue to be shared via the formula in any fiscal year is adjusted so that no municipality receives fewer funds than its guaranteed entitlement, which is equal to the aggregate amount received from the state in fiscal year 1971-72 under then-existing statutory provisions. Third, the revenue to be shared via the formula in any fiscal year is adjusted so that all municipalities receive at least their

minimum entitlement, which means the amount of revenue necessary for a municipality to meet its obligations as the result of pledges, assignments, or trusts entered into that obligated State Revenue Sharing Trust Fund monies. Finally, after making these adjustments, any remaining State Revenue Sharing Trust Fund monies are distributed on the basis of the additional money of each qualified municipality in proportion to the total additional money for all qualified municipalities.

The following are sources of revenues that are deposited into the State Revenue Sharing Trust Fund for Municipalities.

Sales Tax Revenues. Prior to July 1, 2000, a state tax was levied on cigarette packages at varying rates, depending upon the length and number of cigarettes in a package and, pursuant to Section 210.20(2)(a), Florida Statutes, certain amounts derived from such cigarette taxes were deposited to the Revenue Sharing Trust Fund for Municipalities after deducting therefrom certain charges for administration and collection. Effective July 1, 2000, the cigarette tax revenues were eliminated from distribution to the Revenue Sharing Trust Fund for Municipalities and replaced with sales and use tax proceeds. Currently, 1.3653% of the available proceeds of the sales and use tax imposed pursuant to Chapter 212, Florida Statutes, is transferred monthly to the Revenue Sharing Trust Fund for Municipalities after certain other transfers have been made and certain charges for administration and collection have been deducted therefrom.

Municipal Fuel Tax. The proceeds of the municipal fuel tax imposed pursuant to Section 206.41(1)(c), Florida Statutes, after deducting certain service charges and administrative costs transferred into the Revenue Sharing Trust Fund for Municipalities. Funds derived from the municipal fuel tax on motor fuel may only be used to pay debt service allocable to transportation facilities.

The sales and use tax provides the majority of the receipts for the guaranteed entitlement from the Revenue Sharing Trust Fund for Municipalities. For the State's 2023 fiscal year, approximately 82% of the deposits of the Revenue Sharing Trust Fund for Municipalities were from sales and use tax and approximately 18% were from the municipal fuel tax.

The amount of State Revenue Sharing funds distributed to the City is subject to increase or decrease due to (i) more or less favorable economic conditions, (ii) increases or decreases in the dollar volume of general taxable sales or municipal fuel taxes collected, (iii) legislative changes relating to the sales and use tax or municipal fuel tax, which may include changes in the scope of taxable sales, changes in the tax rates and changes in the amount of sales and use tax and municipal fuel tax deposited into the Revenue Sharing Trust Fund for Municipalities, and (iv) other factors which may be beyond the control of the City or the Bondholders.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

The following table sets forth the historical collections of revenues received by the City from the Revenue Sharing Trust Fund for Municipalities.

**Historical Collections of Revenues from
Revenue Sharing Trust Fund for Municipalities and Revenue Sharing Proceeds**

Year Ended September 30	Revenues received from the Revenue Sharing Trust Fund for Municipalities	Percentage Change from Prior Fiscal Year
2013	\$5,033,308	--
2014	5,418,601	7.7%
2015	5,784,509	6.8
2016	6,215,115	7.4
2017	6,474,193	4.2
2018	6,772,236	4.6
2019	6,970,213	2.9
2020	6,375,529	(8.5)
2021	7,801,245	22.4
2022	8,814,193	10.4
2023 ⁽¹⁾	8,580,489	5.3

Source: City of Tallahassee, Florida Finance Department.

⁽¹⁾ Unaudited.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

Local Communications Services Tax. Section 202.19(1), Florida Statutes, as amended, authorizes any State of Florida municipality or county to levy, by ordinance, a discretionary communications services tax on the sale of communications services (the "Local Communications Services Tax"). Communications services means the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including cable services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method now in existence or hereafter devised, regardless of protocol used for such transmission or conveyance (the "Communications Services"). This tax may not exceed 5.10% of the payments received by the providers of such communications services from purchasers. The maximum rate does not include add-ons of up to 0.12%, nor does it supersede conversion or emergency rates authorized by Section 202.20, Florida Statutes, which are in excess of the maximum rate.

Purchases by the United States Government, the State of Florida, other public bodies and any religious institution or educational institution that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code are exempt from the Local Communications Services Tax.

The Local Communications Services Tax must be collected by the provider from purchasers at the time of sale and remitted to the Department of Revenue (the "Department"). The proceeds of the Local Communications Services Tax, less the Department's costs of administration, shall be transferred to the Local Communications Services Tax Clearing Trust Fund and held there to be distributed to the City.

If actual revenues do not reach expectations, as measured by comparing actual revenues to previously collected revenues increased by the average five-year growth rates, Section 202.20 (2), Florida Statutes, authorizes local governments to adjust its Local Communications Services Tax. As a result of shortfalls identified in prior years, the City's tax rate has been increased from the initial 5.1% to 5.98%.

Public Service Tax Revenues. Sections 166.231 – 166.235, Florida Statutes, as amended (the "Public Service Tax Law"), authorizes any municipality within the State to levy a public service tax (the "Public Service Tax") on the purchase of electricity, metered natural gas, liquefied petroleum gas (either metered or bottled), manufactured gas (either metered or bottled) and water services, as well as any service competitive with the services specifically enumerated. The Communications Services Tax Simplification Law, as amended, being Chapter 202, Florida Statutes (the "Communications Services Tax Law") replaced the authority previously provided local governments under Chapter 166, Florida Statutes, as amended, to levy a public service tax on the purchase of telecommunications services. Except for certain exceptions for water services, as provided in Section 166.231, Florida Statutes, as amended, public service taxes shall be levied only upon purchases within the City and shall not exceed ten percent (10%) of the payments received by the seller of the taxable item from the purchaser for the purchase of such service; provided, however, that fuel oil shall be taxed at a rate which shall not exceed four cents (\$0.04) per gallon.

City Levy and Exemptions. The City levies its public service tax under the provisions of City Code Section 18-121. Under such provisions of the City Code, the City established a public

service tax rate of ten percent (10%) and a rate of four cents (\$0.04) per gallon on the purchase of fuel oil.

The Public Service Tax is not imposed against any fuel adjustment charge, which is defined as all increases in the cost of utility services to the ultimate consumer resulting from an increase in the cost of fuel to the utility subsequent to October 1, 1973. Also exempt are purchases by the United States Government, the State of Florida and all counties, school districts and municipalities of the State, and by public bodies exempted by law or court order. The Public Service Tax Law provides for certain other exemptions, and a municipality may also provide for other exemptions. The City Code exempts from its provisions: (i) purchases of electricity, water or gas by the United States Government, the State of Florida, or by any recognized church for use exclusively for church purposes, and (ii) with respect to 50% of the tax on purchases of electric energy for up to and not exceeding five years, certain qualified businesses located within the City's enterprise zone. The purchase of natural gas, manufactured gas or fuel oil by a public or private utility, either for resale or for use as fuel in the generation of electricity, or the purchase of fuel oil or kerosene for use as an aircraft engine fuel or propellant or for use in internal combustion engines is exempt from taxation under the Public Service Tax Law. The Public Service Tax is to be collected by the seller of the taxable item from the purchaser at the time of the payment for such service. The seller must remit the taxes collected to the City in the manner prescribed by the City Code. The seller is required to remit to the City on or before the twentieth day of each month the taxes levied and collected during the preceding month. If such taxes are received by the twentieth of the month as aforesaid, the seller is allowed a discount equal to the lesser of two percent of the taxes collected or \$1,000, as compensation for collecting such tax.

The City Code provides that it is unlawful for any person to continue to sell or deliver any electricity, water or gas within the City who shall fail to collect, report and pay over to the City the taxes imposed pursuant to the City Code.

The amount of Public Service Tax collected by the City may fluctuate as the price of fuel, gas, electricity and other services subject to the Public Service Tax fluctuates.

Revenue Covenant

As long as any of the Bonds are outstanding, the City will not impair or adversely affect the rights of the City to receive the Pledged Revenues. While any Bonds remain outstanding, the pledge of the Pledged Revenues is not subject to repeal or impairment by any subsequent act of the City or the Legislature of the State of Florida.

The City has covenanted that it will proceed diligently to perform legally and effectively all steps required on its part to collect and receive the Pledged Revenues.

Reserve Account

The Resolution provides for the establishment of a Reserve Account in the Debt Service Fund with separate subaccounts for each Series of Bonds, which shall be used for the purpose of payment of Amortization Installments, principal of and interest on such Series of Bonds when the moneys allocated to the Debt Service Fund are insufficient therefor. The subaccount in the Reserve

Account for the Series 2024 Bonds is required to be funded in an amount equal to the Reserve Account Requirement. Reserve Account Requirement is defined in the Resolution as, an amount equal to the lesser of (i) the Maximum Debt Service Requirement for the outstanding Bonds, (ii) one hundred twenty-five percent (125%) of the average annual Debt Service Requirement for the outstanding Bonds, or (iii) the maximum amount allowed under the Code in order to maintain the exclusion of interest on the outstanding Bonds; provided, however, the City may establish by Supplemental Resolution a different Reserve Account Requirement for a subaccount of the Reserve Account which secures a Series of Bonds, which Reserve Account Requirement may be zero. The City, pursuant to the Resolution, has established a subaccount in the Reserve Account for the Series 2024 Bonds. The Reserve Account Requirement with respect to the Series 2024 Bonds is \$0.00. See "APPENDIX C -- FORM OF THE RESOLUTION," herein.

Additional Parity Obligations

Additional Parity Obligations are defined by the Resolution to mean additional obligations issued in compliance with the terms, conditions and limitations contained therein and which shall have a lien on the Pledged Funds equal to, be payable from the proceeds of the Pledged Funds on a parity with, and rank equally in all other respects with the Series 2024 Bonds. The City has covenanted not to issue Additional Parity Obligations without first meeting certain requirements and conditions set forth in the Resolution.

Before the issuance of Additional Parity Obligations, there must have been obtained and filed with the City a certificate of the City Treasurer-Clerk stating that (a) he or she has examined the books and records of the City relating to the Pledged Revenues which have been deposited to the Restricted Revenue Account; (b) the aggregate amount of the Pledged Revenues received by the City for the fiscal year immediately preceding the date of issuance of such Additional Parity Obligations or any twelve (12) consecutive months designated by the City during the eighteen (18) months immediately preceding the date of issuance of the Additional Parity Obligations; and (c) the aggregate proceeds of the Pledged Revenues for such preceding fiscal year or any twelve (12) consecutive months designated by the City during the eighteen (18) months immediately preceding the date of issuance of the proposed Additional Parity Obligations is equal to at least 125% of the Maximum Debt Service Requirement computed on a basis which includes both (i) all Bonds then Outstanding, and (ii) the Additional Parity Obligations, after adjustment for retirements, if any, from the proceeds of the Additional Parity Obligations. In the event legislation is amended to provide for additional Pledged Revenues to be distributed to the City, the City may then for the purpose of determining whether there are sufficient Pledged Revenues to meet the coverage test described above, have the City-Treasurer Clerk assume that such additional Pledged Revenues were in effect during the applicable Fiscal Year.

In the event that Additional Parity Obligations are issued for the purpose of refunding any Bonds then Outstanding, the certificate required above shall not apply, provided that the issuance of such Additional Parity Obligations will not result in an increase in the aggregate amount of principal and interest on the Outstanding Bonds becoming due.

The City may not issue any bonds or obligations of any kind or nature payable from or enjoying a lien on the Pledged Revenues if such obligations have priority over the Series 2024 Bonds with respect to payment or lien, nor may the City create, cause or permit to be created, any

debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of the Series 2024 Bonds upon said Pledged Revenues, other than Additional Parity Obligations. Any obligations of the City, other than the Bonds, which are payable from the Pledged Revenues, shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds as to a lien on and source and security for payment from such Pledged Revenues.

The City expects to issue an estimated aggregate principal amount of \$127 million in aggregate principal amount of Additional Parity Obligations in 2025 and 2026 to fund additional capital projects.

Other Outstanding Indebtedness

The City also has outstanding its Capital Improvement Refunding Revenue Bond, Series 2009 (the "Series 2009 Bond"), outstanding in the aggregate principal amount of \$7,020,000 as of October 1, 2023. The Series 2009 Bond is secured on a junior lien basis to the Series 2024 Bonds and the Parity Obligations issued pursuant to the Resolution. The City has outstanding certain other indebtedness totaling \$14,811,680 in aggregate principal amount secured by a covenant to budget and appropriate non-ad valorem revenues; the Series 2024 Bonds likewise have a prior lien on the Pledged Revenues with respect to such covenant-to-budget indebtedness. The Resolution does not restrict the issuance of any covenant-to-budget-secured indebtedness or additional junior lien indebtedness by the City.

Impact of COVID-19

The outbreak of the highly contagious COVID-19 pandemic in the United States in March 2020 generally had a disruptive financial impact on local, state and national economies around the country, including, without limitation, fueling inflation and creating supply chain issues. COVID-19 was considered a Public Health Emergency of International Concern by the World Health Organization. This led to quarantine and other "social distancing" measures throughout the United States, including recommendations and warnings to limit non-essential travel and promote telecommuting. There can be no guarantee that State and/or local shut downs or closures similar to those implemented in 2020 will not happen in the future. It is possible the United States, including the State and the City, may experience increased COVID-19 cases, hospitalizations, and deaths as a result of current or future variants, or may experience a new viral pandemic, which could, in turn, impact State and local government finances.

As the COVID-19 pandemic unfolded in 2020, the City undertook several activities to reduce the potential impacts from the pandemic on its operations. Many of these activities continued through Fiscal Years 2021 and 2022. Examples of these measures include remote work, when possible, modified schedules, utilization of the backup control center, and lighting and HVAC improvements.

As set forth under the subheading "Historical Guaranteed Entitlement Revenues, Local Government Half-Cent Sales Tax Receipts, Local Communications Services Tax, Public Service Tax Revenues and Historical Debt Service Coverage," below, Half-Cent Sales Tax Receipts decreased in Fiscal Year 2020 due to the effects of the pandemic on sales, but have since

rebounded. The COVID-19 pandemic also had a meaningful impact on unemployment; however, the City and the State have seen unemployment rates return to pre-pandemic levels. Much like most communities in the country, the City saw its major universities and school system move to virtual learning for a portion of the year, and local businesses were adversely impacted due to closures and students not being in Tallahassee.

Historical Guaranteed Entitlement Revenues, Local Government Half-Cent Sales Tax Receipts, Local Communications Services Tax, Public Service Tax Revenues and Historical Debt Service Coverage

The following table identifies the historical Guaranteed Entitlement Revenues, Public Service Tax Revenues, and receipts of the Local Government Half-Cent Sales Tax and the Local Communications Services Tax (rounded to the nearest \$1,000) for fiscal years 2019 through 2023.

	<u>Fiscal Years Ended September 30</u>				
	2019	2020	2021	2022	2023 ⁽²⁾
Guaranteed Entitlement	\$1,251,000	\$1,251,000	\$1,251,000	\$1,250,000	\$1,250,000
Half-Cent Sales Tax	11,301,000	10,458,000	11,724,000	13,192,000	13,552,000
Communications Service Tax	7,070,000	7,167,000	6,888,000	6,602,000	7,005,000
Public Service Tax	17,192,000	17,218,000	17,545,000	18,152,000	18,715,000
Total	<u>\$36,813,000</u>	<u>\$36,094,000</u>	<u>\$37,408,000</u>	<u>\$39,199,000</u>	<u>\$40,522,000</u>
Debt Service ⁽¹⁾	<u>\$13,211,000</u>	<u>\$13,210,000</u>	<u>\$13,210,000</u>	<u>\$13,207,000</u>	<u>\$12,344,000</u>
Coverage	2.79x	2.73x	2.83x	2.96x	3.28x

Source: City of Tallahassee Accounting Services Division.

⁽¹⁾ Assuming the Series 2024 Bonds are issued in an aggregate principal amount of \$64,820,000 and a true interest cost of 4.42%, aggregate maximum annual debt service on the combined Bond indebtedness would be approximately \$11,570,000, resulting in a Fiscal Year 2023 pro-forma debt service coverage of 3.49%. Debt service on the Subordinate Series 2009 Bond is included, but debt service on covenant-to-budget backed debt service is not.

⁽²⁾ Unaudited.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

DEBT SERVICE SCHEDULE

Bond Year Ending October 1	Principal	<u>Series 2024 Bonds</u>		Outstanding Parity Obligations	Total Debt Service ⁽¹⁾
		Interest	Total		
2024		(2)		\$9,070,134 ⁽³⁾	
2025				6,208,064	
2026				6,215,476	
2027				6,212,092	
2028				6,208,050	
2029				5,278,100	
2030				5,283,350	
2031				5,291,968	
2032				5,278,954	
2033				5,284,058	
2034				5,276,682	
2035				2,212,000	
2036				2,211,000	
2037				2,210,500	
2038				2,210,250	
2039				-	
2040				-	
2041				-	
2042				-	
2043				-	
2044				-	
2045				-	
2046				-	
2047				-	
2048				-	
2049				-	
2050				-	
2051				-	
2052				-	
2053				-	
2054				-	
Total				\$74,440,678	

⁽¹⁾ Numbers may not add due to rounding.

⁽²⁾ Capitalized interest to be paid from Series 2024 Bond proceeds.

⁽³⁾ Excludes April 1, 2024 interest payments that have already been made.

INVESTMENTS

The City Treasurer-Clerk administers the City's investment program and is responsible for ensuring the proper management, internal controls, safekeeping, and recording of all investment assets held or controlled by the City. The City has promulgated a non-pension investment policy to govern the investment of all non-pension financial assets held or controlled by the City, not otherwise classified as restricted assets requiring separate investing (the "Investment Policy"). The Investment Policy sets forth standards for investing, safekeeping and custody requirements, and reporting requirements. Individual criteria consisting of, at a minimum, objectives, authorized investments and performance evaluation criteria are established on an individual basis for specialized portfolios governed under specific legal constraints. Criteria for the City's core portfolio are also set forth in the Investment Policy. A copy of the Investment Policy may be obtained from the City Treasurer-Clerk's Office or the City's website.

At the end of Fiscal Year 2023, the portfolio had an effective duration of 2.37 years and an asset mix as follows:

US Treasuries/Government Guaranteed	9.7%
Government Agencies/Instrumentalities	13.7%
Corporate Notes	16.4%
Municipals	6.4%
FNMA/FHLMC MBS	2.7%
Commercial Paper	0%
Investment Pools	5.1%
Externally Managed Fixed Income Accounts	45.7%
Cash	0.3%

The policy allows for limited investment in derivative products. Derivative products must have a stated final maturity date at purchase of no longer than 5 years; must mature at par value; and the securities of the issuer must otherwise be authorized investments of the City under the Investment Policy. The Investment Policy specifically prohibits reverse repurchase agreements and inverse floating rate notes.

CONTINUING DISCLOSURE

The City will deliver a certificate dated as of the date of issuance of the Series 2024 Bonds (herein, the "Continuing Disclosure Certificate") for the benefit of the registered and beneficial owners of the Series 2024 Bonds to provide certain financial information relating to the City, the Guaranteed Entitlement Revenues, the Half-Cent Sales Tax Revenues, the Public Service Tax Revenues and the Local Communications Service Tax by March 31 of the year following the end of each fiscal year of the City, commencing with the City's fiscal year ended September 30, 2023 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The City has appointed Digital Assurance Certification LLC, as Dissemination Agent on behalf of the City. The Annual Report and any notices of enumerated events will be filed by the City with the Dissemination Agent, which will file the same with the Municipal Securities Rulemaking Board ("MSRB"). The specific nature of the information to be contained in the Annual Report or the notices of enumerated events are set forth in "APPENDIX E -- FORM OF CONTINUING

DISCLOSURE CERTIFICATE" attached hereto. These covenants have been made in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule"). The City has materially complied with all of its continuing disclosure undertakings pursuant to the Rule during the past five years, except that information regarding several private placement financings, although referenced in the City's Annual Report to Bondholders provided for each Fiscal Year, was inadvertently not timely disseminated to the market; this information was provided again to the market in December 2023. The City has taken the following steps to ensure that all annual reports and ratings reports are timely filed: the City Treasurer-Clerk's Office will check with the Accounting Services Division on a regular basis at the beginning of each March to ascertain the status of issuing the audited financial statements. On or about March 25 of each year, the City Treasurer-Clerk's Office will decide whether the audited financial statements or unaudited financial statements will be provided by March 28. If the latter is to occur, audited financial statements will subsequently be filed in a timely manner when available. The City will also post notice of the incurrence of any future private placement indebtedness unless notified by its disclosure counsel that such is not necessary under the Rule.

The City has aggressively managed its debt program and sought opportunities to expand the market for its bonds and reduce its financing costs. In 1991, the City published its first Annual Report to Bondholders, which it made available to the rating agencies, repositories and current debt holders. The report is designed to provide interested parties with current financial, demographic, operational and planning information about the City and its utilities. Copies may be obtained by contacting the Office of the City Treasurer-Clerk at (850) 891-8130, or by accessing the City's web site at www.talgov.com, under the Treasurer-Clerk's Department.

OPEB AND PENSION OBLIGATIONS

Other Post-Employment Benefits

Information with respect to the City's obligations with respect to post-employment healthcare and non-pension benefits, commonly referred to as "other post-employment benefits" or "OPEB", is provided in "EXHIBIT B -- Excerpts of Audited Basic Financial Statements of the City for the Fiscal Year ended September 30, 2023" herein.

Pension Plan

The City maintains defined benefit pension plans for firefighters, police officers and general employees. See "APPENDIX B -- Excerpts of Audited Basic Financial Statements of the City for the Fiscal Year ended September 30, 2023" for additional information regarding the plans and their funding.

UNDERWRITING

The Series 2024 Bonds are being purchased by RBC Capital Markets, LLC, Raymond James & Associates, Inc., and Siebert Williams Shank & Co., LLC (collectively, the "Underwriters"), subject to certain terms and conditions set forth in a Contract of Purchase between the City and the Underwriters, including the approval of certain legal matters by Bond Counsel

and the existence of no material adverse change in the City's financial condition from that set forth in this Official Statement.

The aggregate purchase price payable by the Underwriters is \$_____ (representing the principal amount of the Series 2024 Bonds, less an Underwriters' discount of \$_____, plus net original issue premium of \$_____). The Series 2024 Bonds are offered for sale to the public at the prices or yields set forth on the inside cover page of this Official Statement. The Series 2024 Bonds may be offered and sold to certain dealers at prices lower than such offering prices or yields higher than the offering yields, and such public offering prices and yields may be changed, from time to time, by the Underwriters.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the City and their affiliates in connection with such activities. In the course of their various business activities, the Underwriters and their affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or personal and entities with relationships with the City. The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

CONTINGENT FEES

The City has retained Bond Counsel, the Financial Advisor, the Underwriters, Disclosure Counsel and the Registrar and Paying Agent, with respect to the authorization, sale, execution and delivery of the Series 2024 Bonds. Payment of the fees of such professionals are each contingent upon the issuance of the Series 2024 Bonds.

FINANCIAL ADVISOR

PFM Financial Advisors LLC, Orlando, Florida, is serving as financial advisor (the "Financial Advisor") to the City. The Financial Advisor has assisted in the preparation of the Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2024 Bonds, and has provided additional advice. PFM Financial Advisors LLC is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading of municipal securities or any other negotiable instruments.

RISK MANAGEMENT

General

The City's risk management program provides for coverage of all potential claims either through transfer of those risks to a third party insurance carrier or through an actuarially funded self-insurance program. The City self-insures general liability, automobile liability, workers' compensation claims and employee practice liability. Other risks are covered through various forms of insurance. All departments are charged with their pro rata share of costs and expenses based upon actual losses and overall risk assumed. The self-insurance program is actuarially reviewed annually.

Climate Change Issues

Numerous scientific studies on climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events like Hurricane Michael will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. Sea levels will continue to rise in the future due to the increasing temperature of the oceans causing thermal expansion and growing ocean volume from glaciers and ice caps melting into the ocean. Areas like the City are at risk of substantial flood damage over time, affecting private development and public infrastructure, including roads, utilities, emergency services, schools, and parks. As a result, the City could lose considerable tax revenues and many residents, businesses, and governmental operations could be displaced. However, the City is unable to predict whether sea level rise or other impacts of climate change or flooding from another major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the business operations or financial condition of the City or the Pledged Revenues.

Cybersecurity

Computer networks and systems used for data transmission and collection are vital to the efficient operations of the City. City systems provide support to departmental operations and constituent services by collecting and storing sensitive data, including intellectual property, security information, proprietary business process information, information applying to suppliers and business partners, and personally identifiable information of customers, constituents and employees. The secure processing, maintenance and transmission of this information is critical to department operations and the provision of citizen services. Increasingly, governmental entities are being targeted by cyberattacks (including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems) seeking to obtain confidential data or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities and avenues that attackers/hackers can exploit in attempts to cause breaches or service disruptions. Employee error and/or malfeasance may also contribute to data loss or other system disruptions. Additionally, the City's computer networks and systems routinely interface and rely on third party systems that are also subject to the risks previously described. Any such breach could compromise networks and the confidentiality, integrity and availability of systems and the information stored there. The potential disruptions, access, modification, disclosure or destruction of data could result in interruption of the efficiency of City commerce,

initiation of legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruptions in operations and the services provided, and the loss of confidence in City operations. The City purchases Cyber Liability and Commercial Crime policies to address the above-referenced risks. The Cyber Liability policy provides the City with coverage for first party response and expense costs such as forensic analysis, expert cyber response counsel, public relations, business interruption and data recovery. This policy also provides liability coverage for damages as a result of a malicious act. The Commercial Crime policy provides coverage for direct loss by the City. In addition to these policies, the City's property insurance supplies limited coverage for physical loss to hardware and coverage for any resulting damage to property as a result of a malicious act. The City has also been updating insurance requirements for solicitations to require Cyber Liability insurance for contracts where appropriate.

The City from a holistic view focuses on five specific areas surrounding cyber-defense. These areas include infrastructural resilience and reliability through current platforms and consistent security patching, encryption of data while in transit and while at rest, replicated reliable backups through network segmentation and validation, promotion of a security-centered culture, and the use of network segmentation and defense-in-depth through which the use of multiple robust firewall solutions enhance endpoint notification and protection of the City's assets. The City has also enhanced its email protection through software that is capable of alerting and mitigation of threats that resemble malware and phishing attempts while deploying enhanced endpoint protection. Finally, the City has partnered with DHS-Cybersecurity and Infrastructure Security Agency for an annual evaluation of infrastructure security, industry best practices, penetration testing, and user vulnerability and education training. However, no assurances can be given that any cyberattacks, if successful, will not have a material adverse effect on the operations of the City.

In April 2019, the City suffered a security breach of its payroll environment, whereby several City employees did not receive their payroll direct deposits. To address the issue, the City took the precautionary measures to build a more secure cybersecurity-based program surrounding its cloud-based applications. In a collaborative effort with the vendor, an additional robust security solution was put in place to provide greater security access filtering, with advanced logging. The password guidelines were updated to align with industry best practice, incorporating enhanced length and complexity requirements, and introducing a regular update cycle. Additionally, the City no longer will utilize a vendor-based VPN solution; all vendors must utilize a City-approved monitored VPN solution for greater accountability of user access. Currently, the City has contracted with a 3rd party vendor for penetration testing to identify potential vulnerability within the payroll environment. The City also activated an alert within the payroll systems that will notify all active users of changes surrounding any banking information relative to their accounts. Finally, the City is completing all current patching and formalizing encryption at rest and in transit. After application of insurance and recovery efforts, the City's net loss as a result of the breach was approximately \$70,000.

In December 2020 a vulnerability within SolarWinds Orion was found. During the investigation a campaign to insert malicious code into legitimate software affecting thousands of customers was discovered. The City took immediate action and coordinated a response by immediately applying a patch and disconnecting the SolarWinds Orion system from the City network. In 2021, the City successfully coordinated a response to mitigate an attempted ransomware attack known as the Kaseya event. The City successfully detected an attempt to utilize

a supply chain vulnerability to attempt to infect the City's systems with ransomware. An incident response team was created in response to this event and the impact to the City was minimal.

The City suffered an additional cyber incident in March 2024 when an unauthorized party posing as a City vendor received payment for certain City invoices totaling over \$1 million. Investigation of the incident is still ongoing, and the City suffered no system damage as a result of the incident.

No assurances can be given that any future cyberattacks, if successful, will not have a material adverse effect on the operations of the City.

LITIGATION

There is no litigation of any nature now pending or, to the best knowledge of the City, threatened against the City which, in the opinion of the City Attorney, will have any material effect on the Pledged Revenues. There are no judicial, administrative or regulatory proceedings pending or, to the best knowledge of the City, threatened against the City which, in the opinion of the City, may significantly affect the City's ability to perform its obligations to the Holders of the Series 2024 Bonds or result in a redemption or prepayment of the Series 2024 Bonds.

At the time of the delivery of the Series 2024 Bonds, the City will deliver a certificate to the effect that no litigation or other proceedings are pending or, to the best knowledge of the City, threatened against the City in any way (i) restraining or enjoining the issuance, sale or delivery of the Series 2024 Bonds, (ii) questioning or affecting the validity of said Series 2024 Bonds or any proceedings of the City taken with respect to the authorization, sale, execution or issuance of the Series 2024 Bonds or of the pledge of any moneys or other security provided for the Series 2024 Bonds, or (iii) challenging the receipt of the Pledged Revenues or the pledge thereof to secure the Series 2024 Bonds.

The City is currently actively engaged in numerous lawsuits unrelated to the Pledged Revenues or which would have an immaterial effect thereon. These include cases where the redress sought is for other than monetary damages, that is, mandamus, injunction, declaratory relief and cases for which the City has insurance or is named as a nominal defendant. The City Attorney is of the opinion that the possible exposure resulting from any ultimate resolution of litigation in which the City is a defendant would not have a material adverse economic effect upon the City or the Pledged Revenues. The City is self-insured with respect to certain general liability, automobile, workers' compensation claims and employee health coverages. See "RISK MANAGEMENT" herein.

ENFORCEABILITY OF REMEDIES

The remedies available to the Holders of the Series 2024 Bonds upon an event of default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code, the remedies specified by the Federal Bankruptcy Code, the Resolution, and the Series 2024 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series

2024 Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2024 Bonds.

RATINGS

Moody's Investor's Service has assigned a rating of "Aa2" (stable outlook) and Fitch Ratings, Inc. has assigned a rating of "AA+" (stable outlook), to the Series 2024 Bonds, based upon the pledge of the Pledged Revenues. Such rating reflects only the views of such organizations and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant.

TAX MATTERS

General

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2024 Bonds in order that interest on the Series 2024 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2024 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2024 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2024 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The City has covenanted in the Resolution with respect to the Series 2024 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2024 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2024 Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2024 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Series 2024 Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Code.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2024 Bonds. Prospective purchasers of Series 2024 Bonds should be aware that the ownership of Series 2024 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to

purchase or carry Series 2024 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2024 Bonds; (iii) the inclusion of interest on Series 2024 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2024 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2024 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the City, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2024 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2024 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE SERIES 2024 BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE SERIES 2024 BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2024 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2024 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2024 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2024 Bonds and proceeds from the sale of the Series 2024 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2024 Bonds. This withholding generally applies if the owner of Series 2024 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2024 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

Other Tax Matters

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2024 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2024 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2024 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2024 Bonds.

Prospective purchasers of the Series 2024 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2024 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the maturity amount of the Series 2024 Bonds maturing on _____ 1 of the years _____ and _____ (collectively, the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and, if applicable, interest rate, was sold is "original issue discount." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds, and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

Tax Treatment of Bond Premium

The difference between the principal amount of the Series 2024 Bonds maturing on _____ (collectively, the "Premium Bonds") and the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds of the same maturity and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax

purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on the Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Premium Bonds. Premium Bondholders are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the validity of the Series 2024 Bonds, including their legality and enforceability and the exclusion of interest on the Series 2024 Bonds from gross income for federal income tax purposes, are subject to the approval of Bryant Miller Olive P.A., Tallahassee, Florida, Bond Counsel, whose opinion will be delivered with the Series 2024 Bonds. Certain legal matters will be passed upon for the City by Amy M. Toman, Esq., City Attorney and Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Disclosure Counsel, whose opinions will be delivered with the Series 2024 Bonds.

The proposed text of the separate legal opinion of Bond Counsel is set forth as "APPENDIX D -- FORM OF BOND COUNSEL OPINION". The actual legal opinion to be delivered may vary from the text of APPENDIX D, if necessary, to reflect facts and law on the date of delivery of the Series 2024 Bonds. The opinion will speak only as of its date and subsequent distribution of it by recirculation of this Official Statement or otherwise shall not create any implication that subsequent to the date of the opinion Bond Counsel has affirmed its opinion.

The opinion of Bond Counsel will be limited to matters relating to the authorization, legality and enforceability of the Series 2024 Bonds and the tax-exempt status of interest thereon, as described under "TAX MATTERS," and will make no statement regarding the accuracy and completeness of this Official Statement.

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances, including changes in law that may thereafter occur or become effective.

The legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL STATEMENTS

The Financial Statements of the City for the Fiscal Year ended September 30, 2023 have been presented to the City by MSL, P.A., independent certified public accountants (the "Auditors"), as set forth in APPENDIX B, but have not been finalized yet or accepted by the City as of the date hereof. While the City does not expect the final audited financial statements to differ materially from the unaudited statements included in Appendix B, no assurance can be given that changes will not be made. The final audited Fiscal Year 2023 financial statements are expected to be completed by June 2023. The Auditors have not participated in the preparation of or review of this Official Statement. The financial statements are attached hereto as a matter of public record. Such financial statements speak only as of September 30, 2023. The consent of the Auditors has not been sought. See "APPENDIX B -- EXCERPTS OF UNAUDITED BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023."

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Florida law requires the City to make a full and fair disclosure of any bonds or other debt obligations which it has issued or guaranteed and which are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served as a conduit issuer). The City is not and has not been in default as to principal and interest on bonds or other debt obligations, which it has issued as the principal obligor.

The City may serve as a conduit issuer of private activity bonds for purposes such as housing, industrial development, education and health care. Defaults may have occurred in connection with some of those private activity bonds; however, such defaults affect only the defaulted issues and will have no effect on the payment of the Series 2024 Bonds. The City has only a limited obligation to pay such bonds from the payments made by the underlying obligors with respect to such issues. Defaults, if any, relating to such conduit bonds are not material with regard to the Series 2024 Bonds.

CERTIFICATE CONCERNING THIS OFFICIAL STATEMENT

Concurrently with the delivery of the Series 2024 Bonds, City officials will furnish a certificate to the effect that, to the best of their knowledge, this Official Statement, as of its date and as of the date of delivery of the Series 2024 Bonds (other than the "information in this Official Statement under the headings "DESCRIPTION OF THE SERIES 2024 BONDS – Book-Entry-Only System" and "UNDERWRITING", as to which no certification will be made by the City), does not contain an untrue statement of a material fact and does not omit to state a material fact which should be included in this Official Statement for the purpose for which this Official Statement is to be used, or which is necessary to make the statements contained in this Official Statement, in light of the circumstances in which they were made, not misleading.

MISCELLANEOUS

This Official Statement is not to be construed as a contract with the purchasers of the Series 2024 Bonds. The references, excerpts and summaries of all documents referred to in this Official Statement do not purport to be complete statements of the provisions of such documents, and

potential investors should refer to all such documents for full and complete statements of all matters relating to the Series 2024 Bonds, the security for the payment of the Series 2024 Bonds and the rights and obligations of the owners of the Series 2024 Bonds. The information set forth in this Official Statement has been obtained from the City and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by the City, and is not to be construed as a representation of the City or the Underwriters. The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made shall under any circumstances create any implication that there has been no change in the matters referred to in this Official Statement since its date.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

AUTHORIZATION OF OFFICIAL STATEMENT

This Official Statement has been duly executed and delivered by the Mayor and City Treasurer-Clerk of the City of Tallahassee, Florida.

CITY OF TALLAHASSEE, FLORIDA

By: _____
Mayor

By: _____
City Treasurer-Clerk

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

CITY OF TALLAHASSEE GENERAL INFORMATION AND ECONOMIC DATA

General

The City of Tallahassee (hereinafter referred to as "Tallahassee" or the "City") was incorporated in 1825 following a decision by the Legislature to locate the capital of the new Florida Territory midway between the population centers of St. Augustine and Pensacola. The capital city of Florida, Tallahassee is located in the north central portion (the panhandle or the big bend area) of Florida, midway between Jacksonville and Pensacola. The Georgia state line is less than 20 miles to the north, and the Gulf of Mexico is 25 miles to the south at St. Marks, Florida on Apalachee Bay. The City covers an area of 105.20 square miles.

Since 1919, when the State Legislature passed the Charter Act, the City has been governed by a modified Commission-Manager form of government with five Commissioners, each selected at-large for four-year, overlapping terms. Until 1996, when the Charter was amended to provide for direct election of a Mayor with four Commissioners, the position of Mayor rotated annually among the Commissioners. The City Manager, the City Treasurer-Clerk, the City Auditor, and the City Attorney are appointed by the City Commission. Collectively, the appointed officials are responsible for all administrative functions of the government, with most of the administrative and operations functions falling under the purview of the City Manager. The remaining administrative functions are the responsibility of the other appointed officials as indicated by their titles.

Tallahassee, the county seat, is the only incorporated municipality in Leon County, Florida (the "County"), and is located approximately in the center of the County. With an estimated 2023 population of 202,000, Tallahassee is the largest city in the Tallahassee Metropolitan Statistical Area ("MSA"), which consists of Leon, Gadsden, Jefferson, and Wakulla counties.

The City is a full-service city providing citizens with a full complement of municipal services, including public safety (fire and police), construction and maintenance of streets and sidewalks, stormwater management, recreation, planning and zoning, and general administrative services.

The City owns and operates five utilities, including an electric generation, transmission and distribution system; a natural gas distribution system; a water production and distribution system; a sewage collection and treatment system; and a stormwater drainage utility system. Additional enterprise activities owned and operated by the City include the Tallahassee International Airport and a public transit system.

The Tallahassee economy has grown moderately over the past several years, with increasing elements of diversification. The COVID-19 pandemic did have a meaningful impact on unemployment; however, Leon County and the State of Florida have seen unemployment rates return to pre-pandemic levels. The major economic factor historically has been the State government. The City serves as an educational center, with three institutions of higher learning, and as the financial, trade and health center for a surrounding 13-county geographic region.

Climate/Geography

Tallahassee has the mild, moist climate characteristic of the states located on the Gulf of Mexico and experiences a subtropical summer similar to the rest of Florida. In contrast to the Florida peninsula itself, the panhandle (which includes Tallahassee) experiences four seasons.

Tallahassee's rolling landscape, typical of regions further north, is unique among the major cities of Florida. Some areas of the County exceed elevations of 200 feet. However, south of the City, the hills yield to the terrain that is typical in the rest of Florida. The northern portion of the County consists of a thick layer of sand, silt and clay overlying limestone forms, while most of the southern area is characterized by flat, sandy lowlands.

The Tallahassee-Leon County area possesses excellent wildlife reserves located in the terrain north of Tallahassee and in the Apalachicola National Forest south of Tallahassee. Numerous lakes are available for freshwater fishing, including Lake Iamonia, Lake Jackson, Lake Miccosukee and Lake Talquin.

Population

The 2020 American Community Survey (the "Survey") results show a racially diverse community, with minorities accounting for 42% of the Leon County population. The population of the City of Tallahassee is young, with a median age of 27.6 years. Tallahassee residents have historically attained a comparatively high level of education. According to the Survey, 49.9% of City residents age 25 or older have completed at least four years of college, compared to 32.3% for the State of Florida. These population characteristics largely reflect the influence of the two major universities, a large community college, State government, and the resulting high level of professional employment.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

The City and the County have generally experienced and are expected to continue to experience a steady increase in population as depicted in the following table:

Population

Year	Tallahassee		Leon County		Florida		United States	
	Population	Annual Change	Population	Annual Change	Population	Annual Change	Population	Annual Change
1960	48,174 ⁽¹⁾	5.9%	74,225 ⁽¹⁾	3.7%	4,952,000 ⁽¹⁾	6.0%	179,323,000 ⁽¹⁾	1.7%
1970	72,624 ⁽¹⁾	4.2	103,047 ⁽¹⁾	3.3	6,791,000 ⁽¹⁾	3.2	203,304,000 ⁽¹⁾	1.3
1980	81,548 ⁽¹⁾	1.2	148,655 ⁽¹⁾	3.7	9,740,000 ⁽¹⁾	3.7	226,505,000 ⁽¹⁾	1.1
1990	124,773 ⁽¹⁾	5.3	192,493 ⁽¹⁾	2.6	12,938,000 ⁽¹⁾	3.3	248,710,000 ⁽¹⁾	1.0
2000	150,624 ⁽¹⁾	1.9	239,452 ⁽¹⁾	2.2	15,982,400 ⁽¹⁾	2.1	281,422,500 ⁽¹⁾	1.2
2010	181,376 ⁽¹⁾	0.6	275,487 ⁽¹⁾	1.4	18,801,310 ⁽¹⁾	1.8	308,745,500 ⁽¹⁾	0.9
2020	196,169 ⁽³⁾	0.8	292,198 ⁽²⁾	0.6	21,538,187 ⁽²⁾	1.4	331,449,300 ⁽¹⁾	0.7
2023	201,833 ⁽³⁾	0.9	301,724 ⁽³⁾	1.1	22,624,867 ⁽²⁾	1.7	334,906,000 ⁽¹⁾	0.3
2030	217,800 ⁽³⁾	1.0	332,200 ⁽²⁾	0.8	24,471,100 ⁽²⁾	1.3	345,074,000 ⁽¹⁾	0.4
2040	230,700 ⁽³⁾	0.6	332,200 ⁽²⁾	0.4	26,405,500 ⁽²⁾	0.8	355,309,000 ⁽¹⁾	0.3

Source:

- (1) U.S. Census Report.
- (2) University of Florida's Bureau of Economic and Business Research.
- (3) Tallahassee/Leon County Planning Department.

Employment

Tallahassee's employment is non-agrarian in nature and heavily oriented toward governmental employment. Historically, this concentration of government employment, representing 31% of all non-agricultural Tallahassee metro area employment in 2022, has helped to keep unemployment relatively low. In addition, due to government employment which calls for large numbers of professional and white-collar employees, Tallahassee and Leon County enjoy relatively high-income levels, especially when compared to surrounding counties. In the Capital Region (Gadsden, Leon, and Wakulla counties), Professional and Business Services, Education and Health Services, and Leisure and Hospitality are projected to create the most jobs while Professional and Business Services is expected to experience the largest annual percentage growth in employment by major industry between 2024 and 2032.

In 2023, the State government employment was 44,700 for the Tallahassee metro area, about 23% of total employment. Since 1990, annual average State employment has only fluctuated between 39,000 and 45,900 with a median value of 44,400.

In an effort to diversify the area's economy, the local government and the Chamber of Commerce work closely together to attract additional employers to the area and to assist the expansion of existing local industries. The City and the County jointly market Tallahassee's economic advantages – research and high technology, healthcare providers and human resources – focusing on companies in financial services, education, technology, light manufacturing, distribution and healthcare. In 2016, the Tallahassee-Leon County Blueprint Intergovernmental Agency, whose governing board consists of all of the elected officials of both the Tallahassee City Commission and the Leon County Commission, became the lead agency for economic

development for the area, replacing the former Economic Development Council. The Office of Economic Vitality under Planning, Land Management and Community Enhancement (PLACE), the department that administers the workings of the Intergovernmental Agency, coordinates a variety of public and private organizations to attract and grow new businesses within Leon County.

The City's employment base has provided its citizens with an economic environment which historically has been insulated from national economic trends. As a result, the City and the County have been able to maintain an unemployment rate that is often substantially below the State of Florida and United States averages as shown in the table below. Since these rates are annual averages, they are not seasonally adjusted. As of December 2023, both Leon County and the State of Florida unemployment rates were below 3%:

Average Annual Unemployment Rate

Year	Leon County	Florida	United States
2014	5.7%	6.5%	6.2%
2015	5.1	5.5	5.2
2016	4.6	4.9	4.9
2017	4.0	4.3	4.4
2018	3.5	3.6	3.9
2019	3.2	3.2	3.7
2020	6.2	8.2	8.1
2021	4.3	4.7	5.4
2022	3.0	2.9	3.7
2023	3.0	2.8	3.6

Source: Department of Economic Opportunity, Labor Market Statistics, Local Area Unemployment Statistics, U.S. Department of Labor, Bureau of Labor Statistics.

(REMAINDER OF PAGE INTENTIONALLY LEFT BLANK)

The table below depicts the employment distribution within the Tallahassee MSA.

Employment Distribution

	2023	Percent
State Government,	45,900	22.61%
Trade, Transportation & Utilities	28,600	14.09
Professional and Business Services	27,800	13.69
Private Education and Health Services	27,300	13.45
Leisure and Hospitality	21,500	10.59
Local Government	14,300	7.04
Mining, Logging and Construction	9,400	4.63
Other Services	9,300	4.58
Financial Activities	8,500	4.19
Manufacturing	4,100	2.02
Information	4,000	1.97
Federal Government	2,300	1.13
TOTAL	203,000	100%

Source: Department of Economic Opportunity, Labor Market Statistics, Current Employment Statistics.

Note: The above figures are for non-agricultural employment and do not include self-employed, unpaid family or domestic personnel.

Local Economy

As the largest city in north-central Florida, Tallahassee has naturally assumed the role as a regional trade center. Located just 20 miles south of the Georgia state line, this regional trading activity encompasses the County as well as four (4) south Georgia counties and eight (8) surrounding north Florida counties.

The presence of two state universities, a community college and the state government provides a stabilizing influence. Unemployment is the lowest it has been since 2014, and the County's unemployment has consistently been lower than both the state and national levels.

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. The cost of a college education has come under more scrutiny of late, and reductions in college funding could negatively impact the City as a result. However, tuition at the state universities remains affordable compared to most 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 as well as helping existing businesses remain in the City. This is highlighted by the increasing number of new developments that have occurred throughout the City. New subdivisions continue their construction of single family homes in the City's northeast, northwest and east

sectors as well as on the south side. Construction of new apartment complexes is planned or underway in Midtown, downtown and on the west, southeast and south sides, with new condominium units planned in the western and eastern parts of the community.

Taxpayers

The following table shows the top ten principal taxpayers in the City for the Fiscal Year ending September 30, 2023.

**City of Tallahassee, Florida
Principal Taxpayers
Fiscal Year 2023
(in thousands)**

Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable
Smith Interest General Partnership	\$173,517	1.10%
Capital Regional Medical Center	109,267	0.69%
510 West Virginia Street	82,136	0.52%
District Joint Venture, LLC	76,443	0.48%
Florida Power & Light CO	68,453	0.43%
Tallahassee Westcott LLC	56,280	0.35%
Grove Park Apartments LLC	55,941	0.35%
Woodlands of Tallahassee LLC	54,024	0.34%
CX Evergreens at Mahan DST	51,701	0.32%
Comcast	47,083	0.29%
Total	\$774,845	4.87%

Source: Leon County Property Appraiser.

Education

The largest and oldest university in the City is Florida State University ("FSU"), which was founded in 1851 and is the home of the Florida State University Seminoles. FSU is known for its outstanding programs in business, education, fine arts, law, and natural sciences. A medical school was created in June 2000.

Tallahassee is also home to the Florida Agricultural and Mechanical University ("FAMU"), which was founded in 1887 and is the home of the FAMU Rattlers. Programs offered at FAMU have received recognition in the fields of architecture, agriculture, and pharmacy.

Tallahassee Community College ("TCC") offers the same curriculum for college transfer as that offered at the universities for the first two years. Associate degrees are awarded in over 30

fields. In addition, certain local universities have partnered with TCC to offer a small number of bachelor’s degrees that can be earned on the TCC campus.

Enrollment at the universities and the community college is shown in the following table:

**Students Enrolled in
Tallahassee Area Universities and the
Community College**

Year	FSU	FAMU	TCC	Total
2014	41,773	10,233	13,045	65,051
2015	41,473	9,920	12,557	63,950
2016	41,867	9,614	12,500	63,981
2017	41,900	9,909	12,400	64,209
2018	41,717	10,021	12,174	63,912
2019	42,876	9,626	12,134	64,636
2020	43,953	9,184	11,250	64,387
2021	45,493	8,994	12,016	66,503
2022	44,597	9,228	12,000	66,825
2023	43,701	9,215	12,500	65,416

Source: All figures are for Fall semesters. Information provided by registrar for each respective institution.

Medical Facilities

Tallahassee also provides Northwest Florida and South Georgia with extensive medical facilities. There are currently two full service acute care facilities, Tallahassee Memorial Healthcare, Inc. ("TMH") and HCA Florida Capital Hospital ("Capital Hospital"). TMH is a 772-bed hospital founded in 1949; Capital Hospital is a 288-bed facility that began serving patients in 1979. In addition to TMH and Capital Hospital, medical care is provided to the region through outside public and private facilities, including a number of skilled nursing, convalescent and extended care facilities, and a 192,000 square foot Veterans Administration outpatient health care center.

Annexation - Process and History

The City of Tallahassee has had a long history of annexation activity as a means of achieving growth. During its first 150 years, Tallahassee expanded from one-quarter of a square mile in size to 28.18 square miles in 1974. Since 1974, the City Commission has approved nearly 200 annexations, both of developed and undeveloped parcels, to ensure its economic stability and better manage the developing urban area. Fourteen annexations were passed through a double referendum as set forth by Florida law, requiring passage by the majority of the City residents and the residents in the affected area. Since 1990, all but two of the City's annexations occurred when all of the property owners in the affected areas requested incorporation of their property into the City.

Comprehensive Plan

In 1985, the Florida Legislature passed the Local Government Comprehensive Planning and Land Development Regulation Act (the "Planning Act"). This Act required all local governments to develop comprehensive plans designed to plan for and control the impact of growth. As applied to the City, the local plan includes the following elements:

- Future Land Use;
- Transportation;
- Utilities (except electric);
- Economic Development;
- Housing;
- Historic Preservation;
- Conservation;
- Recreation and Open Space;
- Intergovernmental Coordination; and
- Capital Improvements.

All local governmental plans must be fundable, implementable, and consistent with State and regional plans. They must discuss existing facilities, adopt levels of service to be provided and project future demands. The plans have the force of law (mandated by State statute and adopted by local ordinance) and are implemented through local development regulations, local activities and programs, and intergovernmental agreements.

The City originally adopted its Comprehensive Plan (the "Plan") on July 16, 1990. As required by the Act, the Plan was submitted to the State of Florida Department of Community Affairs (the "Department") for consistency review with the State and regional plans and to ensure compliance with all aspects of the Act and adopted rules of the Department. Additionally, pursuant to Section 163.3191, Florida Statutes, "each local government shall adopt an evaluation and appraisal report ("EAR") once every seven years assessing the progress in implementing the local government comprehensive plan." The last EAR for the City and the County was submitted and approved in 2007. Effective beginning in 2011, local governments no longer need to submit evaluation and appraisal reports to the Department for a sufficiency determination. At least every seven years, pursuant to Rule Chapter 73C-49, Florida Administrative Code, the local government determines whether the need exists to amend the comprehensive plan to reflect changes in state requirements since the last time the comprehensive plan was updated. In practice, the Plan is amended as needed, each year, to ensure policies are up to date regarding community issues.

Enforcement of the Plan is achieved through the Land Development Code and other related City policies and procedures. The City is prohibited from issuing permits for new construction or development (residential or commercial) until the City determines that all necessary infrastructure, including utilities, is available at the appropriate levels of service, concurrent with the construction, and that the development of the facility is consistent with all elements of the Plan. The required utilities services include electric service, although it is not necessarily required that such electric service be provided by the City. This requires the City to more accurately project future needs and related capital improvements to ensure maintenance of standards set forth in the Plan.

APPENDIX B

EXCERPTS OF UNAUDITED BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Set forth in this Appendix B are excerpts of the City's Comprehensive Annual Financial Report, including the unaudited Financial Statements of the City for the Fiscal Year ended September 30, 2023. These financial statements are included in this Official Statement as a public document.

THE CONSENT OF THE AUDITORS WAS NOT REQUESTED. THE AUDITORS WERE NOT REQUESTED TO PERFORM AND HAVE NOT PERFORMED ANY SERVICE IN CONNECTION WITH THE OFFERING OF THE SERIES 2024 BONDS, AND ARE THEREFORE NOT ASSOCIATED WITH THE OFFERING OF THE SERIES 2024 BONDS.

[THIS PAGE INTENTIONALLY LEFT BLANK]



FLORIDA'S CAPITAL CITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023



CITY OF TALLAHASSEE

Draft

Draft

CITY OF TALLAHASSEE, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For The Fiscal Year Ended
September 30, 2023**



**CITY OF
TALLAHASSEE**

PREPARED BY:

**Financial Reporting Division
Financial Services Department**

Draft

CITY OF TALLAHASSEE, FLORIDA

CITY COMMISSION

JOHN E. DAILEY, Mayor

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

REESE GOAD, City Manager

CYNTHIA BARBER, Deputy City Manager

CHRISTIAN DOOLIN
Assistant City Manager

WAYNE TEDDER
Assistant City Manager

KAREN JUMONVILLE
Assistant City Manager

ABENA OJETAYO
Assistant City Manager

DENNIS R. SUTTON
Inspector General

JIM COOKE
City Treasurer-Clerk

CASSANDRA JACKSON
City Attorney

**CITY OF TALLAHASSEE, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

TABLE OF CONTENTS

I. Introductory Section	PAGE
Letter of Transmittal.....	8
Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.....	12
Organization Chart.....	13
List of City Officials and Directors.....	14
List of Financial Services Staff.....	15
II. Financial Section	
Independent Auditors' Report.....	18
A. Management's Discussion and Analysis.....	21
B. Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position.....	36
Statement of Activities.....	38
Fund Financial Statements:	
Governmental Funds Financial Statements:	
Balance Sheet.....	41
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	43
Statement of Revenues, Expenditures and Changes in Fund Balance.....	44
Reconciliation of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	45
Proprietary Funds Financial Statements:	
Statement of Net Position.....	46
Statement of Revenues, Expenses and Changes in Net Position.....	48
Statement of Cash Flows.....	50
Fiduciary Funds Financial Statements:	
Statement of Net Position.....	52
Statement of Changes in Net Position.....	53
Notes to Financial Statements:	
Notes to the Financial Statements.....	56
C. Required Supplementary Information (Other than MD&A):	
Budgetary Comparison Schedule - General Fund.....	123
Note to Required Supplementary Information - General Fund.....	124
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - General	125
Schedule of Net Pension Liability by Employer - General Employees.....	126
Schedule of Contributions - General Employees.....	127
Notes to Schedule of Contributions - General Employees.....	127
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - Police Officers.....	127
Schedule of Contributions - Police Officers.....	129
Notes to Schedule of Contributions - Police Officers.....	129
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - Firefighters.....	130
Schedule of Contributions - Firefighters.....	131
Notes to Schedule of Contributions - Firefighters.....	131
Schedule of Investment Returns - Pension Plans.....	132
Schedule of Changes in Net OPEB Liability and Related Ratio.....	133
Schedule of Net OPEB Liability.....	133
Notes to Schedule of Net OPEB Liability.....	133
Schedule of Contributions - OPEB.....	135
Notes to Schedule of Contributions - OPEB.....	134
Schedule of Investment Returns - OPEB.....	136

**CITY OF TALLAHASSEE, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

TABLE OF CONTENTS

CONTENTS

	PAGE
D. Combining Financial Statements:	
Nonmajor Governmental Funds:	
Balance Sheet.....	141
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	143
Nonmajor Enterprise Funds:	
Statement of Net Position.....	146
Statement of Revenues, Expenses, and Changes in Net Position.....	147
Statement of Cash Flows.....	148
Internal Service Funds:	
Statement of Net Position.....	151
Statement of Revenues, Expenses, and Changes in Net Position.....	153
Statement of Cash Flows.....	155
Pension and Other Employee Benefit Trust Funds:	
Statement of Net Position.....	159
Statement of Changes in Net Position.....	160
E. Supplementary Information:	
Capital Bonds, Series 2009.....	163
Capital Bonds, Series 2018.....	164
Capital Bonds, Series 2021.....	165
Capital Bonds, Series 2022.....	166
Energy System Revenue Bonds, Series 2010B	167
Energy System Refunding Revenue Bonds, Series 2017.....	168
Energy System Revenue Bonds, Series 2018.....	169
Energy System Revenue Bonds, Series 2020.....	170
Energy System Refunding Revenue Bonds, Series 2023.....	171
Consolidated Utility System Revenue Bonds, Series 2010A.....	172
Consolidated Utility System Refunding Revenue Bonds, Series 2017.....	173
Consolidated Utility System Revenue Bonds, Series 2018.....	174
Consolidated Utility System Refunding Revenue Bonds, Series 2020.....	175
Consolidated Utility System Refunding Revenue Bonds, Series 2023.....	176
Transportation Improvement Bond, Series 2019.....	177
III. Statistical Section	
Net Position by Component.....	181
Changes in Net Position.....	182
Fund Balances, Governmental Funds.....	186
Changes in Fund Balances, Governmental Funds.....	187
Assessed Value and Estimated Actual Value of Taxable Property.....	188
Direct and Overlapping Property Tax Rates.....	189
Property Tax Levies and Collections.....	190
Assessed Valuations, Millage, and Taxes Levied and Collected.....	191
Ratios of Outstanding Debt by Type.....	192
Ratios of General Bonded Debt Outstanding.....	193
Direct and Overlapping Governmental Activities Debt.....	194
Legal Debt Margin.....	195
Revenue Bond Coverage - Energy Revenue Bonds.....	196
Revenue Bond Coverage - Consolidated Utility Revenue Bonds.....	197
Demographic Statistics	198
Principal Employers.....	199
Full-time Equivalent City Government Employees by Function/Program.....	201
Operating Indicators by Function / Program.....	201

CITY OF TALLAHASSEE, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS

CONTENTS

	PAGE
Capital Asset Statistics by Function/Program.....	203
Miscellaneous Statistical Data.....	203
Schedule of Insurance.....	205
IV. Single Audit and Other Reports	
Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	210
Independent Auditors' 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.....	211
Schedule of Findings and Questioned Costs.....	214
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	216
Schedule of Expenditures of Passenger Facility Charges.....	219
Independent Accountants' Report.....	220
Independent Auditors' Management Letter.....	221

Draft



**CITY OF
TALLAHASSEE**

THIS PAGE INTENTIONALLY LEFT BLANK.

Draft

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 XX, 2024

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

The Annual Comprehensive Financial Report of the City of Tallahassee, Florida, for the fiscal year ended September 30, 2023, 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, 2023. 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 39.2% of the population, with African- Americans comprising 32.5%.

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 2018-2022 American Community Survey 5-year estimates report median family income in Leon County is \$61,317, 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 2023, the unemployment rate was 3.1% in the city as compared to the State's unemployment rate of 2.9%. The percentage of employees employed by local, state, and federal government is approximately 31.05% 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	Unincorporate	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	208,600	98,000	306,600
2030	217,800	99,400	317,200
2035	225,400	100,700	326,100
2040	231,100	101,600	332,700
2045	236,000	102,300	338,300
2050	240,300	103,000	343,300

CONSTRUCTION TRENDS

Residential Construction

Single-family residential building permits in Leon County were up 7% in fiscal year 2023, following a 30% decrease in fiscal year 2022. Permits for multi-family units jumped 81% in fiscal year 2023 following a 46% increase in fiscal year 2022. Year-over-year new multi-family construction can be volatile given the number of units included in each development.

Commercial Development

In fiscal year 2023 nearly \$116 million in new commercial construction was permitted in Leon County, below the approximately \$270 million permitted in fiscal year 2022 (which was fueled by the \$165 million, 634,812 square foot Amazon Fulfillment Center).

Large new commercial construction permits in fiscal year 2023 include a \$39 million, 140,000 square foot Danfoss Turbocor Expansion, a \$23.5 million, 124,000 square foot Amazon warehouse/distribution facility, and a \$10 million, 17,000 square foot Tallahassee Orthopedic Clinic Spine and Joint Replacement Surgical Center.

MILLAGE RATES

As indicated below, the city

enjoys the lowest millage rate of the comparable largest cities in Florida for 2023 and 2022. Tallahassee's low and stable millage rate should act as an incentive to economic growth and stability.

Comparable City	Millage Rate	
	2023	2022
Clearwater	5.89	5.96
Daytona	5.43	5.53
Fort Lauderdale	4.40	4.38
Gainesville	5.5	5.5
Hollywood	7.47	7.47
Lakeland	5.43	5.43
Largo	5.52	5.58
Orlando	6.65	6.65
Pensacola	4.29	4.29
Tallahassee	4.1	4.1
West Palm Beach	8.20	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 2023 operating budget of \$826.8 million and an approved capital budget of \$205.4 million. The Plan for the ensuing five years (including 2023) 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, 2022. 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

Draft



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, 2022

Christopher P. Morill

Executive Director/CEO

THE CITIZENS OF TALLHASSEE



THE CITY COMMISSION



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

CITY OF TALLHASSEE

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



REESE GOAD
 CITY MANAGER



DENNIS R. SUTTON
 INSPECTOR GENERAL



CASSANDRA K. JACKSON
 CITY ATTORNEY



JIM COOKE
 CITY TREASURER-CLERK



CHRISTIAN DOOLIN
 ASSISTANT CITY MANAGER



ABENA OJETAYO
 ASSISTANT CITY MANAGER



CYNTHIA BARBER
 DEPUTY CITY MANAGER



WAYNE TEDDER
 ASSISTANT CITY MANAGER



KAREN JUMONVILLE
 ASSISTANT CITY MANAGER



ANGELA HENDRIETH
 CHIEF DIVERSITY OFFICER
 OFFICE OF DIVERSITY & INCLUSION



TONY GUILLEN
 GENERAL MANAGER
 ELECTRIC & GAS UTILITY



ALISON FARIS
 DIRECTOR
 COMMUNICATIONS



JAMES BARNES
 CHIEF CUSTOMER OFFICER
 CUSTOMER OPERATIONS



PATRICK TWYMAN
 DIRECTOR
 FINANCIAL SERVICES



TIM DAVIS
 DIRECTOR
 TECHNOLOGY & INNOVATION



ROB MCCARRAHAN
 INTERIM DIRECTOR
 HUMAN RESOURCES



KIMBALL THOMAS
 DIRECTOR
 HOUSING & COMMUNITY
 RESILIENCY



ASHLEY EDWARDS
 DIRECTOR
 PARKS, RECREATION
 & NEIGHBORHOOD AFFAIRS



DAVID ODOM
 DIRECTOR
 EPA



DAVID POLLARD
 DIRECTOR
 AVIATION



URIE BRANITLEY
 DIRECTOR
 FACILITIES



JOHN REDDICK
 DIRECTOR
 GROWTH MANAGEMENT



STEVE SHAPER
 DIRECTOR
 TRANSPORTATION, UTILITIES
 & PUBLIC INFRASTRUCTURE



VERONICA MCCRACKIN
 DIRECTOR
 PROCUREMENT



THOMAS WHITLEY
 DIRECTOR
 STRATEGIC INNOVATION



ANGELA BALDWIN
 DIRECTOR
 STREETS



JEFF SHEPARD
 DIRECTOR
 FLEET



LAWRENCE REVELL
 CHIEF OF POLICE



GENE SANDERS
 CHIEF OF FIRE



ARTIE WHITE
 DIRECTOR
 PLACE



JAN AUGER
 GENERAL MANAGER
 ADULT SERVICES



ALISSA MEYERS
 DIRECTOR
 ENVIRONMENTAL SERVICES

Draft

CITY OF TALLAHASSEE, FLORIDA LISTING OF CITY OFFICIALS AND DIRECTORS

Elected Officials

Mayor..... John E. Dailey
Mayor Pro Tem Dianne Williams-Cox
Commissioner Curtis Richardson
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 - Director John Powell
Communications - Director Alison Faris
Community Beautification & Waste Management - Director Reginald Ofuani
Community Redevelopment Agency - Director 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 - Director Alissa Meyers
Financial Services - Director Patrick Twyman
Facilities - Director Ubie Brantley
Fire Chief Gene Sanders
Fleet - Director Jeff Shepard
Golf Courses - General Manager Jan Auger
Grants & Enterprise Resources - Director Roberta McManus
Growth Management - Director John Reddick
Housing & Community Resilience - Director Kimball Thomas
Human Resources - Interim Director Rob McGarrah
Parks, Recreation & Neighborhood Affairs - Director Ashley Edwards
PLACE - Director Artie White
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

Draft

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

Financial Reporting Staff

Linda Caines, CGFM	Lajja Patel, CGFM	Julie Paniucki	Angela Roberts
Emerson Thompson	Latrenda Johnson	Kereen Jones	Josalind Williams
Lynda Hutto	Vernessa McMillon	Siuhang Man	Ben Halvorsen, CPA*
Shenika McNear^	Kristina Seymour^	Kravien White^	

* Tallahassee International Airport Staff
^Grants Management Staff

Draft



**CITY OF
TALLAHASSEE**

THIS PAGE INTENTIONALLY LEFT BLANK.

Draft

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, 2023. 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, 2023 by \$1.9 billion. After accounting for net position reserved for Investment in Capital Assets and for other restrictions, the unrestricted net position is \$(25.0) million.
- The City's total net position increased by \$66.1 million as a result of fiscal year 2023 operations.
- As of September 30, 2023, the City's governmental funds reported combined ending fund balances of \$96.4 million, an increase of \$1.5 million from the prior year. This increase is the result of the current year operating income. 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 \$2.3 million, or 1.4% of general fund expenditures.
- As of September 30, 2023, the City's enterprise funds reported combined net position of \$1.28 billion, an increase of \$72.1 million from the prior year. This increase is the net result from current year operations. Approximately \$134.3 million of the net position is unrestricted.
- Capital assets, net of accumulated depreciation, as of September 30, 2023, totaled \$2.51 billion, a decrease of \$17.5 million in comparison with prior year (Note IV.D.).
- The City's outstanding long-term debt (Note IV.G.) increased from \$1.07 billion to \$1.19 billion, or 11.2%.

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 2023 Statement of Net Position with comparative information for fiscal year 2022.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 126.7	\$ 184.1	\$ 597.0	\$ 691.1	\$ 723.7	\$ 875.2
Capital Assets	788.5	789.3	1,726.4	1,743.1	2,514.9	2,532.4
Total Assets	915.2	973.4	2,323.4	2,434.2	3,238.6	3,407.6
Deferred Outflow of Resources	84.5	71.4	38.5	34.1	123.0	105.5
Total Assets and Deferred Outflows	999.7	1,044.8	2,361.9	2,468.3	3,361.6	3,513.1
Liabilities						
Current and Other Liabilities	259.3	123.9	218.7	210.5	478.0	334.4
Long-term Debt Outstanding	69.7	85.8	785.7	828.9	855.4	914.7
Total Liabilities	329.0	209.7	1,004.4	1,039.4	1,333.4	1,249.1
Deferred Inflows of Resources	42.0	212.5	45.9	177.3	87.9	389.8
Total Liabilities and Deferred Inflows	371.0	422.2	1,050.3	1,216.7	1,421.3	1,638.9
Net Investment in Capital Assets	696.3	653.0	884.4	829.3	1,580.7	1,482.3
Restricted	96.4	94.2	288.3	263.1	384.7	357.3
Unrestricted	(164.0)	(124.6)	139.0	159.2	(25.0)	34.6
Total Net Position	628.7	622.6	1,311.7	1,251.6	1,940.4	1,874.2
Total Liabilities, Deferred Inflows and Net Position	\$ 999.7	\$ 1,044.8	\$ 2,362.0	\$ 2,468.3	\$ 3,361.7	\$ 3,513.1

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 increased from \$1,874.2 million in 2022 to \$1,940.4 million in 2023, an increase of \$66.2 million or 3.53%.

The largest portion of the City's net position, \$1.58 billion or 81.5%, 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, \$384.7 million or 19.8%, 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 a negative unrestricted net position of \$25.0 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 with the exception of the unrestricted net position in governmental activities. This negative net position is primarily as a result of City's net pension and OPEB liabilities and their 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 2023 Statement of Activities with comparative information for fiscal year 2022.

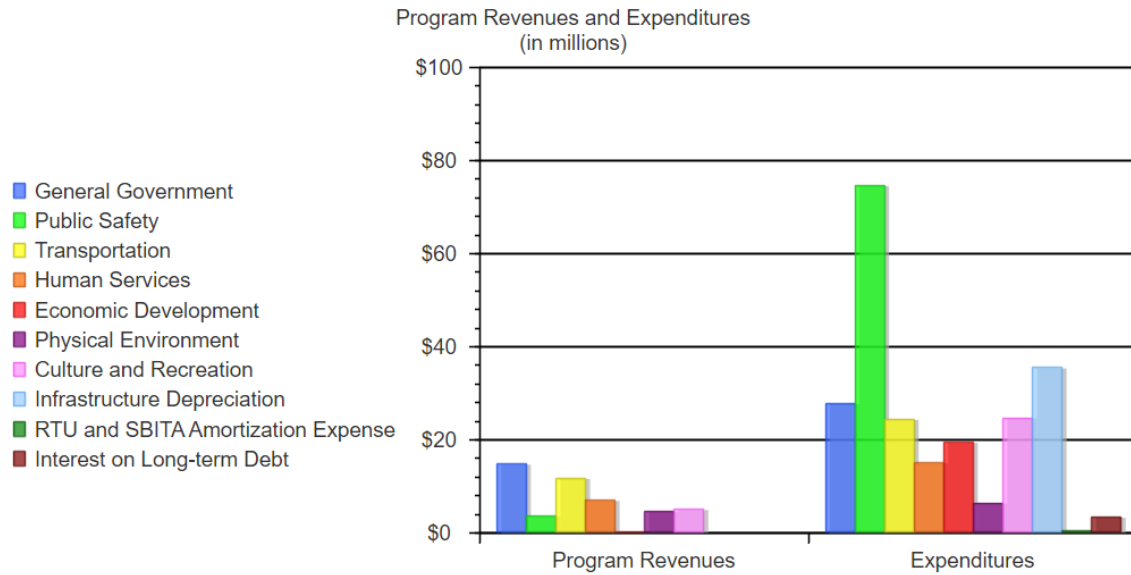
Table 2
Statement of Activities
For the Year Ended September 30
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for Services	\$ 15.8	\$ 16.0	\$ 621.3	\$ 607.4	\$ 637.1	\$ 623.4
Operating Grants and Contributions	23.3	13.5	21.1	9.3	44.4	22.8
Capital Grants and Contributions	8.5	3.6	45.7	37.1	54.2	40.7
General revenues						
Property Taxes	57.9	51.4	-	-	57.9	51.4
Public Service Taxes	25.7	24.8	-	-	25.7	24.8
Grants and Contributions	41.0	40.3	2.1	2.0	43.1	42.3
Net Investment Revenue	3.1	(2.0)	15.2	(44.6)	18.3	(46.6)
Other Revenues	20.1	8.2	(0.7)	2.9	19.4	11.1
Total Revenues	195.4	155.8	704.7	614.1	900.1	769.9
Expenses						
General Government	27.9	21.1	-	-	27.9	21.1
Public Safety	74.7	64.4	-	-	74.7	64.4
Transportation	24.5	16.6	-	-	24.5	16.6
Cultural and Recreation	24.8	23.6	-	-	24.8	23.6
Depreciation on Infrastructure	35.4	35.0	-	-	35.4	35.0
Other Primary Government	41.1	21.8	-	-	41.1	21.8
RTU Amortization Expense	0.3	0.3	-	-	0.3	0.3
SBITA Amortization Expense	0.2	-	-	-	(0.2)	-
Interest on Long-Term Debt	3.5	3.6	-	-	3.5	3.6
Electric	-	-	295.2	292.3	295.2	292.3
Gas	-	-	23.5	24.6	23.5	24.6
Sewer	-	-	78.3	74.2	78.3	74.2
Water	-	-	41.9	40.5	41.9	40.5
Airport	-	-	22.2	21.2	22.2	21.2
StarMetro	-	-	35.1	30.0	35.1	30.0
Solid Waste	-	-	31.5	28.9	31.5	28.9
Golf	-	-	1.4	1.3	1.4	1.3
Stormwater Management	-	-	20.6	20.2	20.6	20.2
Fire Services	-	-	51.9	50.5	51.9	50.5
Total Expenses	232.4	186.4	601.6	583.7	834.0	770.1
Increase (Decrease) in Net Position						
Before Transfers	(37.0)	(30.6)	103.1	30.4	66.1	(0.2)
Transfers	43.1	40.9	(43.1)	(40.9)	-	-
Increase (Decrease) in Net Position						
From Operations	6.1	10.3	60.0	(10.5)	66.1	(0.2)
Net Position - October 1	622.6	612.3	1,251.6	1,262.1	1,874.2	1,874.4
Net Position - September 30	\$ 628.7	\$ 622.6	\$ 1,311.6	\$ 1,251.6	\$ 1,940.3	\$ 1,874.2

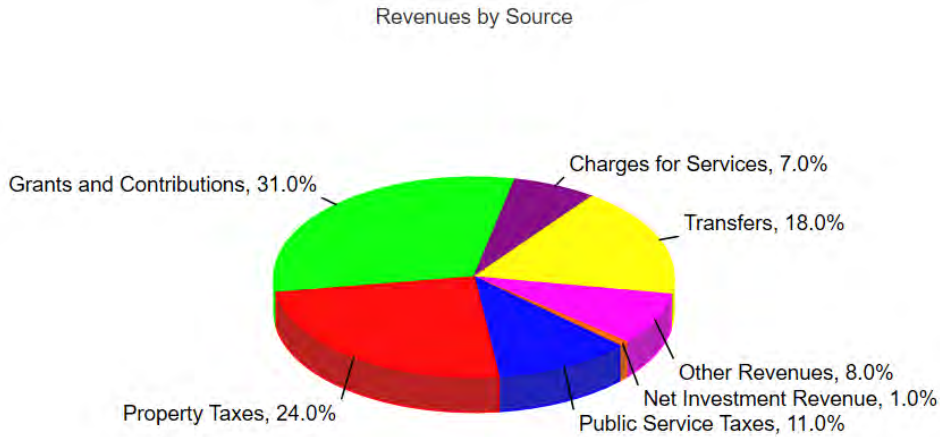
GOVERNMENTAL ACTIVITIES

During the fiscal year, net position for governmental activities increased \$6.1 million for current year operations resulting in an ending balance of \$628.7 million.

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

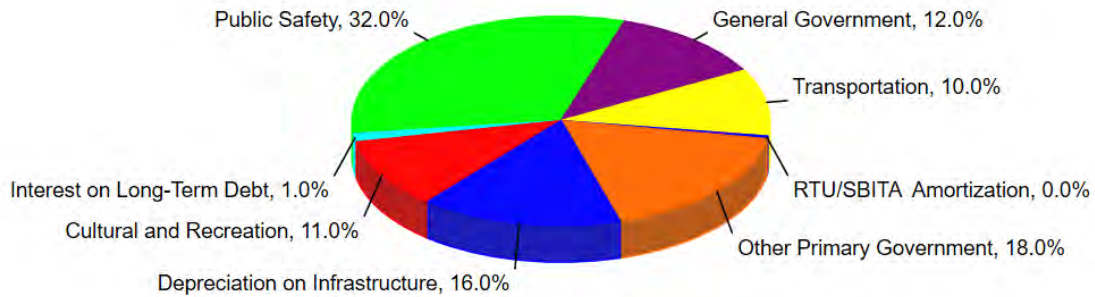


The following chart illustrates the City's revenues by source for the City's governmental activities.



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

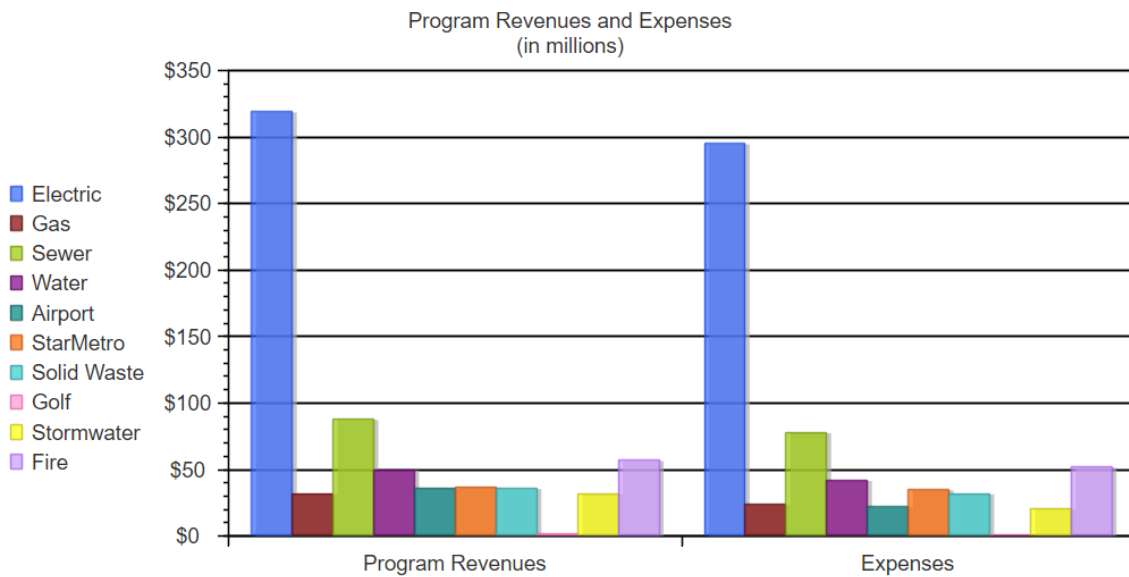
Expenditures by Function



BUSINESS-TYPE ACTIVITIES

For the City's Business-type activities, the results for the current fiscal year were negative resulting in an ending net position of \$1.31 billion. The increase of \$60.1 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, 2023, the City's governmental funds reported combined ending fund balances of \$96.4 million, an increase of \$1.5 million in comparison with the prior year. This an increase is the result of current year operations. Of this amount \$13.6 million is considered non-spendable; \$39.3 million is restricted for purposes which are externally imposed by providers; \$54.8 million is committed for specific purposes that are internally imposed by the City Commission; \$1.2 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 \$12.5 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)

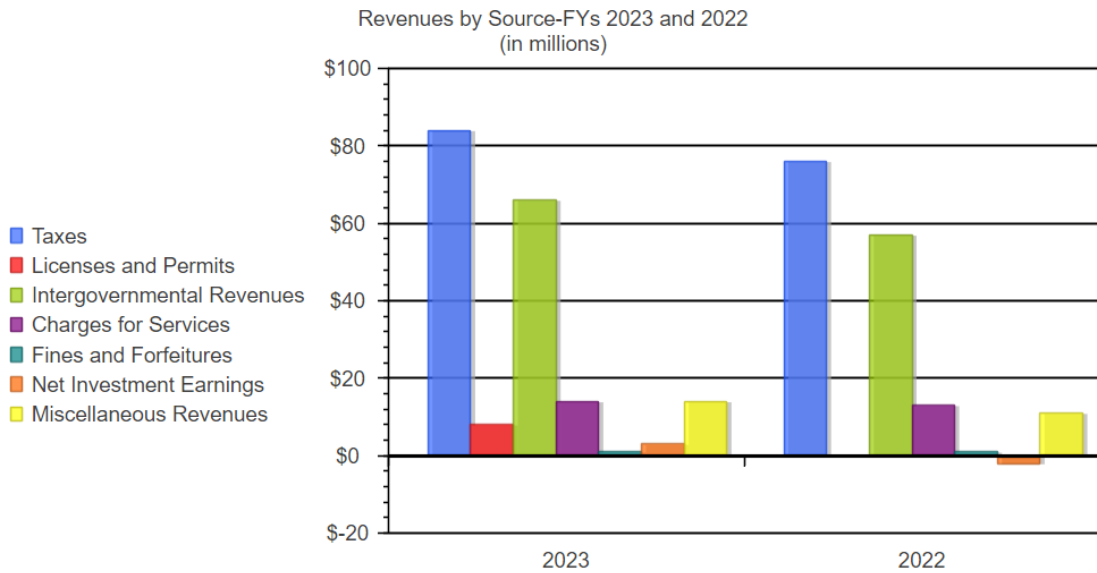
Fund	Fund Balances 9/30/2022	Sources	Uses	Sources Over (Under) Uses	Fund Balances 9/30/2023
General Fund	\$ 24.8	\$ 185.6	\$ 180.3	\$ 5.3	\$ 30.1
Other Funds	70.1	72.0	75.9	(3.9)	66.2
Total City Funds	<u>\$ 94.9</u>	<u>\$ 257.6</u>	<u>\$ 256.2</u>	<u>\$ 1.4</u>	<u>\$ 96.3</u>

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 \$30.1 million, or 16.7% of general fund expenditures and other financing uses. Of this amount, \$1.7 million is non-spendable and \$2.3 million is unassigned.

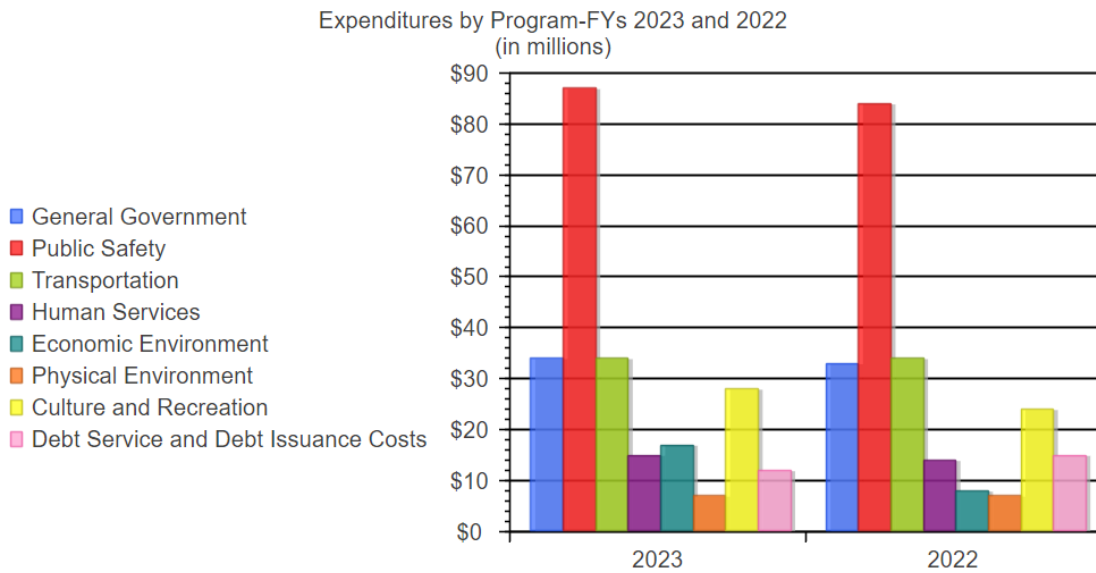
The fund balance for the City's General Fund increased \$5.3 million during fiscal year 2023. This increase is due to current year operations.

The fund balance in the City's other nonmajor governmental funds decreased \$3.9 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 on the Public Safety Complex project that will be bond funded in fiscal year 2024.

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 123 of the financial statements.

There was a no overall change to the original budget but changes did occur across several categories for various adjustments throughout the fiscal year.

The City's general fund generated a positive variance of approximately \$236,000 between the final amended budget and actual results of operation. Actual revenues for the year were \$875,000 under budget overall and the revenues by category varied from the budget in all cases. Overall expenses were under budget by \$1,111,000. These variances were spread across all expense categories as well.

CAPITAL ASSETS

The City's capital assets for its governmental and business-type activities, net of depreciation, as of September 30, 2023, were approximately \$2.5 billion. This represents a net decrease of approximately \$17.5 million, or 0.7%, 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	
	2023	2022	2023	2022	2023	2022
Land	\$ 371,259	\$ 371,259	\$ 156,138	\$ 154,415	\$ 527,397	\$ 525,674
Buildings	43,584	46,533	125,193	127,062	168,777	173,595
Equipment	59,834	40,992	316,828	355,335	376,662	396,327
Improvements (Other than Buildings)	5,486	5,922	18,948	20,663	24,434	26,585
Infrastructure	265,620	299,288	824,957	823,521	1,090,577	1,122,809
Intangibles	1,718	1,897	154,990	166,884	156,708	168,781
Right to Use Property	1,118	1,607	-	-	1,118	1,607
Right to Use Equipment and Fixtures	2,926	3,611	2,919	3,286	5,845	6,897
Subscription Based Information Technology Arrangements Assets	5,509	-	493	-	6,002	-
Construction in Progress	31,412	18,174	125,979	91,938	157,391	110,112
Total	<u>\$ 788,466</u>	<u>\$ 789,283</u>	<u>\$ 1,726,445</u>	<u>\$ 1,743,104</u>	<u>\$ 2,514,911</u>	<u>\$ 2,532,387</u>

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

- Aviation infrastructure - \$20.7 million
- Electric generation, transmission and distribution infrastructure - \$17.1 million
- Gas transmission and distribution infrastructure - \$3.6 million
- Sewer collection, treatment, and disposal infrastructure - \$19.3 million
- StarMetro acquisition of buses and system improvements - \$.9 million
- Stormwater infrastructure - \$11.7 million
- Street construction, widening and expansion projects improvements, park improvements, and vehicles and equipment for public safety purposes, - \$15.2 million
- Water transmission and distribution infrastructure - \$8.5 million
- Technology and Innovation - \$11.2 million

LONG-TERM DEBT

As shown in the following table, as of September 30, 2023, the City had \$831.7 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>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General Revenue Bonds	65,990	75,205	-	-	65,990	75,205
Proprietary Revenue Bonds	-	-	752,266	784,513	752,266	784,513
Other Loans/Notes	10,170	10,984	3,233	6,473	13,403	17,457
Total	<u>76,160</u>	<u>86,189</u>	<u>755,499</u>	<u>790,986</u>	<u>831,659</u>	<u>877,175</u>

The City's total debt decreased by \$45.5 million, or 5.19%, during the current fiscal year. This is due to the net effect of principal paydowns of approximately \$177.5 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. In recent years, there has been a decreasing consumption trend per capita in all 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, 2023, 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 the national level, which was the case in 2023.

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. State government sales tax revenues were at near-historic high levels in 2023, a strong indicator for one of the largest industries in the City. 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 levels. 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 partnerships with these institutions represent significant economic and development opportunities for the City. Most recently, increased partnerships between the universities and the City have helped attract companies to relocate to Tallahassee, especially those interested in the research being performed by Florida State University's National High Magnetic Field Laboratory. Furthermore, while college education costs have come under increased scrutiny in the past couple of years, state university tuition remains affordable 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 2023, Amazon opened a 635,000-square-foot robotics fulfillment center that supports 1,300 full-time jobs. In addition to this initial location on the east side of town, Amazon is completing a last mile center on the west side of Tallahassee. In Innovation Park, Danfoss Turbocor will soon complete a 167,000-square-foot manufacturing facility. The expansion will nearly double its current workforce of 260 employees. The Tallahassee International Airport has increased its economic impact in 2023 to \$859 million, up 43 percent from 2019.

Additionally, the City is now serviced by JetBlue, its first low-cost carrier. The establishment of a Foreign Trade Zone is underway and is anticipated to create more than 1,600 jobs and generate more than \$300 million annually in economic impact. As a result of years of investment across numerous sectors, the GDP of Tallahassee grew from \$17.5 billion in 2019 to \$19.2 billion by the end of 2022. When 2023 figures are released, GDP is anticipated to approach \$20 billion.

Another sign of economic activity is the number of new developments completed or under construction throughout the City. In FY 2023, the City permitted 690,000 square feet of new commercial space. A continued increase in economic activity is further evident in the 71% growth of commercial square feet permitted in the first quarter of FY 2024 compared to the first quarter of FY 2023. The Cascades Project, adjacent to Cascades Park downtown, includes a new 150-room AC Hotel, 161 apartments, and office space. Another downtown development project, Industry Apartments, is beginning to lease its first tenants. Once fully leased, the development will feature 231 apartments, 17 townhouses, and 15,000 square feet of retail space. The Canopy Project, a mixed-use development of 505 acres, continues to build out apartments and hundreds of new single-family homes. South of downtown, SoMo Walls is nearing completion 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 private investment, the City has a five-year Capital Improvement Plan of \$1 billion, encompassing 197 projects aimed at improving roads, sidewalks, and utilities to enhance the overall appeal of Tallahassee for both businesses and residents. Additionally, the Blueprint Intergovernmental Agency is contributing more than \$500 million through its five-year capital plan, further bolstering public investment in the region through additional roadway improvements, bike and pedestrian facilities, developed public space, and new public parks.

Draft

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 of Florida awarded Florida State University \$125 million in 2022. The new academic health center will be located on TMH's campus. 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 2024. The total fiscal year 2024 Citywide operating budget totals \$826.8 million, an increase of \$52.6 million from fiscal year 2023. Personnel expenditures account for approximately 36.2% of the City's operating budget. The City's fiscal year 2024 operating budget has a net increase of 4 positions bringing total positions to 2,954.5.

The capital budget for fiscal year 2024 totals \$205.4 million, a decrease of \$57 million from fiscal year 2023. 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.

Draft



**CITY OF
TALLAHASSEE**

THIS PAGE INTENTIONALLY LEFT BLANK.

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, 2023
(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	\$ 81,702	\$ 95,341	\$ 177,043	\$ 191
Securities Lending Collateral	390	711	1,101	1
Receivables:				
Accrued Interest	435	678	1,113	1
Customers and Other	848	104,349	105,197	-
Notes	92	4,297	4,389	-
Leases	-	522	522	-
Special Assessments	47	-	47	-
Less: Allowance for Doubtful Accounts	(22)	(17,941)	(17,963)	-
Due From Other Governments	17,203	25,110	42,313	-
Prepaid Expenses	-	3,967	3,967	-
Inventory	818	56,637	57,455	-
Cash and Cash Equivalents - Restricted	18,771	296,881	315,652	-
Securities Lending Collateral - Restricted	194	1,614	1,808	-
Receivables - Restricted:				
Accrued Interest	168	1,673	1,841	-
Other	7	-	7	-
Notes	433	-	433	-
Leases	2,297	520	2,817	-
Due From Other Governments	4,571	2,510	7,081	-
Total Current Assets	<u>127,954</u>	<u>576,869</u>	<u>704,823</u>	<u>193</u>
Noncurrent Assets				
Internal Balances	(1,239)	1,239	-	-
Deposits	-	5,770	5,770	-
Derivative Instrument Asset	-	13,152	13,152	-
Capital Assets				
Land and Construction in Progress	402,671	282,117	684,788	-
Other, Net of Accumulated Depreciation	385,795	1,444,328	1,830,123	-
Total Noncurrent Assets	<u>787,227</u>	<u>1,746,606</u>	<u>2,533,833</u>	<u>-</u>
Total Assets	<u>915,181</u>	<u>2,323,475</u>	<u>3,238,656</u>	<u>193</u>
Pension related deferred outflows	75,261	30,834	106,095	69
OPEB related deferred outflows	9,237	7,626	16,863	17
Total Deferred Outflows of Resources	<u>84,498</u>	<u>38,460</u>	<u>122,958</u>	<u>86</u>
Assets and Deferred Outflows of Resources	<u>\$ 999,679</u>	<u>\$ 2,361,935</u>	<u>\$ 3,361,614</u>	<u>\$ 279</u>

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

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF NET POSITION
September 30, 2023
(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	\$ 390	\$ 711	\$ 1,101	\$ 1
Accounts Payable	10,606	48,196	58,802	33
Deposits Payable	-	28,409	28,409	-
Unearned Revenue	16,786	54	16,840	-
Due to Other Governments	2,162	4	2,166	-
Lease Payable	1,829	408	2,237	-
Subscription Liability	3,061	365	3,426	-
Compensated Absences	5,762	9,949	15,711	9
Accounts Payable - Restricted	3,022	6,564	9,586	-
Obligations Under Securities Lending - Restricted	194	1,614	1,808	-
Unearned Revenue - Restricted	3,944	-	3,944	-
Bonds and Loans Payable	9,590	37,740	47,330	-
Total Current Liabilities	<u>57,346</u>	<u>134,014</u>	<u>191,360</u>	<u>43</u>
Noncurrent Liabilities				
Compensated Absences	6,202	5,948	12,150	3
Customer Contracts Payable	-	1,669	1,669	-
Claims Payable	-	19,097	19,097	-
Lease Payable	1,860	2,545	4,405	-
Subscription Liability	2,223	165	2,388	-
Net OPEB Liability	37,161	25,105	62,266	108
Net Pension Liability	154,509	30,224	184,733	59
Bonds and Loans Payable	69,697	785,669	855,366	-
Total Noncurrent Liabilities	<u>271,652</u>	<u>870,422</u>	<u>1,142,074</u>	<u>170</u>
Total Liabilities	<u>328,998</u>	<u>1,004,436</u>	<u>1,333,434</u>	<u>213</u>
Deferred Inflows of Resources				
Deferred Inflows on Bond Refundings	4,167	15,437	19,604	-
Pension Related Deferred Inflows	19,562	2,315	21,877	7
OPEB Related Deferred Inflows	16,047	13,916	29,963	19
Lease Related Deferred Inflows	2,243	1,045	3,288	-
Fuel Hedging Related Deferred Inflows	-	13,152	13,152	-
Total Deferred Inflows of Resources	<u>42,019</u>	<u>45,865</u>	<u>87,884</u>	<u>26</u>
Total Liabilities and Deferred Inflows of Resources	<u>371,017</u>	<u>1,050,301</u>	<u>1,421,318</u>	<u>239</u>
Net Position				
Net Investment in Capital Assets	696,291	884,406	1,580,697	-
Restricted for:				
Capital Projects	39,239	288,276	327,515	-
Debt Service	11,773	1	11,774	-
Cemetery Grounds Maintenance	2,192	-	2,192	-
Emergency Management	24,919	-	24,919	-
Housing	4,388	-	4,388	-
Park Enhancements	3,686	-	3,686	-
Public Infrastructure	9,118	-	9,118	-
Other Purposes	1,048	-	1,048	-
Unrestricted	<u>(163,992)</u>	<u>138,951</u>	<u>(25,041)</u>	<u>40</u>
Total Net Position	<u>628,662</u>	<u>1,311,634</u>	<u>1,940,296</u>	<u>40</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 999,679</u>	<u>\$ 2,361,935</u>	<u>\$ 3,361,614</u>	<u>\$ 279</u>

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

Draft

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2023
(in thousands)

FUNCTION/PROGRAMS	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 27,871	\$ 2,470	\$ 12,379	\$ -
Public Safety	74,682	1,435	2,269	-
Transportation	24,477	3,515	2,202	6,102
Human Services	15,112	1,377	5,437	247
Economic Development	19,538	288	23	-
Physical Environment	6,477	2,251	350	2,125
Culture and Recreation	24,763	4,449	679	-
Unallocated Depreciation on Infrastructure	35,525	-	-	-
RTU Amortization Expense	279	-	-	-
SBITA Amortization Expense	247	-	-	-
Interest on Long-Term Debt	3,472	-	-	-
Total governmental activities	<u>232,443</u>	<u>15,785</u>	<u>23,339</u>	<u>8,474</u>
Business-type Activities:				
Electric	295,207	314,398	2,409	1,953
Gas	23,512	32,058	-	89
Sewer	78,278	87,647	-	498
Water	41,883	49,142	-	603
Airport	22,192	16,406	3,096	16,614
StarMetro	35,084	7,524	8,241	20,988
Solid Waste	31,500	34,587	57	1,192
Golf	1,394	1,533	-	89
Stormwater Management	20,591	24,267	7,311	624
Fire Services	51,918	53,693	-	3,040
Total business-type activities	<u>601,559</u>	<u>621,255</u>	<u>21,114</u>	<u>45,690</u>
Total primary government	<u>\$ 834,002</u>	<u>\$ 637,040</u>	<u>\$ 44,453</u>	<u>\$ 54,164</u>
Component Unit:				
Downtown Improvement Authority	\$ 415	\$ -	\$ -	\$ -

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.

Draft

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2023
(in thousands)

Net (Expense) Revenue and Changes in Net Position				
Primary Government				
	Governmental Activities	Business-type Activities	Total	Component Unit
\$	(13,022)	-	(13,022)	-
	(70,978)	-	(70,978)	-
	(12,658)	-	(12,658)	-
	(8,051)	-	(8,051)	-
	(19,227)	-	(19,227)	-
	(1,751)	-	(1,751)	-
	(19,635)	-	(19,635)	-
	(35,525)	-	(35,525)	-
	(279)	-	(279)	-
	(247)	-	(247)	-
	(3,472)	-	(3,472)	-
	(184,845)	-	(184,845)	-
	-	23,553	23,553	-
	-	8,635	8,635	-
	-	9,867	9,867	-
	-	7,862	7,862	-
	-	13,924	13,924	-
	-	1,669	1,669	-
	-	4,336	4,336	-
	-	228	228	-
	-	11,611	11,611	-
	-	4,815	4,815	-
	-	86,500	86,500	-
	(184,845)	86,500	(98,345)	-
				(415)
	57,918	-	57,918	252
	25,720	-	25,720	-
	6,097	-	6,097	-
	40,968	2,078	43,046	50
	2,740	10,783	13,523	5
	5	58	63	-
	325	4,367	4,692	3
	14,040	(653)	13,387	172
	43,130	(43,130)	-	-
	190,943	(26,497)	164,446	482
	6,098	60,003	66,101	67
	622,564	1,251,631	1,874,195	(27)
\$	628,662	\$ 1,311,634	\$ 1,940,296	\$ 40

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

Draft



**CITY OF
TALLAHASSEE**

THIS PAGE INTENTIONALLY LEFT BLANK.

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 145.
Internal Service Funds	Detailed description of these funds are provided on page 150.

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, 2023
(in thousands)

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 8,491	\$ 54,136	\$ 62,627
Securities Lending Collateral	55	314	369
Receivables:			
Accrued Interest	57	322	379
Customers and Others	800	34	834
Leases	1,569	727	2,296
Notes	-	92	92
Special Assessments	-	47	47
Less: Allowance for Doubtful Accounts	(22)	-	(22)
Due From Other Funds	12,635	1,154	13,789
Due From Other Governments	13,592	3,239	16,831
Advances To Other Funds	-	11,773	11,773
Inventory	818	-	818
Cash and Cash Equivalents	821	33,224	34,045
Securities Lending Collateral	-	194	194
Receivables - Restricted:			
Accrued Interest	-	207	207
Customers and Others	-	8	8
Notes	-	433	433
Due From Other Governments	-	4,546	4,546
Total Assets	\$ 38,816	\$ 110,450	\$ 149,266
LIABILITIES			
Obligations Under Securities Lending	\$ 55	\$ 314	\$ 369
Accounts and Retainage Payable	3,594	4,259	7,853
Due To Other Funds	52	14,039	14,091
Due To Other Governments	2,211	-	2,211
Advances from Other Funds	387	3,011	3,398
Unearned Revenue	-	16,785	16,785
Obligations Under Securities Lending - Restricted	-	194	194
Accounts and Retainage Payable - Restricted	821	993	1,814
Unearned Revenue - Restricted	-	3,945	3,945
Total Liabilities	7,120	43,540	50,660
DEFERRED INFLOWS OF RESOURCES			
Lease Related Deferred Inflows	1,544	699	2,243
Total Liabilities and Deferred Inflows of Resources	8,664	44,239	52,903
FUND BALANCES			
Nonspendable	1,661	11,960	13,621
Spendable:			
Restricted	-	39,260	39,260
Committed	25,070	29,725	54,795
Assigned	1,150	-	1,150
Unassigned	2,271	(14,734)	(12,463)
Total Fund Balances	30,152	66,211	96,363
Total Liabilities and Fund Balances	\$ 38,816	\$ 110,450	\$ 149,266

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, 2023
(in thousands)

Total Fund Balances - Governmental Funds	\$ 96,363
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.	788,466
Long-term receivables will not be collected in the current period and, therefore, are not reported in the funds.	25,254
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.	(34,507)
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.	13
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.	35,781
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>(295,803)</u>
Net Position - Governmental Activities	<u>\$ 628,662</u>

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

Draft

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
Governmental Funds
For the Fiscal Year Ended September 30, 2023
(in thousands)

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 79,845	\$ 3,787	\$ 83,632
Licenses and Permits	2,278	6,097	8,375
Intergovernmental Revenues	24,432	41,474	65,906
Charges for Services	13,192	1,017	14,209
Fines and Forfeitures	705	218	923
Net Investment Earnings	45	2,550	2,595
Securities Lending Income	-	35	35
Change in Fair Value of Investments	-	299	299
Miscellaneous Revenues	9,959	4,206	14,165
Total Revenues	<u>130,456</u>	<u>59,683</u>	<u>190,139</u>
EXPENDITURES			
General Government	28,341	6,030	34,371
Public Safety	72,544	14,036	86,580
Transportation	20,410	13,432	33,842
Human Services	12,167	2,934	15,101
Economic Environment	98	16,735	16,833
Physical Environment	5,251	1,600	6,851
Culture and Recreation	24,961	2,604	27,565
Securities Lending Expense:			
Interest Expense	-	28	28
Agent Fees	-	2	2
Debt Service:			
Principal Retired	-	8,814	8,814
Interest and Fiscal Charges	43	2,883	2,926
Total Expenditures	<u>163,815</u>	<u>69,098</u>	<u>232,913</u>
Excess of Revenues Over (Under) Expenses	<u>(33,359)</u>	<u>(9,415)</u>	<u>(42,774)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	52,399	12,357	64,756
Transfers Out	(16,440)	(6,798)	(23,238)
Proceeds from Sale of Capital Assets	2,743	-	2,743
Total Other Financing Sources (Uses)	<u>38,702</u>	<u>5,559</u>	<u>44,261</u>
Net Change in Fund Balances	5,343	(3,856)	1,487
Fund Balances - October 1	24,809	70,067	94,876
Fund Balances - September 30	<u>\$ 30,152</u>	<u>\$ 66,211</u>	<u>\$ 96,363</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, 2023
(in thousands)**

Net Change in Fund Balances - Total Governmental Funds	\$	1,487
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>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.</p>		(17,459)
<p>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.</p>		2,769
<p>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.</p>		9,762
<p>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.</p>		(544)
<p>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.</p>		<u>10,083</u>
Change in Net Position of Governmental Activities	\$	<u>6,098</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, 2023
(in thousands)

	Enterprise Funds								Total Enterprise	Internal Service
	Electric	Gas	Sewer	Water	Airport	Stormwater Management	Other Enterprise			
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES										
Current Assets										
Cash and Cash Equivalents	\$ 38,180	\$ -	\$ -	\$ -	1,035	\$ 21,832	\$ 3,018	\$ 64,065	\$ 52,764	
Securities Lending Collateral	223	-	-	-	6	86	17	332	400	
Receivables:										
Accrued Interest	231	-	14	(5)	6	89	19	354	360	
Notes	4,428	-	612	-	-	-	-	5,040	-	
Customers and Others	60,423	3,913	12,787	7,534	1,321	3,320	13,993	103,291	323	
Leases	-	-	-	251	271	-	-	522	-	
Due From Other Governments	4,099	-	279	37	8	22	19,223	23,668	673	
Less: Allowance for Doubtful Accounts	(10,533)	(352)	(2,141)	(1,705)	(355)	(573)	(2,282)	(17,941)	-	
Prepaid Expenses	-	-	-	-	-	-	-	-	3,967	
Due From Other Funds	45,077	1,824	-	-	-	14,947	3,886	65,734	30,741	
Inventory	52,850	82	1,030	73	223	-	1,174	55,432	1,204	
Current Assets - Restricted:										
Cash and Cash Equivalents	159,448	12,577	60,803	14,734	31,373	-	-	278,935	-	
Securities Lending Collateral	922	73	352	85	182	-	-	1,614	-	
Accrued Interest	955	75	351	88	188	-	-	1,657	-	
Due From Other Governments	-	-	37	-	2,473	-	1,165	3,675	-	
Total Current Assets	356,303	18,192	74,124	21,092	36,731	39,723	40,213	586,378	90,432	
Noncurrent Assets										
Leases	-	-	-	470	50	-	-	520	-	
Advances To Other Funds	3,000	-	-	-	-	-	-	3,000	1,358	
Deposits	-	-	-	-	-	-	-	-	5,770	
Derivative Instruments	-	-	-	-	-	-	-	-	13,152	
Capital Assets:										
Land and Construction in Progress	55,515	676	38,034	12,480	43,128	126,769	5,471	282,073	2,571	
Other, Net of Accumulated Depreciation	594,807	61,826	396,688	153,128	82,755	77,881	45,363	1,412,448	91,640	
Total Noncurrent Assets	653,322	62,502	434,722	166,078	125,933	204,650	50,834	1,698,041	114,491	
Total Assets	1,009,625	80,694	508,846	187,170	162,664	244,373	91,047	2,284,419	204,923	
Deferred Outflows of Resources										
Pension Related Deferred Outflows	11,696	906	5,700	2,772	2,157	2,528	5,075	30,834	-	
OPEB Related Deferred Outflows	2,187	206	1,097	533	351	349	2,903	7,626	-	
Total Assets and Deferred Outflows of Resources	1,023,508	81,806	515,643	190,475	165,172	247,250	99,025	2,322,879	204,923	

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, 2023
(in thousands)

	Enterprise Funds						Total Enterprise	Internal Service	
	Electric	Gas	Sewer	Water	Airport	Stormwater Management			
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION									
Current Liabilities									
Accounts and Retainage Payable	22,715	2,116	4,828	1,627	1,844	1,613	3,787	38,530	12,725
Due To Other Funds	-	-	5,272	1,420	3	-	23,704	30,399	65,774
Due To Other Governments	4	-	-	-	-	-	-	4	654
Compensated Absences	1,903	250	662	596	292	476	3,573	7,752	3,068
Lease Payable	-	-	-	-	4	-	375	379	1,593
Subscription Liability	32	-	-	-	-	-	60	92	3,041
Obligations Under Securities Lending	223	-	-	-	6	86	17	332	400
Unearned Revenue	-	-	-	-	-	-	54	54	-
Deposits Payable	25,367	759	-	2,283	-	-	-	28,409	-
Obligations Under Securities Lending - Restricted	922	73	352	85	182	-	-	1,614	-
Accounts and Retainage Payable - Restricted	2,164	68	1,092	257	2,721	-	449	6,751	-
Loans Payable	1,682	217	-	1,334	-	-	-	3,233	-
Bonds Payable	21,412	338	8,869	3,001	-	-	887	34,507	875
Total Current Liabilities	76,424	3,821	21,075	10,603	5,052	2,175	32,906	152,056	88,130
Noncurrent Liabilities									
Claims Payable	-	-	-	-	-	-	-	-	19,097
Customer Contracts Payable	-	-	1,118	550	-	-	-	1,668	-
Advances from Other Funds	4,490	-	-	-	150	-	7,772	12,412	321
Compensated Absences	2,102	141	873	201	453	212	934	4,916	1,680
Lease Payable	-	-	-	-	4	-	2,510	2,514	910
Subscription Liability	-	-	-	-	-	-	133	133	1,893
Net OPEB Liability	5,523	642	4,205	1,775	920	198	11,842	25,105	-
Bonds Payable	481,364	2,909	223,140	74,501	-	-	3,755	785,669	3,615
Net Pension Liability	11,508	896	5,617	2,785	1,951	2,477	4,990	30,224	-
Total Noncurrent Liabilities	504,987	4,588	234,953	79,812	3,478	2,887	31,936	862,641	27,516
Total Liabilities	581,411	8,409	256,028	90,415	8,530	5,062	64,842	1,014,697	115,646
Deferred Inflows of Resources									
Deferred Inflows on Refunding of Bonds	8,014	345	5,744	1,335	-	-	-	15,438	-
Pension Related Deferred Inflows	852	68	423	221	160	194	397	2,315	-
OPEB Related Deferred Inflows	4,188	380	1,929	975	668	753	5,023	13,916	-
Lease Related Deferred Inflows	-	-	-	727	318	-	-	1,045	-
Accumulated Increase in Fair Value of Hedging Derivatives	-	-	-	-	-	-	-	-	13,152
Total Liabilities and Deferred Inflows of Resources	594,465	9,202	264,124	93,673	9,676	6,009	70,262	1,047,411	128,798
Net Position									
Net Investment in Capital Assets	137,817	58,984	196,969	85,437	125,875	204,650	43,114	852,846	82,284
Restricted for Debt Service	-	1	-	-	-	-	-	1	-
Restricted for Renewal, Replacement and Improvements	163,652	12,288	39,373	10,872	28,442	33,260	389	288,276	-
Unrestricted:	127,574	1,331	15,177	493	1,179	3,331	(14,740)	134,345	(6,159)
Total Net Position	429,043	72,604	251,519	96,802	155,496	241,241	28,763	1,275,468	76,125
Total Liabilities, Deferred Inflows, and Net Position	1,023,508	81,806	515,643	190,475	165,172	247,250	99,025	2,322,879	204,923
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds								36,166	
Net Position of Business-type Activities								\$ 1,311,634	

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, 2023
(in thousands)

	Enterprise Funds						Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Electric	Gas	Sewer	Water	Airport	Stormwater Management			
OPERATING REVENUES									
Charges for Services:									
Residential Sales	\$ 139,098	\$ 12,884	\$ 40,213	\$ 22,700	\$ -	\$ 9,755	\$ 42,927	\$ 267,577	\$ -
Commercial and Industrial Sales	136,145	17,777	31,433	14,877	-	10,818	40,557	251,607	-
Public Street and Highway Lighting	5,157	-	-	-	-	-	-	5,157	-
Sales for Resale	15,883	-	-	-	-	-	-	15,883	-
Surcharge	3,170	355	1,870	2,608	-	-	-	8,003	-
Tapping Fees	-	16	156	845	-	-	-	1,017	-
Landing Fees	-	-	-	-	1,562	-	-	1,562	-
Late Fees	979	55	-	57	-	-	-	1,091	-
Initiating Service	756	114	-	400	-	-	-	1,270	-
Rentals	1,449	-	-	408	11,483	-	-	13,340	-
Cut-ins and Cut Fees	734	16	-	58	-	-	-	808	-
County Government	-	-	-	-	-	-	3,583	3,583	-
Recreation Fees	-	-	-	-	-	-	1,533	1,533	-
Transportation Fees	-	-	-	-	-	-	5,910	5,910	-
Other Charges	11,027	262	3,634	4,857	1,597	3,291	2,344	27,012	263,892
Total Operating Revenues	314,398	31,479	77,306	46,810	14,642	23,864	96,854	605,353	263,892
OPERATING EXPENSES									
Personnel Services	40,235	3,066	17,483	9,645	6,905	7,304	56,535	141,173	52,705
Fossil Fuel	91,914	11,747	-	-	-	-	682	104,343	-
Power Purchased	5,556	-	-	-	-	-	-	5,556	-
Contractual Services	55,313	5,181	23,285	19,439	6,296	11,470	48,270	169,254	32,497
Materials and Supplies	11,130	270	4,518	1,376	389	677	4,944	23,304	151,331
Other	6,855	606	2,089	1,452	252	422	3,952	15,628	12,616
Depreciation	49,478	2,321	21,269	7,216	8,159	2,423	5,115	95,981	12,368
Amortization	26	-	-	-	4	-	455	485	4,905
Total Operating Expenses	260,507	23,191	68,644	39,128	22,005	22,296	119,953	555,724	266,422
Operating Income (Loss)	\$ 53,891	\$ 8,288	\$ 8,662	\$ 7,682	\$ (7,363)	\$ 1,568	\$ (23,099)	\$ 49,629	\$ (2,530)

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, 2023
(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	\$ 4,972	\$ 272	\$ 1,471	\$ 386	\$ 759	\$ 853	\$ 161	\$ 8,874	\$ 2,033
Change in Fair Value of Investments	2,631	142	527	142	98	-	30	3,570	824
Securities Lending:									
Securities Lending Income	88	7	27	7	14	14	-	157	34
Interest Expense	(72)	(6)	(22)	(6)	(11)	(11)	-	(128)	(29)
Agent Fees	(3)	-	(1)	-	(1)	(1)	-	(6)	(1)
Intergovernmental Revenues	-	-	-	-	3,096	-	26,022	29,118	814
Other Revenues	2,234	678	12,539	2,837	153	403	2,249	21,093	6,294
Interest Income	-	-	-	-	-	-	-	-	25
Interest Expense	(20,596)	(102)	(9,509)	(3,003)	(2)	-	(428)	(33,640)	(1,381)
Debt Issuance Costs	(3)	-	-	-	-	-	-	(3)	-
Gain (Loss) on Sale of Assets	-	-	-	-	-	1,419	-	1,419	-
Insurance Claims and Settlements	993	-	-	-	-	-	-	993	-
Other Expenses	(785)	-	(568)	(29)	(49)	(2)	(169)	(1,602)	(4,177)
Total Non-Operating Revenues (Expenses)	<u>(10,541)</u>	<u>991</u>	<u>4,464</u>	<u>334</u>	<u>4,057</u>	<u>2,675</u>	<u>27,865</u>	<u>29,845</u>	<u>4,436</u>
Income (Loss) Before Capital Contributions and Operating Transfers	<u>43,350</u>	<u>9,279</u>	<u>13,126</u>	<u>8,016</u>	<u>(3,306)</u>	<u>4,243</u>	<u>4,766</u>	<u>79,474</u>	<u>1,906</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS									
Capital Contributions	1,953	89	498	603	16,614	7,935	7,585	35,277	(12,371)
Transfers In	36	7	287	592	-	7	8,772	9,701	1,674
Transfers Out	(35,420)	(3,856)	(5,719)	(4,148)	(32)	(527)	(2,673)	(52,375)	(518)
Total Capital Contributions and Transfers	<u>(33,431)</u>	<u>(3,760)</u>	<u>(4,934)</u>	<u>(2,953)</u>	<u>16,582</u>	<u>7,415</u>	<u>13,684</u>	<u>(7,397)</u>	<u>(11,215)</u>
Change in Net Position	9,919	5,519	8,192	5,063	13,276	11,658	18,450	72,077	(9,309)
Net Position - October 1	419,124	67,085	243,327	91,739	142,220	229,583	10,313	1,203,391	85,434
Net Position - September 30	<u>\$ 429,043</u>	<u>\$ 72,604</u>	<u>\$ 251,519</u>	<u>\$ 96,802</u>	<u>\$ 155,496</u>	<u>\$ 241,241</u>	<u>\$ 28,763</u>	<u>1,275,468</u>	<u>\$ 76,125</u>
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds								12,074	
Change in net position of Business-type Activities								<u>\$ 60,003</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, 2023
(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	\$ 309,345	\$ 31,443	\$ 74,585	\$ 45,792	\$ 13,937	\$ 23,536	\$ 87,500	\$ 586,138	\$ -
Cash Received for Interfund Services	-	-	-	-	-	-	-	-	269,351
Cash Received from Other Revenues	2,234	-	6,050	451	80	403	2,169	11,387	6,295
Cash Paid to Suppliers for Goods and Services	(134,461)	(13,662)	(14,062)	(33,358)	(4,682)	(5,287)	(30,750)	(236,262)	(220,915)
Cash Paid to Employees for Services	(41,158)	(3,151)	(17,981)	(9,976)	(7,082)	(7,493)	(57,528)	(144,369)	(52,570)
Cash Paid to Other Funds	(31,384)	(4,410)	(12,051)	11,653	(2,163)	(7,437)	(27,260)	(73,052)	(10,267)
Cash Paid for Other Expenses	(785)	-	-	(29)	-	(2)	-	(816)	-
Net Cash Provided by (Used for) Operating Activities	103,791	10,220	36,541	14,533	90	3,723	(25,869)	143,026	(8,106)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Transfers In from Other Funds	36	7	3,646	835	-	7	8,772	13,303	19,506
Operating Grants Received	-	-	-	-	3,176	-	25,965	29,141	-
Cash Received From Other Non-operating Revenues	-	-	-	-	-	-	-	-	65
Cash Received From Interfund Balances	-	(1,824)	-	-	-	-	(4,128)	(5,952)	21,093
Cash Paid For Interfund Balances	(15,571)	-	-	-	-	-	-	(15,571)	-
Transfers Out to Other Funds	(35,420)	(3,856)	(5,719)	(4,148)	(32)	(15,474)	(6,559)	(71,208)	(518)
Net Cash Provided by (Used for) Noncapital Financing Activities	(50,955)	(5,673)	(2,073)	(3,313)	3,144	(15,467)	24,050	(50,287)	40,146
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Capital Contributions	1,953	89	-	-	16,215	7,935	7,496	33,688	-
Systems Charges	-	-	6,489	2,386	-	-	-	8,875	-
Lease Revenue	-	-	-	270	284	-	-	554	-
Proceeds from Sale of Property	-	-	-	-	-	-	-	-	814
Bond Issuance Costs	(3)	-	-	-	-	-	-	(3)	-
Acquisition, Construction and Sale of Capital Assets	(18,999)	(3,569)	(19,885)	(8,637)	(20,095)	(11,838)	(7,871)	(90,894)	(27,150)
Bond and Loan Proceeds	-	-	(61)	-	-	-	-	(61)	(1,661)
Principal and Refunding Payments	(21,640)	(537)	(8,156)	(4,279)	-	-	(867)	(35,479)	-
Repayment of Loans from Other Funds	-	-	-	-	(49)	-	(1,499)	(1,548)	-
Interest Paid	(24,456)	(141)	(11,202)	(3,550)	(2)	(11)	(428)	(39,790)	(1,387)
Insurance Claims and Settlements	993	-	-	-	-	-	-	993	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(62,152)	(4,158)	(32,815)	(13,810)	(3,647)	(3,914)	(3,169)	(123,665)	(29,384)

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, 2023
(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	4,442	236	1,290	358	670	895	167	8,058	1,918
Increase (Decrease) in the Fair Value of Investments	2,631	142	527	142	98	-	30	3,570	824
Net Cash Provided by (Used for) Investing Activities	\$ 7,073	\$ 378	\$ 1,817	\$ 500	\$ 768	\$ 895	\$ 197	\$ 11,628	\$ 2,742
Net Increase (Decrease) in Cash and Cash Equivalents	(2,243)	767	3,470	(2,090)	355	(14,763)	(4,791)	(19,298)	5,398
Cash and Cash Equivalents - October 1	199,871	11,810	57,333	16,824	32,053	36,595	7,809	362,295	51,542
Cash and Cash Equivalents - September 30	\$ 197,628	\$ 12,577	\$ 60,803	\$ 14,734	\$ 32,408	\$ 21,832	\$ 3,018	\$ 342,997	\$ 56,940
Classified As:									
Unrestricted Assets	\$ 38,180	\$ -	\$ -	\$ -	\$ 1,035	\$ 21,832	\$ 3,018	\$ 64,065	\$ 52,764
Restricted Assets	159,448	12,577	60,803	14,734	31,373	-	-	278,935	-
	\$ 197,628	\$ 12,577	\$ 60,803	\$ 14,734	\$ 32,408	\$ 21,832	\$ 3,018	\$ 343,000	\$ 52,764
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:									
Operating Income (Loss)	\$ 53,891	\$ 8,288	\$ 8,662	\$ 7,682	\$ (7,363)	\$ 1,568	\$ (23,099)	\$ 49,629	\$ (2,530)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:									
Depreciation/Amortization	49,504	2,321	21,269	7,216	8,163	2,423	5,570	96,466	17,273
Net pension and OPEB liability changes	(1,198)	(106)	(564)	(287)	(202)	(233)	(1,137)	(3,727)	-
Provision for Uncollectible Accounts	(53)	9	83	82	1	499	163	784	-
Lease Revenue	-	-	-	(314)	(276)	-	-	(590)	-
Other	1,449	-	6,050	422	(37)	401	2,169	10,454	2,118
(Increase) Decrease in Accounts Receivable	(8,164)	(214)	(2,870)	(1,256)	(309)	(826)	(2,395)	(16,034)	6,341
(Increase) Decrease in Inventory	(6,622)	-	6	-	-	-	195	(6,421)	615
(Increase) Decrease in Deposits	-	-	-	-	2	-	-	2	-
(Increase) Decrease in Notes Receivables	806	-	145	-	-	-	-	951	-
(Increase) Decrease in Due From Other Funds	-	-	-	-	-	(1)	-	(1)	-
(Increase) Decrease in Due From Other Governments	750	1	4	19	(5)	-	(6,959)	(6,190)	(219)
Increase (Decrease) in Accounts Payable	11,598	(277)	3,717	391	96	(152)	(520)	14,853	(15,694)
Increase (Decrease) in Due to Other Governments	3	-	-	-	-	-	-	3	6
Increase (Decrease) in Utility Deposits Payable	1,552	177	-	533	-	-	-	2,262	-
Increase (Decrease) in Customer Contracts Payable	-	-	(27)	89	-	-	-	62	-
Increase (Decrease) in Compensated Absences	275	21	66	(44)	20	44	144	526	135
Increase (Decrease) in Insurance Deposits	-	-	-	-	-	-	-	-	(20,325)
Increase (Decrease) in Capital Lease Payable	-	-	-	-	-	-	-	-	(3)
Total Adjustments	49,900	1,932	27,879	6,851	7,453	2,155	(2,770)	93,400	(9,753)
Net Cash Provided by (Used for) Operating Activities	\$ 103,791	\$ 10,220	\$ 36,541	\$ 14,533	\$ 90	\$ 3,723	\$ (25,869)	\$ 143,029	\$ (12,283)

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, 2023
(in thousands)

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
ASSETS		
Cash and Cash Equivalents	\$ 19,334	\$ 212,218
Receivables		
Other Receivables	19	-
Accrued Interest	5,606	-
Taxes Receivable for Other Governments	-	8,505
Total Receivables	<u>5,625</u>	<u>8,505</u>
Investments, at Fair Value		
Mutual Index Funds	154,944	-
Private Equities	281,608	-
Fixed Income Securities	338,587	-
Domestic Equities	746,042	-
International Equities	175,835	-
Private Credit Funds	112,161	-
Alternative Investments	276,391	-
Timber	115,474	-
Total Investments	<u>2,201,042</u>	<u>-</u>
Securities Lending Collateral	69,707	-
Total Assets	<u>\$ 2,295,708</u>	<u>\$ 220,723</u>
LIABILITIES AND NET POSITION		
Liabilities		
Obligations Under Securities Lending	\$ 69,707	\$ -
Accounts Payable	4	5,382
Total Liabilities	<u>69,711</u>	<u>5,382</u>
Net Position		
Net Position Restricted for Pensions	2,225,997	-
Net Position Restricted for Other Governments	-	215,341
Total Net Position	<u>2,225,997</u>	<u>215,341</u>
Total Liabilities and Net Position	<u>\$ 2,295,708</u>	<u>\$ 220,723</u>

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

Draft

CITY OF TALLAHASSEE, FLORIDA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended September 30, 2023
(in thousands)

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
ADDITIONS		
Contributions:		
Employer	\$ 46,681	\$ -
Plan Members	13,365	-
Total Contributions	<u>60,046</u>	<u>-</u>
Investment Return		
From Investment and Custodial Activities:		
Gain/Loss on Sale of Investments	33,013	-
Change in Fair Value of Investments	71,495	-
Interest Income	27,879	4,441
Dividends	23,550	-
Sales Taxes Collected for Other Governments	-	47,407
Grants Collected for Other Governments	-	1,074
Loan Proceeds Collected for Other Governments	-	9,940
Total Income (Loss) From Investment and Custodial Activities	<u>155,937</u>	<u>62,862</u>
Less Investment Expenses:		
Investment Management Fees	6,997	-
Interest Expense	35	-
Net Income (Loss) from Investing Activities	<u>148,905</u>	<u>62,862</u>
From Securities Lending Activities:		
Securities Lending Income	5,370	-
Less Securities Lending Expenses:		
Investment Management Fees	5,012	-
Net Income from Securities Lending Activities	<u>358</u>	<u>-</u>
Total Net Income (Loss) from Investment and Custodial Activities	<u>149,263</u>	<u>62,862</u>
Total Additions	<u>209,309</u>	<u>62,862</u>
DEDUCTIONS		
Benefits	131,281	-
Refunds of Contributions	902	-
Administrative Expense	1,097	-
Payments on Behalf of Blueprint Intergovernmental Agency	-	46,158
Payments on Behalf of Capital Region Transportation Planning Agency	-	1,010
Total Deductions	<u>133,280</u>	<u>47,168</u>
Change in Net Position	76,029	15,694
Net Position - October 1	2,149,968	199,647
Net Position - September 30	<u>\$ 2,225,997</u>	<u>\$ 215,341</u>

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

Draft



**CITY OF
TALLAHASSEE**

THIS PAGE INTENTIONALLY LEFT BLANK.

Draft

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, 2023

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 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, 2023

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 1985 through an interlocal agreement between the City of Tallahassee and the City of Orlando, Florida. Subsequently, a number of other Florida cities and counties joined the Commission. The Commission was created to provide active and more sophisticated debt issuers the opportunity to work together to create low cost, flexible financing instruments. On June 27, 2022, the Board of Directors of the Commission adopted a plan of dissolution which dissolved the Commission on April 5, 2023.

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, 2023

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, 2023, the City's contribution to the CDA was \$6,948,510.

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.

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, 2023

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, lease liabilities, subscription 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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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			
Creditable Service Hours	Leave Earned Per Hour	Suppression Personnel		Forty-hour Personnel	
		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, 2023

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, 2023

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, 2023, the City no longer had any open positions on the exchange. However, seventy-five 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 \$23,887,485 in deferred inflows from these counterparties. By trading with multiple, highly rated, counterparties in the OTC market the City diversifies its counterparty risk.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

14. FUELS MANAGEMENT PROGRAM

The City uses an allowance account to manage fluctuations in future electric and gas costs. These costs are evaluated biannually 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, 2023

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 \$295,803 difference are as follows (in thousands):

Bonds and Loans Payable including Premiums and Discounts	\$ (79,287)
Effect of Deferred Loss on Refunding	(4,167)
Compensated Absences	(11,964)
Net OPEB Liability	(37,161)
Net Pension Liability	(154,509)
Lease Liability	(8,973)
Cash Balances in Long Term Debt Fund	<u>258</u>
Net adjustments to reduce long-term liabilities of Total Governmental Funds to arrive at Net Position	<u>\$ (295,803)</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 \$17,459 difference are as follows (in thousands):

Capital Outlay	\$ 21,049
Depreciation/Amortization Expense	<u>(38,508)</u>
Net adjustment to increase net change in Fund Balances Total Governmental Funds to arrive at Changes in Net Position Governmental Activities	<u>\$ (17,459)</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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 Note to 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 the fiscal year end, the following internal service funds had deficits: Human Resources \$404,000, Diversity and Inclusion \$1,000, Wholesale Energy Service \$570,000 and Community Relations \$35,000. These nonmajor governmental funds also had a deficits: Capital Bonds Construction Fund \$14,465,000 and the State Housing Partnership Fund \$269,000.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, 2023 (in thousands):

	Primary Government	Component Unit	Fiduciary Funds - Pension/OPEB	Fiduciary Funds - Custodial Fund
Cash and cash equivalents	\$ 177,043	\$ 191	\$ 19,334	\$ 212,218
Cash and cash equivalents – restricted	315,652	-	-	-
Investments	-	-	2,201,042	-
Total	<u>\$ 492,695</u>	<u>\$ 191</u>	<u>\$ 2,220,376</u>	<u>\$ 212,218</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, 2023 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	\$ 468,050	\$ 330	\$ 467,720	\$ -
Total cash equivalents at fair value	468,050	330	467,720	-
Cash equivalents recorded at net asset value				
Other Cash and Cash Equivalents	19,415			
FL League of Cities 1-3 Year Pool	5,230			
Total cash and cash equivalents	<u>\$ 492,695</u>			

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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 \$(3,310,000) and the bank balance was \$(1,333,000), 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. Nine City funds had deficit cash balances at year end totaling \$80,197,830 which is reported in interfund payables at September 30, 2023.

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, 2023, the City owns \$5,229,795 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, 2023, was 1.60 years. 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, 2023, the City owned \$41,817,664 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 66 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, 2023. 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, 2023, 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	13.43 %
U.S. Agency	22.07
AAA	23.94
AA	9.85
A	24.22
BBB	4.54
Other	1.95
Total	100.00 %

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, 2023 was 2.38 years.

As of September 30, 2023, 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	\$ 72,135	\$ 24,752	\$ 46,455	\$ 574	\$ 354
U.S. Agency	99,980	22,247	51,451	11,290	14,992
Asset-backed	22,508	26	18,676	3,213	593
Corporate Bonds	153,955	39,393	94,393	18,343	1,826
Municipal	41,766	16,742	21,897	1,331	1,796
Other	77,706	2,279	1,980	3,015	70,432
Subtotal	468,050	\$ 105,439	\$ 234,852	\$ 37,766	\$ 89,993
Commingled	24,645				
Total	\$ 492,695				

2. INVESTMENTS

The following table presents investments held in the City's fiduciary funds at September 30, 2023 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	\$ 247,477	\$ 12,592	\$ 234,885	\$ -
Equity securities	924,308	923,034	637	637
Total investments at fair value	1,171,785	\$ 935,626	\$ 235,522	\$ 637
Investments measured at net asset value				
Mutual funds	154,944			
Debt securities	108,013			
Real estate funds	276,391			
Private equity funds	281,608			
Timber funds	115,474			
Total Private Credit	112,161			
Total investments measured at net asset value	1,048,591			
Total investments	\$ 2,220,376			

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, 2023

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, 2023, these investments totaled \$154,130,000 and \$12,508,100, 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, 2023, the commingled funds had a NAV of approximately \$104 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 18 active limited partnerships, all of which have varying start dates and commitment amounts. As of September 30, 2023, the Pension Fund had approximately \$100 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, 2023. 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 eleven active limited partnerships, all of which have varying start dates and commitment amounts. As of September 30, 2023, the Pension Fund had approximately \$30 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, 2023, the Pension Fund had approximately \$0 million in remaining commitments to these various timber partnerships.

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, 2023, 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, 2023

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, 2023, the City had the following pension investments subject to credit risk:

<u>Quality Breakdown</u>	<u>Portfolio Percentage</u>
US Treasury	29.08 %
US Agency	11.50
AAA	5.30
AA	1.17
A	5.05
BBB	7.78
BB	0.03
CC	0.11
Commingled	39.98
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	\$ 2,563,066	94.23 %
Euro	54,064	1.99
Swiss Franc	24,964	0.92
Japanese Yen	24,089	0.89
British Pound Sterling	23,988	0.88
Danish Krone	7,951	0.29
Australian Dollar	6,943	0.26
Canadian Dollar	5,988	0.22
Singapore Dollar	3,228	0.12
Swedish Krona	2,743	0.10
Norwegian Krone	843	0.03
New Israeli Shekel	483	0.02
Hong Kong Dollar	433	0.02
HK Offshore Chinese Yuan Renminbi	406	0.01
Mexican Pseo	221	0.01
Brazilian Real	193	0.01
South Korean Won	159	0.01
Taiwan Dollar	121	-
Total	<u>\$ 2,719,883</u>	<u>100 %</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, 2023 (in thousands):

Investment Type	Fair Value	Less than 1			
		Year	1-5 Years	6-10 Years	10+ Years
US Treasury	\$ 82,780	\$ -	\$ 33,478	\$ 42,979	\$ 6,323
US Agency	30,561	-	-	211	30,350
Asset Backed	11,002	-	2,197	4,128	4,677
Corporate Bonds	54,062	3,054	20,599	20,743	9,666
Mortgage Securities	6,057	-	199	408	5,450
Municipal	46,246	-	3,230	4,854	38,162
Other	652	652	-	-	-
Subtotal	231,360	\$ 3,706	\$ 59,703	\$ 73,323	\$ 94,628
Commingled	107,227				
Total	\$ 338,587				

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, 2023, 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, 2023. Moreover, there were no losses during the fiscal year ended September 30, 2023 resulting from a default of any borrower.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE IV. DETAILED NOTES - ALL FUNDS

B. SECURITIES LENDING TRANSACTIONS

During the fiscal year ended September 30, 2023, 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 120 days and the average duration of the investment pool was 21 days. For the non-pension funds, the average term of the loan was 19 days and the average duration of the investment pool was 21 days. On September 30, 2023, the City had no credit risk exposure to borrowers.

On September 30, 2023, for the City's Pension Fund, the collateral held and the fair value of securities on loan were \$69,635,000 and \$67,905,000, respectively; for the City's non-pension funds, the collateral held and the fair value of securities on loan were \$2,984,000 and \$2,902,000 respectively.

A summary of the fair value of the securities on loan as of September 30, 2023 follows (in thousands):

	Pension Fund	Non-Pension Fund
Corporate Bonds	\$ 8,540	\$ 2,902
Common Stock	34,040	-
U.S. Government Treasury Notes	25,325	-
	<u>\$ 67,905</u>	<u>\$ 2,902</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, 2023 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, 2023

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 twelve 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 2023, the city recognized \$1,411,648 of lease revenue and \$53,534 of interest revenue related to these leases. As of September 30, 2023, the City's lease receivables were valued at \$3,338,760.

The principal and interest requirements to maturity for the lease receivables as of September 30, 2023, are as follows (in thousands):

Governmental Activities		
Year Ending September 30,	Principal	Interest
2024	771	26
2025	497	18
2026	177	14
2027	99	12
2028	94	10
2029-2033	659	36
Total	<u>2,297</u>	<u>116</u>

Business-Type Activities				
Year Ending September 30,	Water		Airport	
	Principal	Interest	Principal	Interest
2024	251	8	271	5
2025	175	6	32	1
2026	141	4	18	-
2027	154	2	-	-
Total	<u>721</u>	<u>20</u>	<u>321</u>	<u>6</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, 2023, the remaining amount of expected future minimum payments under these agreements is as follows (in thousands):

Year ending September 30,		
2024	\$	6,843
2025		7,953
2026		1,198
2027		1,204
2028		1,135
2029-2033		5,525
2034-2038		4,683
2039-2043		2,363
2044-2048		1,065
2049-2053		967
	<u>\$</u>	<u>32,936</u>

Effective October 2022, the City entered into three-year lease and use agreements with its major airline tenants, (the Signatory Airline Agreements). The current agreements expired on September 30, 2025. 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.

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, 2023. 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, 2023

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

Capital Asset activity for the fiscal year ended September 30, 2023 was as follows (in thousands):

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental Activities				
Non-Depreciable Assets:				
Land	\$ 371,259	\$ -	\$ -	\$ 371,259
Construction-in-Progress	18,174	37,192	(23,954)	31,412
Total Non-Depreciable Assets	<u>\$ 389,433</u>	<u>\$ 37,192</u>	<u>\$ (23,954)</u>	<u>\$ 402,671</u>
Depreciable and Amortizable Assets:				
Buildings	\$ 130,583	\$ -	\$ (2)	\$ 130,581
Equipment	80,292	27,168	(832)	106,628
Improvements other than buildings	15,161	-	-	15,161
Infrastructure	1,002,079	-	-	1,002,079
Intangibles	1,933	-	-	1,933
Intangible Right-to-Use Property	1,940	-	-	1,940
Intangible Right-to-Use Equipment and Fixtures	5,645	1,519	(150)	7,014
SBITAs	-	7,832	-	7,832
Total Depreciable and Amortizable Assets	<u>1,237,633</u>	<u>36,519</u>	<u>(984)</u>	<u>1,273,168</u>
Less accumulated depreciation and accumulated amortization for:				
Buildings	(84,050)	(2,947)	-	(86,997)
Equipment	(39,300)	(5,525)	(1,969)	(46,794)
Improvements other than buildings	(9,239)	(436)	-	(9,675)
Infrastructure	(702,791)	(33,668)	-	(736,459)
Intangibles	(36)	(179)	-	(215)
Intangible Right-to-Use Property	(333)	(489)	-	(822)
Intangible Right-to-Use Equipment and Fixtures	(2,034)	(2,204)	150	(4,088)
SBITAs	-	(2,323)	-	(2,323)
Total Accumulated Depreciation and Amortization	<u>(837,783)</u>	<u>(47,771)</u>	<u>(1,819)</u>	<u>(887,373)</u>
Total Depreciable and Amortizable Assets, net	<u>\$ 399,850</u>	<u>\$ (11,252)</u>	<u>\$ (2,803)</u>	<u>\$ 385,795</u>
Business-Type Activities				
Non-Depreciable Assets:				
Land	\$ 154,415	\$ 1,723	\$ -	\$ 156,138
Construction-in-Progress	91,938	86,893	(52,852)	125,979
Total Non-Depreciable Assets	<u>\$ 246,353</u>	<u>\$ 88,616</u>	<u>\$ (52,852)</u>	<u>\$ 282,117</u>
Depreciable and Amortizable Assets:				
Buildings	\$ 244,291	\$ 11,594	\$ (6,674)	\$ 249,211
Equipment	1,076,643	27,373	(19,735)	1,084,281
Improvements other than buildings	53,148	988	-	54,136
Infrastructure	1,515,988	49,091	(15,120)	1,549,959
Intangibles	310,479	-	-	310,479
Intangible Right-to-Use Equipment and Fixtures	3,717	85	-	3,802
SBITAs	-	1,103	-	1,103
Total Depreciable and Amortizable Assets	<u>3,204,266</u>	<u>90,234</u>	<u>(41,529)</u>	<u>3,252,971</u>
Less accumulated depreciation and accumulated amortization for:				
Buildings	(117,229)	(6,789)	-	(124,018)
Equipment	(721,308)	(49,436)	3,291	(767,453)
Improvements other than buildings	(32,485)	(2,703)	-	(35,188)
Infrastructure	(692,467)	(32,592)	57	(725,002)
Intangibles	(143,595)	(11,894)	-	(155,489)
Intangible Right-to-Use Equipment and Fixtures	(431)	(452)	-	(883)
SBITAs	-	(610)	-	(610)
Total Accumulated Depreciation and Amortization	<u>(1,707,515)</u>	<u>(104,476)</u>	<u>3,348</u>	<u>(1,808,643)</u>
Total Depreciable and Amortizable Assets, net	<u>\$ 1,496,751</u>	<u>\$ (14,242)</u>	<u>\$ (38,181)</u>	<u>\$ 1,444,328</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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	\$ 793
Public Safety	261
Transportation	1,000
Human Services	115
Economic Development	16
Physical Environment	15
Culture and Recreation	783
General Infrastructure	35,525
Capital Assets held by the governmental internal service funds are charged to the various functions based on their usage of assets	<u>9,263</u>
Total depreciation and amortization expense-governmental activities	<u>\$ 47,771</u>
Business-Type Activities:	
Electric	\$ 49,504
Gas	2,321
Sewer	21,269
Water	7,216
Airport	8,163
StarMetro	3,862
Solid Waste	460
Golf	72
Stormwater Management	2,423
Fire Services	1,176
Capital Assets held by the business-type internal service funds are charged to the various functions based on their usage of assets	<u>8,010</u>
Total depreciation and amortization expense-business-type activities	<u>\$ 104,476</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE IV. DETAILED NOTES - ALL FUNDS

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

1. INTERFUND RECEIVABLES/PAYABLES

At September 30, 2023, Interfund Receivables and Payables are as follows (in thousands):

Fund	Due From	Due To	Advance To	Advance From
General	\$ 12,635	\$ 52	-	\$ 387
Electric	45,077	-	3,000	4,490
Gas	1,824	-	-	-
Water	-	1,420	-	-
Sewer	-	5,272	-	-
Airport	-	3	-	150
Stormwater	14,947	-	-	-
Nonmajor governmental	1,154	14,039	11,773	3,011
Nonmajor business-type	3,886	23,704	-	7,772
Internal service funds	30,741	65,774	1,358	321
	<u>\$ 110,264</u>	<u>\$ 110,264</u>	<u>\$ 16,131</u>	<u>\$ 16,131</u>

\$110,264,000 of the interfund receivables and payables balances represent amounts remaining from loans to fund operations. \$16,131,000 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, 2023 are as follows (in thousands):

General	\$ 24,861
Electric	31,384
Gas	4,410
Sewer	12,051
Water	11,653
Airport	2,163
Stormwater management	7,437
Nonmajor business type	27,430
Nonmajor governmental type	1,183
Fiduciary type	1,101
Internal service type	10,626
Total	<u>\$ 134,299</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE IV. DETAILED NOTES - ALL FUNDS

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

3. INTERFUND TRANSFERS

Interfund transfers are made for the funding of capital projects, debt service, for subsidies of various city operations, and for reallocation of special revenues. The following schedule summarizes city transfer activity for the fiscal year ended September 30, 2023 (in thousands):

Transfer Out	Transfers In										Total
	General	Electric	Gas	Sewer	Stormwater Management	Water	Nonmajor Governmental	Nonmajor Business-type	Internal Service	Funds	
General	\$ -	\$ 36	\$ 7	\$ 8	\$ 7	\$ 215	\$ 10,965	\$ 3,834	\$ 1,368	\$ -	\$ 16,440
Electric	35,154	-	-	-	-	221	45	-	-	-	35,420
Gas	3,420	-	-	279	-	156	1	-	-	-	3,856
Sewer	5,710	-	-	-	-	-	9	-	-	-	5,719
Water	4,142	-	-	-	-	-	6	-	-	-	4,148
Airport	9	-	-	-	-	-	-	-	23	-	32
Stormwater	516	-	-	-	-	-	11	-	-	-	527
Nonmajor governmental	593	-	-	-	-	-	1,267	4,938	-	-	6,798
Nonmajor business-type	2,393	-	-	-	-	-	4	-	276	-	2,673
Internal Service	462	-	-	-	-	-	49	-	7	-	518
Total	<u>\$ 52,399</u>	<u>\$ 36</u>	<u>\$ 7</u>	<u>\$ 287</u>	<u>\$ 7</u>	<u>\$ 592</u>	<u>\$ 12,357</u>	<u>\$ 8,772</u>	<u>\$ 1,674</u>	<u>\$ -</u>	<u>\$ 76,131</u>

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 \$5.2 million for governmental activities and \$3.3 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 2023, the City recognized \$2,797,710 in variable lease payments related to these leases. As of September 30, 2023, the City's lease payables were valued at \$6,644,265.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, 2023, were as follows (in thousands):

Governmental Activities		
Year Ending	Principal	Interest
September 30,		
2024	\$ 1,828	\$ 92
2025	738	59
2026	209	36
2027	217	28
2028	70	19
2029-2095	627	474
Total	<u>3,689</u>	<u>708</u>

Business-Type Activities									
Year Ending	Fire		Airport		Starmetro		Utility Services		
September 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2024	2	-	4	-	373	35	30	-	2
2025	-	-	3	-	377	30	29	-	1
2026	-	-	1	-	382	25	1	-	-
2027	-	-	-	-	388	20	-	-	-
2028	-	-	-	-	393	15	-	-	-
2029-2095	-	-	-	-	970	16	-	-	-
Total	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 2,883</u>	<u>\$ 141</u>	<u>\$ 60</u>	<u>\$ -</u>	<u>3</u>

G. Subscription-Based Information Technology Arrangements (SBITAs)

For the year ended September 30, 2023, the City implemented the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The Statement provides a definition of SBITAs and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a SBITA asset (a right to use intangible capital asset) and a SBITA liability will enhance the relevance and reliability of the financial statements. SBITAs in effect at the end of the prior fiscal year had their assets and liabilities initially measured at the present value of the subscription payments expected over the remaining term of the SBITA after October 1, 2022. Accordingly, the City's estimated incremental borrowing rates of 3.93% to 4.1% were used to discount the SBITA payments. As a result, the amount of \$8,934,346 was added as a right to use SBITA asset and a SBITA liability as of October 1, 2022. The SBITA asset, net of amortization, was \$6,002,470 and the liability balance was \$5,814,436 at September 30, 2023.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE IV. DETAILED NOTES - ALL FUNDS

G. Subscription-Based Information Technology Arrangements (SBITAs)

The future minimum SBITA payments as of September 30, 2023, were as follows (in thousands):

Governmental Activities		
Year Ending	Principal	Interest
September 30,		
2024	3,060	282
2025	922	91
2026	813	53
2027	489	20
Total	<u>5,284</u>	<u>446</u>

Business-Type Activities								
Year Ending	Electric		Starmetro		Accounting		Purchasing	
	September	30,	Principal	Interest	Principal	Interest	Principal	Interest
2024	32	1	60	8	242	5	31	3
2025	-	-	64	5	-	-	32	1
2026	-	-	69	3	-	-	-	-
Total	<u>32</u>	<u>1</u>	<u>193</u>	<u>16</u>	<u>242</u>	<u>5</u>	<u>63</u>	<u>4</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE IV. DETAILED NOTES - ALL FUNDS

H. 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, 2023 (in thousands):

	Beginning			Ending		
	Balance	Additions	Reductions	Balance	Current	Noncurrent
Governmental Activities:						
General Revenue Bonds	\$ 75,205	\$ 37,455	\$ 46,670	\$ 65,990	\$ 9,030	\$ 56,960
Unamortized Premiums	8,786	-	5,659	3,127	-	3,127
Bank of America Loan	264	-	264	-	-	-
Public Improvement Revenue Note	7,310	-	-	7,310	-	7,310
Redevelopment Revenue Note	3,410	-	550	2,860	560	2,300
Bonds and Loans Payable	94,975	37,455	53,143	79,287	9,590	69,697
Compensated Absences	11,447	5,762	5,245	11,964	5,762	6,202
Net Pension Liability	-	154,509	-	154,509	-	154,509
Net OPEB Liability	45,855	3,705	12,399	37,161	-	37,161
Lease Payable	4,971	1,561	2,843	3,689	1,829	1,860
Subscription Liability	-	7,873	2,589	5,284	3,061	2,223
Total Governmental-Type Debt	157,248	210,865	76,219	291,894	20,242	271,652
Business-Type Activities:						
Energy System 2010B	122,280	-	-	122,280	-	122,280
Energy System Refunding 2015	5,335	-	5,335	-	-	-
Energy System Refunding 2017	129,295	-	3,515	125,780	2,010	123,770
Energy System 2018	98,660	-	750	97,910	1,415	96,495
Energy System Refunding 2020	64,410	-	10,520	53,890	12,100	41,790
Energy System Refunding 2022	59,965	-	59,965	-	-	-
Energy System Refunding 2023	-	59,790	-	59,790	6,225	53,565
Consolidated Utility System 2010A	117,015	-	-	117,015	-	117,015
Consolidated Utility System Refunding 2015	2,485	-	2,485	-	-	-
Consolidated Utility System Refunding 2017	94,800	-	4,395	90,405	4,615	85,790
Consolidated Utility System 2018	39,470	-	1,670	37,800	1,750	36,050
Consolidated Utility System Refunding 2020	10,465	-	2,430	8,035	2,550	5,485
Consolidated Utility System Refunding 2022	34,825	-	34,825	-	-	-
Consolidated Utility System Refunding 2023	-	34,720	-	34,720	2,955	31,765
2019 Transportation Improvement Bond	5,508	-	867	4,641	887	3,754
Unamortized Premiums/Discounts	73,386	-	5,476	67,910	-	67,910
AMI Loan	6,345	-	3,112	3,233	3,233	-
Bank of America Loan	128	-	128	-	-	-
Bonds and Loans Payable	864,372	94,510	135,473	823,409	37,740	785,669
Compensated Absences	15,210	9,949	9,262	15,897	9,949	5,948
Net Pension Liability	-	30,224	-	30,224	-	30,224
Net OPEB Liability	32,783	3,078	10,756	25,105	-	25,105
Lease Payables	3,308	84	439	2,953	408	2,545
Subscription Liability	-	1,060	530	530	365	165
Total Business-Type Debt	915,673	138,905	156,460	898,118	48,462	849,656
Total Long-Term Debt	\$ 1,072,921	\$ 349,770	\$ 232,679	\$ 1,190,012	\$ 68,704	\$ 1,121,308

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, 2023

NOTE IV. DETAILED NOTES - ALL FUNDS

H. LONG-TERM DEBT

2. SUMMARY OF INDIVIDUAL BOND ISSUES

Summarized below are the City's individual bond issues outstanding at September 30, 2023 (in thousands):

GENERAL REVENUE BONDS:

<p>\$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.</p>	<p>\$ 7,020</p>
<p>\$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.</p>	<p>22,940</p>
<p>\$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.</p>	<p>4,490</p>
<p>\$38,000,000 Capital Bonds - Series 2022, due in annual installments ranging from \$2,180,000 to \$5,980,000 ending on October 1, 2034 at a 3.480% interest rate. 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 Public Service Tax Revenues</p>	<p>31,540</p>
<p style="padding-left: 40px;">Total General Revenue Bonds</p>	<p><u>\$ 65,990</u></p>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE IV. DETAILED NOTES - ALL FUNDS

H. LONG-TERM DEBT

**2. SUMMARY OF INDIVIDUAL BOND ISSUES
PROPRIETARY REVENUE BONDS**

<p>\$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.</p>	<p>\$ 122,280</p>
<p>\$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.</p>	<p>125,780</p>
<p>\$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.</p>	<p>97,910</p>
<p>\$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.</p>	<p>53,890</p>
<p>\$59,739,000 Energy System Refunding Revenue Bonds - Series 2023, due in annual installments ranging from \$135,453 to \$1,656,183 ending on October 1, 2032, at an interest rate of 2.77%. 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.</p>	<p>59,790</p>
<p>\$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.</p>	<p>117,015</p>
<p>\$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.</p>	<p>90,405</p>
<p>\$45,385,000 Consolidated Utility System 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.</p>	<p>37,800</p>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE IV. DETAILED NOTES - ALL FUNDS

H. LONG-TERM DEBT

2. SUMMARY OF INDIVIDUAL BOND ISSUES

<p>\$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.</p>	8,035
<p>\$34,720,000 Consolidated Utility System Refunding Revenue Bonds - Series 2023, due in annual installments ranging from \$2,015,000 to \$3,700,000 ending on October 1, 2035, at an interest rate of 2.89% . 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.</p>	34,720
<p>\$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.</p>	4,641
Total Proprietary Revenue Bonds	<u>\$ 752,266</u>
Total Bonds Payable	<u>\$ 818,256</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE IV. DETAILED NOTES - ALL FUNDS

H. 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 2023, and the Consolidated Utility System Refunding Revenue Bonds, Series 2023 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 \$3,330,149 as of September 30, 2023.

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, 2023.

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 \$2,860,000 as of September 30, 2023.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE IV. DETAILED NOTES - ALL FUNDS

H. 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	
2024	\$ 7,045	\$ 3,824	\$ 1,670	\$ 447	\$ 24,440	\$ 34,074	\$ 13,301	\$ 3,304	\$ 88,105
2025	3,295	3,271	9,900	388	26,015	32,852	10,347	2,884	88,952
2026	3,430	3,037	2,650	221	27,315	31,551	10,628	2,551	81,383
2027	3,565	2,792	2,720	158	29,140	30,186	10,924	2,209	81,694
2028	3,705	2,537	2,045	106	30,550	28,726	11,281	1,857	80,807
2029-2033	20,905	8,425	2,695	112	186,110	117,509	40,665	4,084	380,505
2034-2038	12,535	1,744	-	-	209,490	69,083	5,240	230	298,322
2039-2043	-	-	-	-	120,055	11,613	-	-	131,668
Totals	\$ 54,480	\$ 25,630	\$ 21,680	\$ 1,432	\$ 653,115	\$ 355,594	\$ 102,386	\$ 17,119	\$ 1,231,436

6. OTHER DEBT CONSIDERATIONS

In the fiscal year, the City refunded Energy System Refunding Revenue Bonds, Series 2022 with the issue of Energy System Refunding Revenue Bonds, Series 2023. The par amount of the Series 2022 bonds that was refunded totaled \$59,790,000 leaving a balance of \$0. The par amount of the 2023 bonds totaled \$59,790,000. The refunding transaction was pre-planned in the original issue and any economic benefit was included in the future debt service calculation of the Series 2022 bonds.

In the fiscal year, the City refunded Consolidated Utility System Refunding Revenue Bonds, Series 2022 with the issue of Consolidated Utility System Refunding Revenue Bonds, Series 2023. The par amount of the Series 2022 bonds that was refunded totaled \$34,720,000 leaving a balance of \$0. The par amount of the 2023 bonds totaled \$34,720,000. This refunding transaction was anticipated in the original issue and any economic benefit was included in the future debt service calculation of the Series 2022 bonds.

In the fiscal year, the City refunded Capital Bonds, Series 2012 and Capital Bonds, Series 2014 with the issue of Capital Bonds, Series 2022. The par amount of the Series 2012 bonds that was refunded totaled \$3,875,000. The par amount of the Series 2014 bonds that was refunded totaled \$27,700,000. The par amount of the Series 2022 bonds totaled \$37,455,000, increasing the principal balance by \$5,880,000.

The City, as of September 30, 2023, nor at any time during fiscal year 2023, did not have a line of credit upon which to borrow additional funds.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE IV. DETAILED NOTES - ALL FUNDS

H. 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, 2023, 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, 2023 was \$337.8 million.
- As of September 30, 2023, 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, 2023 was \$3.3 million.
- As of September 30, 2023, there was one Industrial Revenue Bond outstanding. The original issue amount totaled \$5.4 million and the outstanding balance as of September 30, 2023 was \$4.5 million.

I. 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, 2023

NOTE IV. DETAILED NOTES - ALL FUNDS

J. 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, 2023

NOTE IV. DETAILED NOTES - ALL FUNDS

J. FUND BALANCE

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

	General	Total Other Governmental	
Non-spendable			
Inventory	\$ 818	\$ -	\$ 818
Notes Receivable	-	162	162
Police Evidence Holding Cash	821	-	821
Lease receivable, net	22	25	47
Advances to Other Funds	-	11,773	11,773
Total Non-Spendable	<u>1,661</u>	<u>11,960</u>	<u>13,621</u>
Restricted for:			
American Rescue Plan	-	88	88
Animal Services	-	122	122
Building Improvements	-	3	3
Community Development	-	24,052	24,052
Emergency Management	-	10	10
Environmental Clean Up	-	794	794
Housing	-	1,624	1,624
Land/Neighborhood Improvements	-	106	106
Law Enforcement Justice Assistance	-	21	21
Park Enhancements	-	701	701
Police Enforcement/Crime Prevention	-	15	15
Police Mentoring	-	2	2
Public Safety - Building Code	-	2,110	2,110
Recreation Facilities	-	206	206
Road Improvements	-	1,391	1,391
Sidewalks/Pedestrian & Bike Paths	-	7,813	7,813
Traffic Signals	-	202	202
Total Restricted	<u>-</u>	<u>39,260</u>	<u>39,260</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE IV. DETAILED NOTES - ALL FUNDS

J. FUND BALANCE

	General	Total Other Governmental	_____
Committed to:			
Cemetery Grounds Maintenance	-	2,192	2,192
City Building Improvements	-	880	880
Community Development	-	289	289
Emergency Management	24,919	-	24,919
General Government	-	824	824
Historic Property Preservation	-	1,084	1,084
Housing	-	4,388	4,388
Land/Neighborhood Improvements	-	2,599	2,599
Park Enhancements	-	3,686	3,686
Police Enforcement/Crime Prevention	-	322	322
Police Equipment	-	424	424
Public Infrastructure	-	9,118	9,118
Road Improvements	-	130	130
Scholarship Assistance	151	-	151
Sidewalks/Pedestrian & Bike Paths	-	474	474
Technology Upgrades	-	3,315	3,315
Total Committed	<u>25,070</u>	<u>29,725</u>	<u>54,795</u>
City Building Improvements	24	-	24
Community Development	200	-	200
Cultural Events	43	-	43
General Government	817	-	817
Information Technology	2	-	2
Physical Environment	56	-	56
Public Safety	4	-	4
Transportation Improvements	4	-	4
Total Assigned	<u>1,150</u>	<u>-</u>	<u>1,150</u>
Unassigned:	<u>2,271</u>	<u>(14,734)</u>	<u>(12,463)</u>
Total Fund Balance	<u>\$ 30,152</u>	<u>\$ 66,211</u>	<u>\$ 96,363</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, 2023, in the respective funds are as follows (in thousands):

General Fund	\$	4,816
Electric		18,312
Gas		1,395
Sewer		17,472
Stormwater Management		2,924
Water		9,197
Airport		30,314
Nonmajor Governmental		34,692
Nonmajor Enterprise		10,857
Internal Service Funds		28,004
Total	\$	<u>157,983</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 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. The risk management program is also responsible for the purchase of certain other coverages including Aviation liability coverage. Specialized policies for police and fire statutory death benefits and a policy providing a lump sum benefit for firefighter cancer claims are also purchased. The risk management program provides Employment Practice Liability such as allegations of race, gender and other discrimination or disparate treatment allegations. This exposure is also self-insured. The City's buildings and contents are covered by two property insurance policies: one for municipal locations and one for utility locations, both with varying deductibles.

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 the 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).

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, 2023

NOTE V. OTHER INFORMATION

B. RISK MANAGEMENT PROGRAM

Changes in the balances of self-insured claims for the year ended September 30, 2023 are as follows (in thousands):

Unpaid claims - October 1 (including IBNRs)	\$	19,715
Expenses		4,706
Claim payments		<u>(5,324)</u>
Unpaid claims - September 30 (including IBNRs)	\$	<u>19,097</u>

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, 2023, the contingent loans for Special Projects totaled \$5.2 million. The contingent down payment assistance loan balance for SHIP totaled \$1.5 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 8 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; 7) SEA/Morgan Stanley 30-year contract ending in 2052; 8) SEA/J. Aron 30-year contract ending in 2053. These contracts save the City \$6.2 million each year through 2053. 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 2025. 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, 2023

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, 2023 (in thousands):

Years ending September 30,	Gas Contracts	Energy Contracts (including Solar PPA)	Total
2024	\$ 23,897	\$ 5,178	\$ 29,075
2025	50,716	5,381	56,097
2026	60,967	5,593	66,560
2027	62,269	5,813	68,082
2028	60,999	6,068	67,067
Thereafter	1,708,143	66,709	1,774,852
Total	<u>\$ 1,966,991</u>	<u>\$ 94,742</u>	<u>\$ 2,061,733</u>

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, 2023

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	Compon ent Unit
Net Pension Liability/ (Asset)	\$ 85,911	\$ 54,331	\$ 44,491	\$ 184,733	\$ 59
Pension Related Deferred Outflows	67,352	21,104	17,639	106,095	69
Pension Related Deferred Inflows	(6,735)	(7,924)	(7,218)	(21,877)	(7)
Pension Expense	\$ 22,828	\$ 5,525	\$ 5,598	\$ 33,951	\$ 16

The 2023 membership statistical information is as follows:

	General Employees - City	Police Officers	Firefighters	Total
Retirees and beneficiaries of deceased retirees currently receiving benefits	1,983	329	261	2,573
Terminated employees entitled to benefits but not yet receiving benefits	273	36	10	319
Active Employees	1,966	343	261	2,570

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 Parts C and D provide 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, 2023

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, 2021	Part D-Employees hired after October 1, 2021	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)	55 (or 25 years of Credited Service, regardless of age)
Years of Credited Service (minimum)	5	5	5	10	5	10
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% - each year 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)	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.	Average of the highest 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.	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	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 between age 52 and 62 depending on pension entry date.	3% increase in benefits each 10/1 starting at the later of normal retirement date or age 62

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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>Eligibility occurs 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 for Firefighters and Part C Police Officers. For Part D Police Officers, the benefit is reduced by 6.0%. If the member is retiring after attainment of 20 years of Credited Service, the Normal Retirement Benefit is reduced by 6.8% per year for each year by which the Early Retirement date precedes the 25 years of service attainment date for Firefighters and Part D Police Officers. For Part C Police Officers, the benefit is reduced by 7.2%.</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, 2023			
City	23.07%	38.58%	44.69%
Employee	5.00%	10.99%	Part C - 18.69% Part D - 16.69%

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, 2023. The net pension liability was also determined using a measurement date of September 30, 2023. The components of the net pension liability of the participating employers in the general employees, police officers and firefighters plans as of September 30, 2023 were as follows (in thousands):

	General Employees	Police Officers	Firefighters
Total pension liability	\$ 1,506,659	\$ 469,023	\$ 320,898
Plan fiduciary net position	1,385,517	403,207	270,046
Net pension asset/liability	121,412	65,816	50,852
Plan fiduciary net position as a % of total pension liability	91.96 %	85.97 %	84.15 %
City's proportion of the net pension asset/liability	94.76 %	100.0 %	100.0 %

The City's Proportionate share of the General Employees' Pension Plan is based on the covered payroll and it decreased from 94.86% in 2022 to 94.76% in 2023.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, 2022 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, 2022 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.	The mortality tables used are the same as those used in the July 1, 2022 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.
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, 2023

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, 2023 based on the September 30, 2022 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, 2022	\$ 1,311,787	\$ 1,389,210	\$ (77,423)
Changes for the year:			
Change in Allocation Percentage	412	439	(27)
Service Cost	16,595	-	16,595
Interest	95,663	-	95,663
Differences between Expected and Actual Experiences	10,870	-	10,870
Employer Contributions	-	25,733	(25,733)
Employee Contributions	-	6,337	(6,337)
Net Investment Income	-	(71,762)	71,762
Benefit Payments	(71,341)	(71,341)	-
Refunds	(772)	(772)	-
Administrative Expense	-	(600)	600
Net Changes	<u>51,427</u>	<u>(111,966)</u>	<u>163,393</u>
Balances at September 30, 2023	<u>\$ 1,363,214</u>	<u>\$ 1,277,244</u>	<u>\$ 85,970</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, 2022	\$ 428,317	\$ 422,805	\$ 5,512
Changes for the year:			
Service Cost	7,304	-	7,304
Interest	31,398	-	31,398
Differences between Expected and Actual Experiences	871	-	871
Employer Contributions	-	9,452	(9,452)
Employee Contributions	-	3,092	(3,092)
Net Investment Income	-	(21,609)	21,609
Benefit Payments	(22,478)	(22,478)	-
Refunds	(165)	(165)	-
Administrative Expense	-	(181)	181
Net Changes	<u>16,930</u>	<u>(31,889)</u>	<u>48,819</u>
Balances at September 30, 2023	<u>\$ 445,247</u>	<u>\$ 390,916</u>	<u>\$ 54,331</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, 2022	\$ 296,581	\$ 283,715	\$ 12,866
Changes for the year:			
Service Cost	4,764	-	4,764
Interest	21,651	-	21,651
Differences between Expected and Actual Experiences	615	-	615
Employer Contributions	-	6,658	(6,658)
Employee Contributions	-	3,467	(3,467)
Net Investment Income	-	(14,602)	14,602
Benefit Payments	(17,471)	(17,471)	-
Refunds	(53)	(53)	-
Administrative Expense	-	(118)	118
Net Changes	<u>9,506</u>	<u>(22,119)</u>	<u>31,625</u>
Balances at September 30, 2023	<u>\$ 306,087</u>	<u>\$ 261,596</u>	<u>\$ 44,491</u>

Investments - Plan assets are managed in accordance with the Pension Investment Policy. The table below presents the adopted asset allocation as of September 30, 2023.

Asset Class	Target Allocation Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	35.5	8.1
International Equity	9.0	8.5
Emerging Markets Equity	4.0	10.2
Fixed Income	16.5	2.1
Real Estate	15.0	5.6
Private Equity	7.5	12.1
Private Credit	7.5	7.0
Timber	5.0	4.9
Total	<u>100.0</u>	

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

For the year ended September 30, 2023, the annual money-weighted rate of return on the General Employees, Police Officers, and Firefighters pension plan investments, net of investment expense, was 6.9%. 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 2022. 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, 2023

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, 2023 were consistent with 2022 as follows:

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	\$ 259,258	\$ 85,911	\$ (57,283)
Primary Government-Police Plan	112,232	54,331	6,665
Primary Government-Fire Plan	83,158	44,491	12,534
Primary Government-Component Unit	178	59	(39)

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, 2023

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

General Employees – Plan - For the year ended September 30, 2023, the general employees pension plan recognized pension expense of \$23,863,000 for the plan. At September 30, 2023, 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	\$ 13,639	\$ (596)	\$ 13,043
Assumption changes	5,120	(6,115)	(995)
Change in Net Pension Liability due to Change in Cost-Sharing Allocation Percentages	659	(659)	-
Net difference between projected and actual earnings on pension plan investments	24,595	-	24,595
Contributions after measurement date	27,127	-	27,127
Total	\$ 71,140	\$ (7,370)	\$ 63,770

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, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense, as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Net Amount</u> <u>(in thousands)</u>
2024	\$ 10,451
2025	(5,274)
2026	(7,418)
2027	38,884
Total	\$ 36,643

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

General Employees – City – For the year ended September 30, 2023, the City recognized pension expenses of \$22,584,000 for its proportionate share of the general employees pension plan. At September 30, 2023, 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	\$ 12,945	\$ (563)	\$ 12,382
Assumption changes	4,868	(5,798)	(930)
Net difference between projected and actual experience on pension investments	23,379	-	23,379
Change in Net Pension Liability due to change in cost sharing allocation percentage	238	(381)	(143)
Contributions after measurement date	25,991	-	25,991
Total	\$ 67,421	\$ (6,742)	\$ 60,679

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, 2024. 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)
2024	\$ 9,884
2025	(5,103)
2026	(6,975)
2027	36,882
Total	\$ 34,688

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

Police officers - For the year ended September 30, 2023, the police officers pension plan recognized pension expense of \$6,113,000. At September 30, 2023, 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	\$ 2,069	\$ -	\$ 2,069
Net difference between projected and actual earnings on pension plan investments	7,878	-	7,878
Assumption Changes	1,705	(7,924)	(6,219)
Contributions after measurement date	9,452	-	9,452
Total	\$ 21,104	\$ (7,924)	\$ 13,180

Deferred outflows of resources related to the police officers pension plan of \$9,452,000, 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, 2024. 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)
2024	\$ 816
2025	(2,880)
2026	(4,241)
2027	9,982
2028	51
Total	\$ 3,728

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

1. DEFINED BENEFIT PROVISION

Firefighters - For the year ended September 30, 2023, the firefighters pension plan recognized pension expense of \$5,918,000. At September 30, 2023, 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	\$ 2,591	\$ (757)	\$ 1,834
Net difference between projected and actual earnings on pension plan investments	4,812	-	4,812
Assumption changes	3,578	(6,461)	(2,883)
Contributions after measurement date	6,658	-	6,658
Total	\$ 17,639	\$ (7,218)	\$ 10,421

Deferred outflows of resources related to the firefighters pension plan of \$6,658,000, 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, 2024. 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)
2024	\$ 2,107
2025	(1,043)
2026	(2,978)
2027	5,577
2028	100
Total	\$ 3,763

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, 2023, the contributions and forfeitures to the MAP account totaled \$1,083,751 and \$268,271, respectively.

3. STATEMENT OF PLAN NET POSITION AS OF SEPTEMBER 30, 2023

	Pension Trust	Matched Annuity Pension Plan
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ 18,666	\$ 12
Receivables		
Other Receivables	-	19
Accrued Interest	5,601	-
Total Receivables	<u>5,601</u>	<u>19</u>
Investments, at Fair Value		
Mutual Index Funds	-	154,944
Private Equities	281,608	-
Fixed Income Securities	338,587	-
Domestic Equities	733,539	-
International Equities	175,835	-
Private Credit Funds	112,161	-
Alternative Investments	276,391	-
Timber	115,474	-
Total Investments	<u>2,033,595</u>	<u>154,944</u>
Securities Lending Collateral	69,635	-
Total Assets	<u>\$ 2,127,497</u>	<u>\$ 154,975</u>
LIABILITIES AND NET POSITION		
Liabilities		
Obligations Under Securities Lending	\$ 69,635	\$ -
Total Liabilities	<u>69,635</u>	<u>-</u>
Net Position		
Net Position Restricted for Pensions	2,057,862	154,975
Total Liabilities and Net Position	<u>\$ 2,127,497</u>	<u>\$ 154,975</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE V. OTHER INFORMATION

F. PENSION PLAN OBLIGATIONS

4. STATEMENT OF CHANGES IN PLAN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Pension Trust	Matched Annuity Pension Plan
ADDITIONS		
Contributions		
Employer	\$ 43,238	\$ 1,044
Plan Members	13,365	-
Total Contributions	<u>56,603</u>	<u>1,044</u>
Investment (Loss)		
From Investment Activities		
Gain/Loss on Sale of Investments	32,917	-
Change in Fair Value of Investments	53,762	16,441
Interest Income	22,575	4,996
Dividends	23,550	-
Total Investment (Loss)	<u>132,804</u>	<u>21,437</u>
Less Investment Expenses:		
Investment Management Fees	6,989	-
Interest Expense	35	-
Net (Loss) From Investing Activities	<u>125,780</u>	<u>21,437</u>
From Securities Lending Activities:		
Securities Lending Income	5,370	-
Less Securities Lending Expenses:		
Investment Management Fees	5,012	-
Net Income From Securities Lending Activities	<u>358</u>	<u>-</u>
Total Net Investment (Loss)	<u>126,138</u>	<u>21,437</u>
Total Additions	<u>182,741</u>	<u>22,481</u>
DEDUCTIONS		
Benefits	120,934	8,223
Refunds of Contributions	902	-
Administrative Expense	1,097	-
Total Deductions	<u>122,933</u>	<u>8,223</u>
Change in Net Position	59,808	14,258
Net Position - October 1	1,998,054	140,717
Net Position - September 30	<u>\$ 2,057,862</u>	<u>\$ 154,975</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, 2023

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, 2023

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, 2023, 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	\$62,265	\$ 108	\$ 62,373
OPEB Related Deferred Outflows	16,863	17	16,880
OPEB Related Deferred Inflows	(29,963)	(19)	(29,982)
OPEB Expenses	(10,204)	(4)	(10,208)

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

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

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

1. OPEB PLAN DESCRIPTION

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

*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 2023. 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, 2023

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, 2023 based on the September 30, 2022 measurement date as follows (in thousands):

	Total Pension Liability	Plan Fiduciary Net Position	Net OPEB Liability (a) - (b)
Balances at September 30, 2022	\$ 91,851	\$ 13,094	\$ 78,757
Changes for the year:			
Change in Allocation Percentages	9	1	8
Service Cost	2,110	-	2,110
Interest	2,166	-	2,166
Assumption Changes	(18,337)	-	(18,337)
Employer Contributions to the Trust Fund	-	2,262	(2,262)
Employer Contributions not deposited in Trust Fund	-	2,273	(2,273)
Net Investment Income	-	(2,203)	2,203
Benefit Payments	(4,386)	(2,113)	(2,273)
Benefit Payments not reimbursed by Trust Fund	-	(2,273)	2,273
Net Changes	<u>(18,438)</u>	<u>(2,053)</u>	<u>(16,385)</u>
Balances at September 30, 2022	<u>\$ 73,413</u>	<u>\$ 11,041</u>	<u>\$ 62,372</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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	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 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, 2022: The Single Discount Rate was changed from 2.36% to 4.50%. There were no benefit changes during the year.

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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 4.50%, 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 3.50%	Current Single Discount Rate Assumption 4.50%	1% Increase 5.50%
Primary Government	\$ 69,969	\$ 62,265	\$ 55,733
Primary Government - Component Unit	121	108	97
Total	\$ 70,090	\$ 62,373	\$ 55,830

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	\$ 56,769	\$ 62,265	\$ 68,821
Primary Government - Component Unit	98	108	119
Total	\$ 56,867	\$ 62,373	\$ 68,940

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, 2023

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, 2022, the City recognized OPEB expenses of (\$575,863) for the year ended September 30, 2023. At September 30, 2023, 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	\$ -	\$ (5,308)	\$ (5,308)
Assumption Changes	9,313	(22,872)	(13,559)
Net Difference between projected and actual earnings on OPEB plan investments	2,597	(1,471)	1,126
Change in Net OPEB liability due to Change in Cost- Sharing Allocation Percentage	13	(332)	(319)
Contributions after measurement date	4,957	-	4,957
	<u>\$ 16,880</u>	<u>\$ (29,983)</u>	<u>\$ (13,103)</u>

Deferred outflows of resources related to the plan of \$4,957,000, resulting from City contributions to the plan paid subsequent to the measurement date and prior to the City's fiscal year, will be recognized as a reduction of the net OPEB liability in the fiscal year ended September 30, 2023. Other amounts reported as OPEB related deferred outflows and inflows of resources will be recognized in future OPEB expense, as follows:

Year ending September 30,	Net Amount
2024	\$ (3,643)
2025	(3,066)
2026	(2,380)
2027	(3,499)
2028	(2,254)
Thereafter	<u>(3,218)</u>
Total	<u>\$ (18,060)</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, 2023

NOTE V. OTHER INFORMATION

H. OTHER POST EMPLOYMENT BENEFITS (OPEB)

5. STATEMENT OF PLAN NET POSITION AS OF SEPTEMBER 30, 2023

	<u>OPEB Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 656
Receivables:	
Accrued Interest	5
Investments, at Fair Value:	
Domestic Equities	12,503
Securities Lending Collateral	<u>72</u>
Total Assets	<u>\$ 13,236</u>
LIABILITIES AND NET POSITION	
Liabilities	
Obligations Under Securities Lending	\$ 72
Other Payables	<u>4</u>
Total Liabilities	<u>76</u>
Net Position	
Net Position Restricted for Pensions	13,160
Total Liabilities and Net Position	<u>\$ 13,236</u>

6. STATEMENT OF CHANGES IN PLAN NET POSITION FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>OPEB Trust</u>
ADDITIONS	
Contributions	
Employer	\$ 2,399
Total Contributions	<u>2,399</u>
Investment Loss	
From Investment Activities	
Gain/Loss on Sale of Investments	96
Change in Fair Value of Investments	1,292
Interest Income	<u>308</u>
Total Investment Loss	<u>1,696</u>
Less Investment Expenses:	
Investment Management Fees	8
Net Loss From Investing Activities	<u>1,688</u>
Total Net Investment Loss	<u>1,688</u>
Total Additions	<u>4,087</u>
DEDUCTIONS	
Benefits	<u>2,124</u>
Change in Net Position	1,963
Net Position - October 1	11,197
Net Position - September 30	<u>\$ 13,160</u>

CITY OF TALLAHASSEE, FLORIDA

NOTES TO FINANCIAL STATEMENTS
September 30, 2023

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, 2023, 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, 2023		
	Classification	Amount	Classification	Amount	Notional
Cash Flow Hedges:					
Commodity Forward -Natural Gas	Deferred Inflows of Resources	(\$13,152)	Derivative Instrument	\$13,152	16,905,000 MMBTUs

The fair values of the forward contracts are estimated based upon the nominal value of their estimated cash flows. For FY 2024 the City has hedged various volumes Over the Counter (OTC) with BP Energy Company and Conoco Phillips Company. Counterparty S&P credit ratings are as follows: BP Energy Company: A-, and Conoco Phillips Company: A-, as of September 30, 2023.

The following table displays the objectives and terms of the City's derivative instruments outstanding as of September 30, 2023.

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 2023 - September 2024	Pay various 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, 2023

NOTE V. OTHER INFORMATION

J. RELATED PARTY TRANSACTIONS

Related party transactions during the year ended September 30, 2023 included the following:

In the current year, Blueprint Intergovernmental Agency (Blueprint) paid to the City \$7,310,751 for fiscal year 2023 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 (CDA):

- a. \$6,617,499 for operations.
- b. \$331,011 for Fire/EMS revenue.

The City charges fees for administrative services to the CDA, Blueprint, and the Capital Region Transportation Planning Agency (CRTPA). For the year ended September 30, 2023, the City charged fees of \$1,602,895, \$403,291, and \$71,571, respectively.

As of September 30, 2023, the City was owed \$169,256 by the CDA, \$7,430,926 by Blueprint, \$525,772 by CRTPA, and \$750 from the Downtown Improvement Authority. The City in turn owed the CDA \$703,591 and Blueprint \$213,828.

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 \$5,152,500 under this agreement in the fiscal year ended September 30, 2023.

K. SUBSEQUENT EVENTS

CONSOLIDATED UTILITY SYSTEMS REVENUE BONDS, SERIES 2024

On January 31, 2024, the City issued its Consolidated Utility System Revenue Bonds, Series 2024 in the principal amount of \$44,660,000. The bond was issued for the purpose of paying the cost of certain capital improvements to the City's consolidated utility system and bears interest at a rate of 5.00%. The terms of the loan from Bank of America call for debt service payments to be made on October 1 of each year from 2024 through 2048 with the first principal payment due on October 1, 2025. Principal and interest 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.

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

Draft

CITY OF TALLAHASSEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended September 30, 2023
(in thousands)
(Unaudited)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final
	Original	Final		Budget Positive (Negative)
Budgetary Fund Balance - October 1	\$ 148	\$ 148	\$ 148	\$ -
Resources				
Taxes	81,367	81,367	83,632	2,265
Licenses and Permits	2,060	2,060	2,278	218
Intergovernmental Revenues	26,970	26,970	23,920	(3,050)
Charges for Services	10,994	10,994	12,484	1,490
Fines and Forfeitures	618	618	704	86
Interest Earned	304	304	(458)	(762)
Miscellaneous	10,321	10,321	9,469	(852)
Transfers from Other Funds	51,431	51,431	51,161	(270)
Amounts Available for Appropriations	<u>184,213</u>	<u>184,213</u>	<u>183,338</u>	<u>(875)</u>
Charges to Appropriations				
General Government	28,240	27,808	26,869	939
Public Safety	66,665	64,854	63,857	997
Transportation	17,730	17,669	19,909	(2,240)
Human Services	8,976	8,351	8,411	(60)
Economic Development	(222)	(230)	99	(329)
Physical Environment	3,786	3,747	3,554	193
Culture and Recreation	24,431	24,431	24,460	(29)
Transfers to Other Funds	34,607	37,583	35,943	1,640
Total Charges to Appropriations	<u>184,213</u>	<u>184,213</u>	<u>183,102</u>	<u>1,111</u>
Budgetary Fund Balance - September 30	\$ -	\$ -	\$ 236	\$ 236

See Independent Auditors' Report

CITY OF TALLAHASSEE, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
Note to Required Supplementary Information
General Fund
September 30, 2023
(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.	\$ 183,338
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.	(148)
The revenues of the City's Deficiency Reserve and Scholarship Reserve are current year revenues for reporting purposes but are not considered budgetary inflows.	5,431
Current year nonbudgeted transfer is treated as revenue for financial reporting purposes but not as a budgetary inflow.	369
Miscellaneous items treated as budgetary inflows but not as revenues for financial reporting purposes.	(3,808)
Miscellaneous items treated as revenues for financial reporting purposes but not as budgetary inflows	<u>416</u>
Total Revenues and Other Financing Sources as reported on the statement of revenues, expenditures, and changes in fund balances.	<u><u>\$ 185,598</u></u>

Outflows of Resources

Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedule.	\$ 183,102
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.	495
Current year nonbudgeted transfer is treated as expense for financial reporting purposes but not as a budgetary outflow.	604
Miscellaneous items treated as budgetary outflows but not as expenditures for financial reporting purposes.	(4,464)
Miscellaneous items treated as expenditures for financial reporting purposes but not as budgetary outflows.	<u>518</u>
Total Expenditures and Other Financing Uses as reported on the statement of revenues, expenditures, and changes in fund balances.	<u><u>\$ 180,255</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, 2023)
For the Fiscal Year Ended September 30
(in thousands)
(Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service Cost	\$ 18,650	\$ 17,494	\$ 17,607	\$ 18,012	\$ 16,845	\$ 15,916	\$ 15,008	\$ 14,964	\$ 14,592	\$ 16,333
Interest	104,781	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	11,463	-	(1,448)	9,403	43,132	11,976	17,064	-	(24,196)	-
Assumption Changes	25,685	-	(10,193)	-	19,989	14,262	54,077	-	-	-
Benefit Payments	(78,909)	(75,207)	(71,369)	(66,804)	(62,578)	(58,587)	(54,634)	(50,887)	(47,928)	(44,510)
Refunds	(632)	(814)	(637)	(578)	(485)	(262)	(269)	(312)	(241)	(385)
Net Change in Total Pension Liability	81,038	42,319	33,693	51,766	109,387	69,476	109,814	38,191	13,797	41,898
Total Pension Liability - Beginning	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	915,280
Total Pension Liability - Ending (a)	\$ 1,506,659	\$ 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	\$ 27,127	\$ 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	6,914	6,680	6,212	6,171	6,119	5,560	5,160	4,523	4,719	4,607
Net Investment Income	85,307	(75,650)	308,700	75,990	47,306	94,722	127,148	85,979	9,640	89,958
Benefits Payments	(78,909)	(75,207)	(71,369)	(66,804)	(62,578)	(58,587)	(54,634)	(50,887)	(47,928)	(44,510)
Refunds	(632)	(814)	(637)	(578)	(485)	(262)	(269)	(312)	(241)	(385)
Administrative Expense	(741)	(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	39,066	(118,497)	270,179	49,027	11,184	59,754	91,033	53,189	(17,887)	65,204
Plan Fiduciary Net Position - Beginning	1,346,451	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)	\$ 1,385,517	\$ 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)	\$ 121,142	\$ 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	91.96 %	94.45 %	105.90 %	88.53 %	88.28 %	95.46 %	96.05 %	97.48 %	95.84 %	99.09
Covered Payroll	\$ 132,953	\$ 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	91.12 %	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, 2023)
(in thousands)
(Unaudited)**

Fiscal year ending September 30, 2023	BPIA	CRTPA	CDA	City of Tallahassee	General Employees Total
Total Pension Liability - Beginning	\$ 21,108	\$ 5,690	\$ 46,547	\$ 1,352,276	\$ 1,425,621
Total Pension Liability - Ending (a)	\$ 24,659	\$ 5,734	\$ 48,616	\$ 1,427,650	\$ 1,506,659
Plan Fiduciary Net Position - Beginning	\$ 19,936	\$ 5,374	\$ 43,962	\$ 1,277,179	\$ 1,346,451
Plan Fiduciary Net Position - Ending (b)	\$ 22,676	\$ 5,273	\$ 44,707	\$ 1,312,861	\$ 1,385,517
Net Pension Asset - Ending (a) - (b)	\$ 1,983	\$ 461	\$ 3,909	\$ 114,789	\$ 121,142
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.96 %	91.96 %	91.96 %	91.96 %	91.96 %
Covered Payroll	\$ 2,176	\$ 506	\$ 4,290	\$ 125,981	\$ 132,953
Net Pension Asset as a percentage of Covered Payroll	91.13 %	91.11 %	91.12 %	91.12 %	91.12 %
<u>Allocation Determination*</u>					
Allocation Percentage Prior Year	1.48 %	0.40 %	3.26 %	94.86 %	100.00 %
Allocation Percentage Current Year	1.64 %	0.38 %	3.22 %	94.76 %	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
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
2023	27,127	27,127	-	132,953	20.40

NOTES TO SCHEDULE OF CONTRIBUTIONS - GENERAL EMPLOYEES

Valuation Date: October 1, 2020
Measurement Date: September 30, 2023

Notes: Actuarially determined contribution rates are calculated as of October 1, 2020 for the fiscal year ended September 30, 2023. 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, 2023)
For the Fiscal Year Ended September 30
(in thousands)
(Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service Cost	\$ 7,338	\$ 7,304	\$ 7,203	\$ 7,178	\$ 6,858	\$ 6,777	\$ 6,031	\$ 5,573	\$ 5,570	\$ 6,094
Interest	32,591	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	872	-	737	1,907	6,042	3,283	8,041	-	1,263	-
Assumption Changes	8,179	-	(12,726)	-	4,893	4,776	11,610	-	-	-
Benefit Payments	(24,123)	(22,478)	(21,347)	(19,873)	(18,729)	(17,606)	(16,699)	(15,737)	(14,684)	(12,638)
Refunds	(210)	(165)	(323)	(90)	(210)	(184)	(105)	(156)	(64)	(151)
Net Change in Total Pension Liability	24,647	16,059	5,544	19,314	27,674	18,725	34,329	13,464	14,860	14,940
Total Pension Liability - Beginning	444,376	428,317	422,773	403,459	375,785	357,060	322,731	309,267	294,407	279,467
Total Pension Liability - Ending (a)	<u>\$ 469,023</u>	<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	\$ 9,452	\$ 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	2,996	3,092	3,324	3,369	3,187	3,451	3,483	3,230	3,104	2,808
Net Investment Income	24,389	(21,609)	88,199	21,789	15,073	29,685	39,016	25,772	2,843	26,199
Benefits Payments	(24,123)	(22,478)	(21,347)	(19,873)	(18,729)	(17,606)	(16,699)	(15,737)	(14,684)	(12,638)
Refunds	(210)	(165)	(323)	(90)	(210)	(184)	(105)	(156)	(64)	(151)
Administrative Expense	(213)	(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	12,291	(31,889)	79,141	809	7,127	23,523	32,431	19,494	(3,042)	21,831
Plan Fiduciary Net Position - Beginning	390,916	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>\$ 403,207</u>	<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>\$ 65,816</u>	<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	85.97 %	87.97 %	98.71 %	81.29 %	84.98 %	89.34 %	87.44 %	86.69 %	85.14 %	82.03 %
Covered Payroll	\$ 29,427	\$ 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	223.66 %	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	%
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	
2023	9,452	9,452	-	29,427	32.12	

NOTES TO SCHEDULE OF CONTRIBUTIONS - POLICE OFFICERS

Valuation Date: October 1, 2020
Measurement Date: September 30, 2023

Notes: Actuarially determined contribution rates are calculated as of October 1 2020 for the fiscal year ended September 30, 2023. 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, 2023)
For the Fiscal Year Ended September 30
(in thousands)
(Unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service Cost	\$ 4,995	\$ 4,764	\$ 4,598	\$ 4,636	\$ 4,310	\$ 4,000	\$ 3,863	\$ 3,564	\$ 3,288	\$ 3,987
Interest	22,354	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	615	-	(1,513)	2,063	4,784	3,136	8,020	-	2,783	-
Assumption Changes	5,458	-	(9,691)	-	4,930	4,590	9,978	-	-	-
Benefit Payments	(17,901)	(17,471)	(16,606)	(15,960)	(15,275)	(14,772)	(13,669)	(12,701)	(12,074)	(11,042)
Refunds	(95)	(53)	(213)	(155)	(339)	(50)	(65)	(65)	(5)	(90)
Net Change in Total Pension Liability	15,426	8,891	(1,479)	11,941	18,822	14,366	26,095	7,572	10,197	8,293
Total Pension Liability - Beginning	305,472	296,581	298,060	286,119	267,297	252,931	226,836	219,264	209,067	200,774
Total Pension Liability - Ending (a)	<u>\$ 320,898</u>	<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	\$ 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	3,454	3,467	3,235	3,384	2,999	2,862	3,270	3,092	2,774	2,398
Net Investment Income	16,477	(14,602)	59,591	14,654	8,831	17,675	23,810	15,933	1,782	16,635
Benefits Payments	(17,901)	(17,471)	(16,606)	(15,960)	(15,275)	(14,772)	(13,669)	(12,701)	(12,074)	(11,042)
Refunds	(95)	(53)	(213)	(155)	(339)	(50)	(65)	(65)	(5)	(90)
Administrative Expense	(143)	(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	8,450	(22,119)	52,978	13,211	1,642	10,627	18,155	10,806	(3,532)	11,688
Plan Fiduciary Net Position - Beginning	261,596	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>\$ 270,046</u>	<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>\$ 50,852</u>	<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	84.15 %	85.64 %	95.66 %	77.41 %	76.03 %	80.77 %	81.15 %	82.48 %	80.40 %	86.01 %
Covered Payroll	\$ 18,990	\$ 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	267.78 %	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
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
2023	6,658	6,658	.	18,990	35.06

* 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, 2023

Notes: Actuarially determined contribution rates are calculated as of October 1, 2020, for the fiscal year ended September 30, 2023

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.

Draft

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

<u>Fiscal Year Ending</u> <u>September 30,</u>	<u>Annual Return*</u>
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)
2023	6.90

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

Draft

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

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	1,518	2,140	2,285	2,288	2,064	2,375	2,468
Interest on the total OPEB liability	3,306	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	(1,797)	(18,597)	(9,702)	(59)	12,851	(3,480)	(5,015)
Benefit payments	(5,028)	(4,448)	(4,153)	(4,366)	(4,635)	(4,851)	(4,412)
Net change in total OPEB liability	(2,001)	(16,686)	(14,219)	5	13,751	(2,622)	(3,918)
Total OPEB liability - beginning	74,455	91,141	105,360	11,129	(2,622)	-	98,144
Total OPEB liability - ending (a)	72,454	74,455	91,141	11,134	11,129	(2,622)	94,226
Plan Fiduciary Net Pension							
Employer Contributions to the OPEB Trust Fund	2,399	2,294	2,272	2,033	2,031	2,017	2,015
Employer Contributions not deposited in OPEB Trust Fund	2,904	2,305	2,037	2,216	(2,439)	2,673	-
OPEB plan net investment income	1,688	(2,235)	2,798	1,364	385	1,447	1,273
Benefit payments	(2,124)	(2,143)	(2,116)	(2,150)	(2,196)	(2,177)	(2,170)
Benefit payments not reimbursed by the OPEB Trust Fund	(2,904)	(2,305)	(2,037)	(2,216)	2,439	(2,673)	-
Other (Adjustment to prior year)	-	-	-	-	-	1	-
Net change in plan fiduciary net position	1,963	(2,084)	2,954	1,247	220	1,288	1,118
Plan fiduciary net position - beginning	11,197	13,281	10,327	9,080	8,862	-	6,456
Plan fiduciary net position - ending (b)	13,160	11,197	13,281	10,327	9,082	1,288	7,574
Net OPEB liability - ending (a) - (b)	59,294	63,258	77,860	807	2,047	(3,910)	86,652
Plan fiduciary net position as a % of the total OPEB liability	18.16 %	15.04 %	14.57 %	92.75 %	81.61 %	(49.12)%	8.04 %
Covered-Employee payroll	177,080	170,403	151,408	151,273	151,093	153,725	149,247
Net OPEB liability as a % of covered-employee payroll	33.48 %	37.12 %	51.42 %	0.53 %	1.35 %	(2.54)%	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	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	8.04	\$ 149,247	58.06 %
2018	91,604	8,860	9.67	153,725	53.83
2019	105,355	9,080	8.62	151,093	63.72
2020	105,360	10,327	9.80	151,273	62.82 %
2021	91,141	13,281	14.57	151,408	51.42 %
2022	74,455	11,197	15.04	170,403	37.12 %
2023	72,455	13,160	18.16	177,080	33.48 %

NOTES TO SCHEDULE OF NET OPEB LIABILITY

Valuation date:	September 30, 2021
Measurement Date:	September 30, 2023
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	4.76%, the resulting Single Discount Rate based on the expected rate of return on OPEB plan investments as of September 30, 2023 at 7.25% and the long-term municipal bond rate as of September 30, 2023 at 4.63%.
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, 2023: -The Single Discount Rate from the beginning of the year at 4.50% is changed to the end of the year at 4.76% (the resulting Single Discount Rate based on the expected rate of return on OPEB plan investments as of September 30, 2023 at 7.25% and the long-term municipal bond rate as of September 30, 2023 at 4.63%).

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 %
2023	5,788	2,399	3,389	177,080	1.35 %

NOTES TO SCHEDULE OF CONTRIBUTIONS - OPEB

Valuation date:

September 30, 2021

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

Methods and Assumptions Used to Determine Contribution Rates:

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

Other Information:

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

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

Draft

**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)	
2023	14.89	

* 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.

Draft



**CITY OF
TALLAHASSEE**

THIS PAGE INTENTIONALLY LEFT BLANK.

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

Draft



**CITY OF
TALLAHASSEE**

THIS PAGE INTENTIONALLY LEFT BLANK.

[THIS PAGE INTENTIONALLY LEFT BLANK]

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.

Draft

**CITY OF TALLAHASSEE, FLORIDA
COMBINING BALANCE SHEET
Nonmajor Governmental Funds
September 30, 2023
(in thousands)**

	Special Revenue Funds					
	Community Redevelopment Agency	Special Projects	Law Enforcement	Building Code Enforcement	Concurrency	State Housing Partnership
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 21,181	\$ -	\$ 2,228	\$ 6,445	\$ -
Securities Lending Collateral	-	123	-	13	37	-
Receivables:						
Accrued Interest	-	127	-	13	39	-
Customers and Others	-	-	-	34	-	-
Leases	-	-	-	-	-	-
Notes	-	30	-	-	-	-
Special Assessments	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	-	889	-	-	-	-
Advances To Other Funds	-	-	-	-	-	-
Cash and Cash Equivalents	18,921	-	646	-	-	3,200
Securities Lending Collateral	110	-	4	-	-	19
Receivables - Restricted:						
Accrued Interest	114	-	4	-	-	19
Customers and Others	3	2	3	-	-	-
Notes	162	-	-	-	-	271
Due From Other Governments	-	4,546	-	-	-	-
Total Assets	<u>\$ 19,310</u>	<u>\$ 26,898</u>	<u>\$ 657</u>	<u>\$ 2,288</u>	<u>\$ 6,521</u>	<u>\$ 3,509</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities						
Obligations Under						
Securities Lending	\$ -	\$ 123	\$ -	\$ 13	\$ 37	\$ -
Accounts and Retainage						
Payable	-	497	-	159	5	-
Due To Other Funds	-	1,154	-	-	-	-
Advances from Other Funds	11	-	-	-	-	-
Unearned Revenue	-	16,785	-	-	-	-
Obligations Under						
Securities Lending - Restricted	110	-	4	-	-	19
Accounts and Retainage						
Payable - Restricted	52	186	2	6	-	122
Unearned Revenue - Restricted	-	-	308	-	-	3,637
Total Liabilities	<u>173</u>	<u>18,745</u>	<u>314</u>	<u>178</u>	<u>42</u>	<u>3,778</u>
Deferred Inflows of Resources						
Lease Related Deferred Inflows	-	-	-	-	-	-
Total Liabilities and Deferred Inflows	<u>173</u>	<u>18,745</u>	<u>314</u>	<u>178</u>	<u>42</u>	<u>3,778</u>
Fund Balances						
Nonspendable	162	-	-	-	-	-
Spendable:						
Restricted	18,975	3,127	21	2,110	6,479	-
Committed	-	5,026	322	-	-	-
Unassigned	-	-	-	-	-	(269)
Total Fund Balances	<u>19,137</u>	<u>8,153</u>	<u>343</u>	<u>2,110</u>	<u>6,479</u>	<u>(269)</u>
Total Liabilities and Fund Balances	<u>\$ 19,310</u>	<u>\$ 26,898</u>	<u>\$ 657</u>	<u>\$ 2,288</u>	<u>\$ 6,521</u>	<u>\$ 3,509</u>

See Independent Auditors' Report

Draft

**CITY OF TALLAHASSEE, FLORIDA
COMBINING BALANCE SHEET
Nonmajor Governmental Funds
September 30, 2023
(in thousands)**

Capital Project Funds						Permanent Fund	
Debt Service	Capital Improvement	Capital Bonds	Sales Tax Construction	Gas Tax	Cemetery	Total	
\$ -	\$ 14,564	\$ -	\$ 7,537	\$ -	\$ 2,181	\$ 54,136	
-	84	2	42	-	13	314	
-	85	-	45	-	13	322	
-	-	-	-	-	-	34	
-	-	-	727	-	-	727	
-	62	-	-	-	-	92	
-	47	-	-	-	-	47	
-	1,154	-	-	-	-	1,154	
11,773	-	25	1,115	1,210	-	3,239	
-	10,457	-	-	-	-	11,773	
-	61	-	-	-	-	33,224	
-	70	-	-	-	-	194	
-	-	-	-	-	-	207	
-	-	-	-	-	-	8	
-	-	-	-	-	-	433	
-	-	-	-	-	-	4,546	
<u>\$ 11,773</u>	<u>\$ 26,584</u>	<u>\$ 27</u>	<u>\$ 9,466</u>	<u>\$ 1,210</u>	<u>\$ 2,207</u>	<u>\$ 110,450</u>	
\$ -	\$ 84	\$ 2	\$ 42	\$ -	\$ 13	\$ 314	
-	629	1,855	517	595	2	4,259	
-	-	12,635	-	250	-	14,039	
-	3,000	-	-	-	-	3,011	
-	-	-	-	-	-	16,785	
-	61	-	-	-	-	194	
-	625	-	-	-	-	993	
-	-	-	-	-	-	3,945	
-	<u>4,399</u>	<u>14,492</u>	<u>559</u>	<u>845</u>	<u>15</u>	<u>43,540</u>	
-	-	-	699	-	-	699	
-	<u>4,399</u>	<u>14,492</u>	<u>1,258</u>	<u>845</u>	<u>15</u>	<u>44,239</u>	
11,773	-	-	25	-	-	11,960	
-	-	-	8,183	365	-	39,260	
-	22,185	-	-	-	2,192	29,725	
-	-	(14,465)	-	-	-	(14,734)	
<u>11,773</u>	<u>22,185</u>	<u>(14,465)</u>	<u>8,208</u>	<u>365</u>	<u>2,192</u>	<u>66,211</u>	
<u>\$ 11,773</u>	<u>\$ 26,584</u>	<u>\$ 27</u>	<u>\$ 9,466</u>	<u>\$ 1,210</u>	<u>\$ 2,207</u>	<u>\$ 110,450</u>	

See Independent Auditors' Report

Draft

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2023
(in thousands)

	Special Revenue Funds					
	Community Redevelopment Agency	Special Projects	Law Enforcement	Building Code Enforcement	Concurrency	State Housing Partnership
REVENUES						
Taxes	\$ 3,787	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	4,692	1,405	-
Intergovernmental Revenues	4,050	19,983	142	-	-	384
Charges for Services	431	-	-	316	-	-
Fines and Forfeitures	-	-	198	20	-	-
Net Investment Earnings	441	781	16	41	143	71
Securities Lending Income	7	14	-	-	-	-
Change in Fair Value of Investments	261	5	-	3	-	-
Miscellaneous Revenues	-	3,364	-	280	-	-
Total Revenues	8,977	24,147	356	5,352	1,548	455
EXPENDITURES						
Current:						
General Government	-	5,018	-	-	4	-
Public Safety	-	1,479	473	4,569	-	-
Transportation	-	2,103	-	-	186	-
Human Services	-	2,828	-	-	-	-
Economic Environment	6,123	8,757	-	-	-	1,384
Physical Environment	-	174	-	-	-	-
Culture and Recreation	-	68	-	-	-	-
Securities Lending Expense:						
Interest Expense	6	11	-	-	-	-
Agent Fees	-	1	-	-	-	-
Debt Service:						
Principal Retired	550	-	-	-	-	-
Interest and Fiscal Charges	44	-	-	-	-	-
Total Expenditures	6,723	20,439	473	4,569	190	1,384
Excess of Revenues Over (Under) Expenditures	2,254	3,708	(117)	783	1,358	(929)
OTHER FINANCING SOURCES (USES)						
Transfers In	23	20	156	-	-	-
Transfers Out	(73)	(23)	(3)	(79)	-	-
Total Other Financing Sources (Uses)	(50)	(3)	153	(79)	-	-
Net Change in Fund Balances	2,204	3,705	36	704	1,358	(929)
Fund Balances - October 1	16,933	4,448	307	1,406	5,121	660
Fund Balances - September 30	\$ 19,137	\$ 8,153	\$ 343	\$ 2,110	\$ 6,479	\$ (269)

See Independent Auditors' Report

Draft

**CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2023
(in thousands)**

	Capital Project Funds					Permanent Fund	Total
	Debt Service	Capital Improvement	Capital Bonds	Sales Tax Construction	Gas Tax	Cemetery	
\$	-	-	-	-	-	-	3,787
	-	-	-	-	-	-	6,097
	-	3,729	-	6,338	6,848	-	41,474
	-	140	-	-	-	130	1,017
	-	-	-	-	-	-	218
	175	639	-	143	50	50	2,550
	-	14	-	-	-	-	35
	-	-	-	-	-	30	299
	-	327	45	190	-	-	4,206
	<u>175</u>	<u>4,849</u>	<u>45</u>	<u>6,671</u>	<u>6,898</u>	<u>210</u>	<u>59,683</u>
	-	924	-	84	-	-	6,030
	-	2,087	5,428	-	-	-	14,036
	-	2,093	2,438	3,906	2,706	-	13,432
	-	106	-	-	-	-	2,934
	-	471	-	-	-	-	16,735
	-	268	926	3	-	229	1,600
	-	914	260	1,362	-	-	2,604
	-	11	-	-	-	-	28
	-	1	-	-	-	-	2
	8,264	-	-	-	-	-	8,814
	<u>2,644</u>	<u>-</u>	<u>195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,883</u>
	<u>10,908</u>	<u>6,875</u>	<u>9,247</u>	<u>5,355</u>	<u>2,706</u>	<u>229</u>	<u>69,098</u>
	<u>(10,733)</u>	<u>(2,026)</u>	<u>(9,202)</u>	<u>1,316</u>	<u>4,192</u>	<u>(19)</u>	<u>(9,415)</u>
	8,868	3,287	-	-	-	3	12,357
	-	-	-	-	(6,390)	(230)	(6,798)
	<u>8,868</u>	<u>3,287</u>	<u>-</u>	<u>-</u>	<u>(6,390)</u>	<u>(227)</u>	<u>5,559</u>
	(1,865)	1,261	(9,202)	1,316	(2,198)	(246)	(3,856)
	<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>11,773</u>	<u>22,185</u>	<u>(14,465)</u>	<u>8,208</u>	<u>365</u>	<u>2,192</u>	<u>66,211</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, 2023
(in thousands)

	StarMetro	Solid Waste	Golf	Fire Services	Total
ASSETS AND DEFERRED OUTFLOWS					
Current Assets:					
Cash and Cash Equivalents	\$ -	\$ 2,426	\$ 592	\$ -	\$ 3,018
Securities Lending Collateral	-	14	3	-	17
Receivables:					
Accrued Interest	-	15	4	-	19
Customers and Others	10	5,662	-	8,321	13,993
Due From Other Governments	16,178	106	-	2,939	19,223
Less: Allowance for Doubtful Accounts	(18)	(986)	-	(1,278)	(2,282)
Due From Other Funds	-	3,886	-	-	3,886
Inventory	1,150	-	24	-	1,174
Due From Other Governments	1,165	-	-	-	1,165
Total Current Assets	18,485	11,123	623	9,982	40,213
Noncurrent Assets:					
Capital Assets:					
Land and Construction in Progress	3,504	-	144	1,823	5,471
Other, Net of Accumulated Depreciation	25,463	4,025	640	15,235	45,363
Total Noncurrent Assets	28,967	4,025	784	17,058	50,834
Total Assets	47,452	15,148	1,407	27,040	91,047
Deferred Outflows of Resources:					
Pension Related Deferred Outflows	3,267	1,708	100	-	5,075
OPEB Related Deferred Outflows	757	337	10	1,799	2,903
Total Assets and Deferred Outflows of Resources	\$ 51,476	\$ 17,193	\$ 1,517	\$ 28,839	\$ 99,025
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
Current Liabilities:					
Accounts and Retainage Payable	373	2,812	63	539	3,787
Due To Other Funds	20,536	-	1	3,167	23,704
Compensated Absences	639	377	28	2,529	3,573
Lease Payable	373	-	-	2	375
Subscription Liability	60	-	-	-	60
Obligations Under Securities Lending	-	14	3	-	17
Unearned Revenue	54	-	-	-	54
Bonds Payable	887	-	-	-	887
Accounts and Retainage Payable - Restricted	429	-	-	20	449
Total Current Liabilities	23,351	3,203	95	6,257	32,906
Noncurrent Liabilities:					
Advances from Other Funds	-	-	373	7,399	7,772
Compensated Absences	182	225	24	503	934
Lease Payable	2,510	-	-	-	2,510
Subscription Liability	133	-	-	-	133
Bonds Payable	3,755	-	-	-	3,755
Net Pension Liability	3,206	1,680	104	-	4,990
Net OPEB Liability	4,230	1,458	122	6,032	11,842
Total Noncurrent Liabilities	14,016	3,363	623	13,934	31,936
Total Liabilities	37,367	6,566	718	20,191	64,842
Deferred Inflows of Resources:					
Pension Related Deferred Inflows	261	128	8	-	397
OPEB Related Deferred Inflows	1,171	577	11	3,264	5,023
Net Position					
Net Investment in Capital Assets	21,249	4,025	784	17,056	43,114
Restricted for Renewal, Replacement and Improvements	-	-	-	389	389
Unrestricted:	(8,572)	5,897	(4)	(12,061)	(14,740)
Total Net Position	12,677	9,922	780	5,384	28,763
Total Liabilities, Deferred Inflows and Net Position	\$ 51,476	\$ 17,193	\$ 1,517	\$ 28,839	\$ 99,025

See Independent Auditors' Report

Draft

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
Nonmajor Enterprise Funds
For the Fiscal Year Ended September 30, 2023
(in thousands)

	StarMetro	Solid Waste	Golf	Fire Services	Total
OPERATING REVENUES					
Charges for Services:					
Residential Sales	\$ -	\$ 14,276	\$ -	\$ 28,651	\$ 42,927
Commercial and Industrial Sales	-	20,303	-	20,254	40,557
County Government	-	-	-	3,583	3,583
Recreation Fees	-	-	1,533	-	1,533
Transportation Fees	5,910	-	-	-	5,910
Other Charges	65	6	-	2,273	2,344
Total Operating Revenues	<u>5,975</u>	<u>34,585</u>	<u>1,533</u>	<u>54,761</u>	<u>96,854</u>
OPERATING EXPENSES					
Personnel Services	14,741	6,448	780	34,566	56,535
Fossil Fuel	682	-	-	-	682
Contractual Services	8,328	25,173	279	14,490	48,270
Materials and Supplies	3,834	176	141	793	4,944
Other	3,140	210	108	494	3,952
Depreciation	3,409	460	72	1,174	5,115
Amortization	453	-	-	2	455
Total Operating Expenses	<u>34,587</u>	<u>32,467</u>	<u>1,380</u>	<u>51,519</u>	<u>119,953</u>
Operating Income (Loss)	<u>(28,612)</u>	<u>2,118</u>	<u>153</u>	<u>3,242</u>	<u>(23,099)</u>
NON-OPERATING REVENUES (EXPENSES)					
Net Investment Earnings	-	148	13	-	161
Change in Fair Value of Investments	-	27	3	-	30
Other Expenses	(1)	(160)	(8)	-	(169)
Intergovernmental Revenues	25,965	57	-	-	26,022
Other Revenues	1,981	-	-	268	2,249
Interest Expense	(182)	-	(5)	(241)	(428)
Total Non-Operating Revenues (Expenses)	<u>27,763</u>	<u>72</u>	<u>3</u>	<u>27</u>	<u>27,865</u>
Income (Loss) Before Capital Contributions and Operating Transfers	<u>(849)</u>	<u>2,190</u>	<u>156</u>	<u>3,269</u>	<u>4,766</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS					
Capital Contributions	3,264	1,192	89	3,040	7,585
Transfers In	8,738	25	-	9	8,772
Transfers Out	(10)	(2,226)	-	(437)	(2,673)
Total Operating Transfers	<u>11,992</u>	<u>(1,009)</u>	<u>89</u>	<u>2,612</u>	<u>13,684</u>
Change in Net Position	11,143	1,181	245	5,881	18,450
Net Position - October 1	1,534	8,741	535	(497)	10,313
Net Position - September 30	<u>\$ 12,677</u>	<u>\$ 9,922</u>	<u>\$ 780</u>	<u>\$ 5,384</u>	<u>\$ 28,763</u>

See Independent Auditors' Report

Draft

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2023
(in thousands)

	StarMetro	Solid Waste	Golf	Fire Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ (2,541)	\$ 33,439	\$ 1,533	\$ 55,069	\$ 87,500
Cash Paid to Suppliers for Goods and Services	(12,142)	(15,011)	(370)	(3,227)	(30,750)
Cash Paid to Employees for Services	(15,002)	(6,635)	(792)	(35,099)	(57,528)
Cash Paid to Other Funds	(3,837)	(10,725)	(135)	(12,563)	(27,260)
Cash Received (Paid) for Other Revenues (Expenses)	1,981	(160)	80	268	2,169
Net Cash Provided by (Used for) Operating Activities	<u>(31,541)</u>	<u>908</u>	<u>316</u>	<u>4,448</u>	<u>(25,869)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In from Other Funds	8,738	25	-	9	8,772
Transfers Out to Other Funds	(10)	(6,112)	-	(437)	(6,559)
Operating Grants Received	25,965	-	-	-	25,965
Cash Received From Interfund Balances	(2,452)	-	-	(1,676)	(4,128)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>32,241</u>	<u>(6,087)</u>	<u>-</u>	<u>(2,104)</u>	<u>24,050</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Contributions	3,264	1,192	-	3,040	7,496
Acquisition, Construction, and Sale of Capital Assets	(2,915)	(1,206)	(92)	(3,658)	(7,871)
Principal Refunding Payments	(867)	-	-	-	(867)
Repayment of Loans/Advances from Other Funds	-	57	(71)	(1,485)	(1,499)
Interest Paid	(182)	-	(5)	(241)	(428)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(700)</u>	<u>43</u>	<u>(168)</u>	<u>(2,344)</u>	<u>(3,169)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received on Investments	-	157	10	-	167
Increase/Decrease in the Fair Value of Cash and Cash Equivalents	-	27	3	-	30
Net Cash Provided by (Used for) Investing Activities	<u>-</u>	<u>184</u>	<u>13</u>	<u>-</u>	<u>197</u>
Net Increase (Decrease) in Cash and Cash Equivalents/Investments	-	(4,952)	161	-	(4,791)
Cash and Cash Equivalents - October 1	-	7,378	431	-	7,809
Cash and Cash Equivalents - September 30	<u>\$ -</u>	<u>\$ 2,426</u>	<u>\$ 592</u>	<u>\$ -</u>	<u>\$ 3,018</u>
Classified As:					
Unrestricted Assets	<u>\$ -</u>	<u>\$ 2,426</u>	<u>\$ 592</u>	<u>\$ -</u>	<u>\$ 3,018</u>
	<u>\$ -</u>	<u>\$ 2,426</u>	<u>\$ 592</u>	<u>\$ -</u>	<u>\$ 3,018</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	<u>\$ (28,612)</u>	<u>\$ 2,118</u>	<u>\$ 153</u>	<u>\$ 3,242</u>	<u>\$ (23,099)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	3,862	460	72	1,176	5,570
Provision for Uncollectible Accounts	48	32	-	83	163
Other	1,981	(160)	80	268	2,169
Pension/OPEB Adjustment for GASB 68/75	(344)	(169)	(5)	(619)	(1,137)
Increase (Decrease) in Accounts Receivable	(40)	(1,091)	-	(1,264)	(2,395)
Decrease in Inventory	195	-	-	-	195
Decrease in Due From Other Governments	(8,476)	(55)	-	1,572	(6,959)
(Decrease) in Accounts Payable	(238)	(209)	23	(96)	(520)
Increase (Decrease) in Compensated Absences	83	(18)	(7)	86	144
Total Adjustments	<u>(2,929)</u>	<u>(1,210)</u>	<u>163</u>	<u>1,206</u>	<u>(2,770)</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (31,541)</u>	<u>\$ 908</u>	<u>\$ 316</u>	<u>\$ 4,448</u>	<u>\$ (25,869)</u>

See Independent Auditors' Report

Draft



**CITY OF
TALLAHASSEE**

THIS PAGE INTENTIONALLY LEFT BLANK.

INTERNAL SERVICE FUNDS

800 Communication	MHz	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 Innovation	and	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 Inclusion	and	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 Services	Energy	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, 2023
(in thousands)

	800 Mhz	Technology and Innovation	Human Resources	Internal Loan	Pension Administration	Diversity and Inclusion
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 1,197	\$ -	\$ -	\$ 2,165	\$ 56	\$ 125
Securities Lending Collateral	7	-	-	13	-	1
Receivables:						
Other Receivables	1	8	2	-	-	-
Accrued Interest	7	-	-	13	-	1
Due From Other Governments	371	14	-	11	-	-
Inventory	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Total Current Assets	<u>1,583</u>	<u>22</u>	<u>2</u>	<u>2,202</u>	<u>56</u>	<u>127</u>
Noncurrent Assets:						
Advances To Other Funds	-	-	-	1,358	-	-
Deposits	-	-	-	-	-	-
Derivative Instruments	-	-	-	-	-	-
Capital Assets:						
Land and Construction in Progress	440	2,087	-	-	-	-
Other, Net of Accumulated Depreciation	840	58,847	46	-	-	27
Total Noncurrent Assets	<u>1,280</u>	<u>60,934</u>	<u>46</u>	<u>1,358</u>	<u>-</u>	<u>27</u>
Total Assets	<u>2,863</u>	<u>60,956</u>	<u>48</u>	<u>3,560</u>	<u>56</u>	<u>154</u>
Total Assets	<u>\$ 2,863</u>	<u>\$ 60,956</u>	<u>\$ 48</u>	<u>\$ 3,560</u>	<u>\$ 56</u>	<u>\$ 154</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Current Liabilities:						
Obligations Under Securities Lending	7	-	-	13	-	1
Accounts Payable	89	3,037	94	-	12	24
Due To Other Funds	-	35,734	40	-	-	-
Due To Other Governments	654	-	-	-	-	-
Bonds Payable	-	875	-	-	-	-
Lease Payable	-	1,559	4	-	-	-
Subscription Liability	-	2,758	-	-	-	10
Compensated Absences	29	498	232	-	33	78
Total Current Liabilities	<u>779</u>	<u>44,461</u>	<u>370</u>	<u>13</u>	<u>45</u>	<u>113</u>
Noncurrent Liabilities:						
Claims Payable	-	-	-	-	-	-
Bonds Payable	-	3,615	-	-	-	-
Lease Payable	-	874	4	-	-	-
Subscription Liability	-	1,851	-	-	-	10
Compensated Absences	-	595	21	-	-	32
Advances from Other Funds	-	86	57	-	11	-
Total Noncurrent Liabilities	<u>-</u>	<u>7,021</u>	<u>82</u>	<u>-</u>	<u>11</u>	<u>42</u>
Total Liabilities	<u>779</u>	<u>51,482</u>	<u>452</u>	<u>13</u>	<u>56</u>	<u>155</u>
Deferred Inflows of Resources						
Accumulated Increase in Fair Value of Hedging Derivatives	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	<u>779</u>	<u>51,482</u>	<u>452</u>	<u>13</u>	<u>56</u>	<u>155</u>
Net Position						
Net Investment in Capital Assets	1,280	49,402	38	-	-	7
Unrestricted:	804	(39,928)	(442)	3,547	-	(8)
Total Net Position	<u>2,084</u>	<u>9,474</u>	<u>(404)</u>	<u>3,547</u>	<u>-</u>	<u>(1)</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 2,863</u>	<u>\$ 60,956</u>	<u>\$ 48</u>	<u>\$ 3,560</u>	<u>\$ 56</u>	<u>\$ 154</u>

See Independent Auditors' Report

Draft

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF NET POSITION
Internal Service Funds
September 30, 2023
(in thousands)

Purchasing	Accounting	Garage	Risk Management	Revenue Collection	Utility Services	Environmental Services and Facilities Management	Wholesale Energy Services	Community Relations	Total
\$ 170	\$ 1,028	\$ 18,561	\$ 19,936	\$ 157	\$ 6,099	\$ 2,651	\$ 549	\$ 70	\$ 52,764
1	6	107	138	1	69	15	42	-	400
1	2	4	2	2	3	1	297	-	323
1	6	116	120	-	37	16	43	-	360
-	-	115	-	1	23	-	138	-	673
-	-	843	-	-	-	-	361	-	1,204
-	-	-	3,967	-	-	-	-	-	3,967
-	-	-	-	67	-	-	30,674	-	30,741
<u>173</u>	<u>1,042</u>	<u>19,746</u>	<u>24,163</u>	<u>228</u>	<u>6,231</u>	<u>2,683</u>	<u>32,104</u>	<u>70</u>	<u>90,432</u>
-	-	-	-	-	-	-	-	-	1,358
-	-	-	-	-	-	-	5,770	-	5,770
-	-	-	-	-	-	-	13,152	-	13,152
44	-	-	-	-	-	-	-	-	2,571
<u>368</u>	<u>238</u>	<u>27,949</u>	<u>1</u>	<u>438</u>	<u>1,348</u>	<u>1,537</u>	<u>-</u>	<u>1</u>	<u>91,640</u>
<u>412</u>	<u>238</u>	<u>27,949</u>	<u>1</u>	<u>438</u>	<u>1,348</u>	<u>1,537</u>	<u>18,922</u>	<u>1</u>	<u>114,491</u>
<u>585</u>	<u>1,280</u>	<u>47,695</u>	<u>24,164</u>	<u>666</u>	<u>7,579</u>	<u>4,220</u>	<u>51,026</u>	<u>71</u>	<u>204,923</u>
<u>\$ 585</u>	<u>\$ 1,280</u>	<u>\$ 47,695</u>	<u>\$ 24,164</u>	<u>\$ 666</u>	<u>\$ 7,579</u>	<u>\$ 4,220</u>	<u>\$ 51,026</u>	<u>\$ 71</u>	<u>\$ 204,923</u>
1	6	107	138	1	69	15	42	-	400
30	224	216	39	23	277	265	8,363	32	12,725
-	-	-	-	-	-	-	30,000	-	65,774
-	-	-	-	-	-	-	-	-	654
-	-	-	-	-	-	-	-	-	875
-	-	-	-	-	30	-	-	-	1,593
31	242	-	-	-	-	-	-	-	3,041
<u>109</u>	<u>284</u>	<u>396</u>	<u>129</u>	<u>97</u>	<u>873</u>	<u>205</u>	<u>38</u>	<u>67</u>	<u>3,068</u>
<u>171</u>	<u>756</u>	<u>719</u>	<u>306</u>	<u>121</u>	<u>1,249</u>	<u>485</u>	<u>38,443</u>	<u>99</u>	<u>88,130</u>
-	-	-	19,097	-	-	-	-	-	19,097
-	-	-	-	-	-	-	-	-	3,615
-	-	-	-	-	32	-	-	-	910
32	-	-	-	-	-	-	-	-	1,893
36	167	171	64	79	445	68	1	1	1,680
29	57	-	17	29	-	29	-	6	321
<u>97</u>	<u>224</u>	<u>171</u>	<u>19,178</u>	<u>108</u>	<u>477</u>	<u>97</u>	<u>1</u>	<u>7</u>	<u>27,516</u>
<u>268</u>	<u>980</u>	<u>890</u>	<u>19,484</u>	<u>229</u>	<u>1,726</u>	<u>582</u>	<u>38,444</u>	<u>106</u>	<u>115,646</u>
-	-	-	-	-	-	-	13,152	-	13,152
<u>268</u>	<u>980</u>	<u>890</u>	<u>19,484</u>	<u>229</u>	<u>1,726</u>	<u>582</u>	<u>51,596</u>	<u>106</u>	<u>128,798</u>
349	(4)	27,949	1	438	1,286	1,537	-	1	82,284
(32)	304	18,856	4,679	(1)	4,567	2,101	(570)	(36)	(6,159)
<u>317</u>	<u>300</u>	<u>46,805</u>	<u>4,680</u>	<u>437</u>	<u>5,853</u>	<u>3,638</u>	<u>(570)</u>	<u>(35)</u>	<u>76,125</u>
<u>\$ 585</u>	<u>\$ 1,280</u>	<u>\$ 47,695</u>	<u>\$ 24,164</u>	<u>\$ 666</u>	<u>\$ 7,579</u>	<u>\$ 4,220</u>	<u>\$ 51,026</u>	<u>\$ 71</u>	<u>\$ 204,923</u>

See Independent Auditors' Report

Draft

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Internal Service Funds
For the Fiscal Year Ended September 30, 2023
(in thousands)

	800 Mhz	Technology and Innovation	Human Resources	Internal Loan	Pension Administration	Diversity and Inclusion
OPERATING REVENUES						
Charges for Services	\$ 1,373	\$ 29,008	\$ 5,005	\$ 6	\$ 1,101	\$ 1,459
Total Operating Revenues	<u>1,373</u>	<u>29,008</u>	<u>5,005</u>	<u>6</u>	<u>1,101</u>	<u>1,459</u>
OPERATING EXPENSES						
Personnel Services	653	10,971	3,724	-	691	1,157
Contractual Services	1,636	15,367	1,322	-	363	158
Materials and Supplies	9	105	47	-	14	5
Other	12	493	150	-	13	73
Depreciation	453	4,461	7	-	-	-
Amortization	-	4,323	4	-	-	15
Total Operating Expenses	<u>2,763</u>	<u>35,720</u>	<u>5,254</u>	<u>-</u>	<u>1,081</u>	<u>1,408</u>
Operating Income (Loss)	<u>(1,390)</u>	<u>(6,712)</u>	<u>(249)</u>	<u>6</u>	<u>20</u>	<u>51</u>
NON-OPERATING REVENUES (EXPENSES)						
Net Investment Earnings	39	-	3	46	2	-
Change in Fair Value of Investments	23	-	2	-	1	-
Securities Lending:						
Agent Fees	-	-	-	-	-	-
Securities Lending Income	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Intergovernmental Revenues	744	-	-	-	-	-
Other Revenues	174	3,725	234	(1)	-	17
Interest Income	-	-	-	25	-	-
Interest Expense	-	(1,341)	(1)	-	-	(5)
Other Expenses	(55)	-	(3)	-	-	-
Total Non-Operating Revenues (Expenses)	<u>925</u>	<u>2,384</u>	<u>235</u>	<u>70</u>	<u>3</u>	<u>12</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(465)</u>	<u>(4,328)</u>	<u>(14)</u>	<u>76</u>	<u>23</u>	<u>63</u>
TRANSFERS						
Capital Contributions	-	26	-	-	-	-
Transfers In	-	1,671	2	-	-	-
Transfers Out	(7)	-	-	-	-	(54)
Total Net Transfers	<u>(7)</u>	<u>1,697</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>(54)</u>
Change in Net Position	(472)	(2,631)	(12)	76	23	9
Net Position - October 1	2,556	12,105	(392)	3,471	(23)	(10)
Net Position - September 30	<u>\$ 2,084</u>	<u>\$ 9,474</u>	<u>\$ (404)</u>	<u>\$ 3,547</u>	<u>\$ -</u>	<u>\$ (1)</u>

See Independent Auditors' Report

Draft

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Internal Service Funds
For the Fiscal Year Ended September 30, 2023
(in thousands)

Purchasing	Accounting	Garage	Risk Management	Revenue Collection	Utility Services	Environmental Services and Facilities Management	Wholesale Energy Services	Community Relations	Total
\$ 1,717	\$ 5,975	\$ 35,178	\$ 13,019	\$ 2,269	\$ 21,840	\$ 6,885	\$ 137,387	\$ 1,670	\$ 263,892
<u>1,717</u>	<u>5,975</u>	<u>35,178</u>	<u>13,019</u>	<u>2,269</u>	<u>21,840</u>	<u>6,885</u>	<u>137,387</u>	<u>1,670</u>	<u>263,892</u>
1,785	4,141	6,393	1,756	1,476	15,146	3,043	480	1,289	52,705
303	1,175	3,189	423	560	5,493	2,032	151	325	32,497
6	22	12,402	6	120	558	282	137,706	49	151,331
2	89	197	11,069	25	388	82	14	9	12,616
22	-	7,234	1	28	71	90	-	1	12,368
41	475	-	-	-	47	-	-	-	4,905
<u>2,159</u>	<u>5,902</u>	<u>29,415</u>	<u>13,255</u>	<u>2,209</u>	<u>21,703</u>	<u>5,529</u>	<u>138,351</u>	<u>1,673</u>	<u>266,422</u>
<u>(442)</u>	<u>73</u>	<u>5,763</u>	<u>(236)</u>	<u>60</u>	<u>137</u>	<u>1,356</u>	<u>(964)</u>	<u>(3)</u>	<u>(2,530)</u>
5	17	352	461	11	85	42	966	4	2,033
3	10	-	213	6	55	2	507	2	824
-	-	-	-	-	(1)	-	-	-	(1)
-	-	7	7	-	20	-	-	-	34
-	-	(6)	(6)	-	(17)	-	-	-	(29)
-	-	-	-	-	-	70	-	-	814
453	118	1,150	409	3	-	12	-	-	6,294
-	-	-	-	-	-	-	-	-	25
(4)	(25)	-	-	(1)	(3)	(1)	-	-	(1,381)
-	-	(4,047)	-	-	-	(72)	-	-	(4,177)
<u>457</u>	<u>120</u>	<u>(2,544)</u>	<u>1,084</u>	<u>19</u>	<u>139</u>	<u>53</u>	<u>1,473</u>	<u>6</u>	<u>4,436</u>
15	193	3,219	848	79	276	1,409	509	3	1,906
-	-	(12,559)	-	-	271	(109)	-	-	(12,371)
-	-	-	-	-	1	-	-	-	1,674
-	-	(9)	-	(91)	(356)	-	-	(1)	(518)
-	-	(12,568)	-	(91)	(84)	(109)	-	(1)	(11,215)
15	193	(9,349)	848	(12)	192	1,300	509	2	(9,309)
302	107	56,154	3,832	449	5,661	2,338	(1,079)	(37)	85,434
<u>\$ 317</u>	<u>\$ 300</u>	<u>\$ 46,805</u>	<u>\$ 4,680</u>	<u>\$ 437</u>	<u>\$ 5,853</u>	<u>\$ 3,638</u>	<u>\$ (570)</u>	<u>\$ (35)</u>	<u>\$ 76,125</u>

See Independent Auditors' Report

Draft

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds
For the Fiscal Year Ended September 30, 2023
(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	\$ 1,209	\$ 29,013	\$ 5,007	\$ 12	\$ 1,101	\$ 1,459
Cash Received From Other Revenues	174	3,725	234	-	-	17
Cash Paid to Suppliers for Goods and Services	(1,192)	(15,649)	(725)	(1)	(248)	(122)
Cash Paid to Employees for Services	(663)	(10,909)	(3,825)	-	(694)	(1,131)
Cash Paid to Other Funds	(411)	(650)	(801)	-	(134)	(111)
Cash Paid for Other Expenses	(55)	-	(3)	-	-	-
Net Cash Provided by (Used for) Operating Activities	<u>(938)</u>	<u>5,530</u>	<u>(113)</u>	<u>11</u>	<u>25</u>	<u>112</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from Other Funds	-	18,804	42	660	-	-
Cash Received From Other Non-operating Revenues	271	-	-	-	-	-
Cash Received (Paid) From Interfund Balances	-	-	-	-	-	-
Transfers to Other Funds	(7)	-	-	-	-	(54)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>264</u>	<u>18,804</u>	<u>42</u>	<u>660</u>	<u>-</u>	<u>(54)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Intergovernmental Revenues	744	-	-	-	-	-
Loan Proceeds	-	(1,545)	(28)	-	(6)	-
Acquisition, Construction and Sale of Capital Assets	(1)	(21,448)	(5)	(1)	(1)	(22)
Interest Paid	-	(1,341)	(1)	-	-	(5)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>743</u>	<u>(24,334)</u>	<u>(34)</u>	<u>(1)</u>	<u>(7)</u>	<u>(27)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received on Investments	35	-	3	63	2	(1)
Increase (Decrease) in the Fair Value of Cash & Cash Equivalents	23	-	2	-	1	-
Net Cash Provided by (Used for) Investing Activities	<u>58</u>	<u>-</u>	<u>5</u>	<u>63</u>	<u>3</u>	<u>(1)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	127	-	(99)	732	22	30
Cash and Cash Equivalents - October 1	1,070	-	99	1,432	35	95
Cash and Cash Equivalents - September 30	<u>\$ 1,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,165</u>	<u>\$ 56</u>	<u>\$ 125</u>
Operating Activities						
Operating Income (Loss)	\$ (1,390)	\$ (6,712)	\$ (249)	\$ 6	\$ 20	\$ 51
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation/Amortization	453	8,784	11	-	-	15
Other	119	3,725	231	-	-	17
(Increase) Decrease in Accounts Receivable	80	(2)	2	-	-	-
(Increase) Decrease in Due From Other Governments	(244)	7	-	6	-	-
Increase (Decrease) in Due to Other Governments	-	-	-	-	-	-
(Increase) Decrease in Inventory	-	-	-	-	-	-
Increase (Decrease) in Accounts Payable	54	(334)	(7)	(1)	8	3
Increase (Decrease) in Accrued Leave	(10)	62	(101)	-	(3)	26
(Increase) Decrease in Insurance Deposits	-	-	-	-	-	-
Increase (Decrease) in Capital Lease Payable	-	-	-	-	-	-
Total Adjustments	<u>452</u>	<u>12,242</u>	<u>136</u>	<u>5</u>	<u>5</u>	<u>61</u>
Net Cash Provided By (Used For) Operating Activities	<u>\$ (938)</u>	<u>\$ 5,530</u>	<u>\$ (113)</u>	<u>\$ 11</u>	<u>\$ 25</u>	<u>\$ 112</u>

See Independent Auditors' Report

Draft

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds
For the Fiscal Year Ended September 30, 2023
(in thousands)

Purchasing	Accounting	Garage	Risk Management	Revenue Collection	Utility Services	Environmental Services and Facilities Management	Wholesale Energy Services	Community Relations	Total
\$ 1,717	\$ 5,975	\$ 35,562	\$ 12,463	\$ 2,271	\$ 21,849	\$ 6,885	\$ 143,158	\$ 1,670	\$ 269,351
453	118	1,150	409	3	-	12	-	-	6,295
(60)	(814)	(13,175)	(11,931)	(510)	(3,038)	(1,646)	(171,560)	(244)	(220,915)
(1,781)	(4,165)	(6,364)	(1,731)	(1,455)	(15,053)	(3,008)	(489)	(1,302)	(52,570)
(250)	(351)	(2,733)	(182)	(259)	(3,519)	(661)	(64)	(141)	(10,267)
-	-	(4,047)	-	-	-	(72)	-	-	(4,177)
<u>79</u>	<u>763</u>	<u>10,393</u>	<u>(972)</u>	<u>50</u>	<u>239</u>	<u>1,510</u>	<u>(28,955)</u>	<u>(17)</u>	<u>(12,283)</u>
-	-	-	-	-	-	-	-	-	19,506
-	-	(131)	(75)	-	-	-	-	-	65
-	-	-	-	-	1	-	21,092	-	21,093
-	-	(9)	-	(91)	(356)	-	-	(1)	(518)
<u>-</u>	<u>-</u>	<u>(140)</u>	<u>(75)</u>	<u>(91)</u>	<u>(355)</u>	<u>-</u>	<u>21,092</u>	<u>(1)</u>	<u>40,146</u>
-	-	-	-	-	-	70	-	-	814
(14)	(28)	-	(9)	(14)	-	(14)	-	(3)	(1,661)
(30)	(471)	(4,643)	3	1	(192)	(337)	(1)	(2)	(27,150)
<u>(4)</u>	<u>(25)</u>	<u>(6)</u>	<u>-</u>	<u>(1)</u>	<u>(3)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(1,387)</u>
<u>(48)</u>	<u>(524)</u>	<u>(4,649)</u>	<u>(6)</u>	<u>(14)</u>	<u>(195)</u>	<u>(282)</u>	<u>(1)</u>	<u>(5)</u>	<u>(29,384)</u>
4	13	284	408	11	71	30	991	4	1,918
3	10	-	213	6	55	2	507	2	824
<u>7</u>	<u>23</u>	<u>284</u>	<u>621</u>	<u>17</u>	<u>126</u>	<u>32</u>	<u>1,498</u>	<u>6</u>	<u>2,742</u>
38	262	5,888	(432)	(38)	(185)	1,260	(6,366)	(17)	1,221
132	766	12,673	20,368	195	6,284	1,391	6,915	87	51,542
<u>\$ 170</u>	<u>\$ 1,028</u>	<u>\$ 18,561</u>	<u>\$ 19,936</u>	<u>\$ 157</u>	<u>\$ 6,099</u>	<u>\$ 2,651</u>	<u>\$ 549</u>	<u>\$ 70</u>	<u>\$ 52,763</u>
\$ (442)	\$ 73	\$ 5,763	\$ (236)	\$ 60	\$ 137	\$ 1,356	\$ (964)	\$ (3)	\$ (2,530)
63	475	7,234	1	28	118	90	-	1	17,273
453	118	(2,897)	409	3	-	(60)	-	-	2,118
-	-	423	(2)	2	-	-	5,838	-	6,341
-	-	-	-	-	12	-	-	-	(219)
-	-	(39)	-	-	-	-	45	-	6
-	-	(8)	-	-	-	-	623	-	615
1	121	(112)	4	(64)	(118)	89	(15,336)	(2)	(15,694)
4	(24)	29	25	21	93	35	(9)	(13)	135
-	-	-	(1,173)	-	-	-	(19,152)	-	(20,325)
-	-	-	-	-	(3)	-	-	-	(3)
<u>521</u>	<u>690</u>	<u>4,630</u>	<u>(736)</u>	<u>(10)</u>	<u>102</u>	<u>154</u>	<u>(27,991)</u>	<u>(14)</u>	<u>(9,753)</u>
<u>\$ 79</u>	<u>\$ 763</u>	<u>\$ 10,393</u>	<u>\$ (972)</u>	<u>\$ 50</u>	<u>\$ 239</u>	<u>\$ 1,510</u>	<u>\$ (28,955)</u>	<u>\$ (17)</u>	<u>\$ (12,283)</u>

See Independent Auditors' Report

Draft



**CITY OF
TALLAHASSEE**

THIS PAGE INTENTIONALLY LEFT BLANK.

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.

Draft

CITY OF TALLAHASSEE, FLORIDA
COMBINING STATEMENT OF NET POSITION
Pension and Other Employee Benefit Trust Funds
September 30, 2023
(in thousands)

	Pension Trust Fund	Matched Annuity Pension Plan	OPEB Trust Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 18,666	\$ 12	\$ 656	\$ 19,334
Receivables				
Other Receivables	-	19	-	19
Accrued Interest	5,601	-	5	5,606
Total Receivables	<u>5,601</u>	<u>19</u>	<u>5</u>	<u>5,625</u>
Investments, at Fair Value				
Mutual Index Funds	-	154,944	-	154,944
Private Equities	281,608	-	-	281,608
Fixed Income Securities	338,587	-	-	338,587
Domestic Equities	733,539	-	12,503	746,042
International Equities	175,835	-	-	175,835
Private Credit Funds	112,161	-	-	112,161
Alternative Investments	276,391	-	-	276,391
Timber	115,474	-	-	115,474
Total Investments	<u>2,033,595</u>	<u>154,944</u>	<u>12,503</u>	<u>2,201,042</u>
Securities Lending Collateral	69,635	-	72	69,707
Total Assets	<u>\$ 2,127,497</u>	<u>\$ 154,975</u>	<u>\$ 13,236</u>	<u>\$ 2,295,708</u>
LIABILITIES AND NET POSITION				
Liabilities				
Obligations Under Securities Lending	\$ 69,635	\$ -	\$ 72	\$ 69,707
Other Payables	-	-	4	4
Total Liabilities	<u>69,635</u>	<u>-</u>	<u>76</u>	<u>69,711</u>
Net Position				
Net Position Restricted for Pensions	<u>2,057,862</u>	<u>154,975</u>	<u>13,160</u>	<u>2,225,997</u>
Total Liabilities and Net Position	<u>\$ 2,127,497</u>	<u>\$ 154,975</u>	<u>\$ 13,236</u>	<u>\$ 2,295,708</u>

See Independent Auditors' Report

Draft

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, 2023
(in thousands)

	Pension Trust Fund	Matched Annuity Pension Plan	OPEB Trust Fund	Total
ADDITIONS				
Contributions:				
Employer	\$ 43,238	\$ 1,044	\$ 2,399	\$ 46,681
Plan Members	13,365	-	-	13,365
Total Contributions	<u>56,603</u>	<u>1,044</u>	<u>2,399</u>	<u>60,046</u>
Investment Income (Loss)				
From Investment Activities:				
Gain/Loss on Sale of Investments	32,917	-	96	33,013
Change in Fair Value of Investments	53,762	16,441	1,292	71,495
Interest Income	22,575	4,996	308	27,879
Dividends	23,550	-	-	23,550
Total Investment (Loss)	<u>132,804</u>	<u>21,437</u>	<u>1,696</u>	<u>155,937</u>
Less Investment Expenses:				
Investment Management Fees	6,989	-	8	6,997
Interest Expense	35	-	-	35
Net Income (Loss) from Investing Activities	<u>125,780</u>	<u>21,437</u>	<u>1,688</u>	<u>148,905</u>
From Securities Lending Activities:				
Securities Lending Income	5,370	-	-	5,370
Less Securities Lending Expenses:				
Investment Management Fees	5,012	-	-	5,012
Net Income from Securities Lending Activities	<u>358</u>	<u>-</u>	<u>-</u>	<u>358</u>
Total Net Investment Income (Loss)	<u>126,138</u>	<u>21,437</u>	<u>1,688</u>	<u>149,263</u>
Total Additions	<u>182,741</u>	<u>22,481</u>	<u>4,087</u>	<u>209,309</u>
DEDUCTIONS				
Benefits	120,934	8,223	2,124	131,281
Refunds of Contributions	902	-	-	902
Administrative Expense	1,097	-	-	1,097
Total Deductions	<u>122,933</u>	<u>8,223</u>	<u>2,124</u>	<u>133,280</u>
Change in Net Position	59,808	14,258	1,963	76,029
Net Position - October 1	1,998,054	140,717	11,197	2,149,968
Net Position - September 30	<u>\$ 2,057,862</u>	<u>\$ 154,975</u>	<u>\$ 13,160</u>	<u>\$ 2,225,997</u>

See Independent Auditors' Report

Draft



**CITY OF
TALLAHASSEE**

THIS PAGE INTENTIONALLY LEFT BLANK.

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 Bonds, Series 2018

Capital Bonds, Series 2021

Capital Bonds, Series 2022

Energy System Revenue Bonds, Series 2010B

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 2023

Consolidated Utility System Revenue Bonds, Series 2010A

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 2023

Transportation Improvement Bonds, Series 2019

Draft

CITY OF TALLAHASSEE, FLORIDA
CAPITAL IMPROVEMENT REFUNDING REVENUE BONDS, SERIES 2009
SEPTEMBER 30, 2023
(in thousands)

Fiscal Year	Principal	Interest	Total
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>\$ 7,020</u>	<u>\$ 878</u>	<u>\$ 7,898</u>

See Independent Auditors' Report

Draft

**CITY OF TALLAHASSEE, FLORIDA
CAPITAL BONDS, SERIES 2018
SEPTEMBER 30, 2023
(in thousands)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	2,105	105	2,210
Totals	<u>\$ 22,940</u>	<u>\$ 10,211</u>	<u>\$ 33,151</u>

Draft

CITY OF TALLAHASSEE, FLORIDA
CAPITAL BONDS, SERIES 2021
SEPTEMBER 30, 2023
(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 875	\$ 56	\$ 931
2025	885	45	930
2026	900	34	934
2027	910	23	933
2028	<u>920</u>	<u>11</u>	<u>931</u>
Totals	<u>\$ 4,490</u>	<u>\$ 169</u>	<u>\$ 4,659</u>

Draft

CITY OF TALLAHASSEE, FLORIDA
CAPITAL REFUNDING BONDS, SERIES 2022
SEPTEMBER 30, 2023
(in thousands)

Fiscal Year	Principal	Interest	Total
2024	\$ 5,980	\$ 1,098	\$ 7,078
2025	2,180	889	3,069
2026	2,255	814	3,069
2027	2,335	735	3,070
2028	2,415	654	3,069
2029	2,500	570	3,070
2030	2,590	483	3,073
2031	2,680	393	3,073
2032	2,770	299	3,069
2033	2,870	203	3,073
2034	2,965	103	3,068
Totals	<u>\$ 31,540</u>	<u>\$ 6,241</u>	<u>\$ 37,781</u>

Draft

CITY OF TALLAHASSEE, FLORIDA
ENERGY SYSTEM REVENUE BONDS, SERIES 2010B
(FEDERALLY TAXABLE - BUILD AMERICA BONDS)
September 30, 2023
(in thousands)

Fiscal Year	Principal	Interest	Total
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>\$ 109,983</u>	<u>\$ 232,263</u>

Draft

CITY OF TALLAHASSEE, FLORIDA
ENERGY SYSTEM REFUNDING REVENUE BONDS, SERIES 2017
September 30, 2023
(in thousands)

Fiscal Year	Principal	Interest	Total
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>\$ 125,780</u>	<u>\$ 52,042</u>	<u>\$ 177,822</u>

See Independent Auditors' Report

Draft

CITY OF TALLAHASSEE, FLORIDA
ENERGY SYSTEM REVENUE BONDS, SERIES 2018
September 30, 2023
(in thousands)

Fiscal Year	Principal	Interest	Total
2024	\$ 1,415	\$ 4,896	\$ 6,311
2025	1,565	4,825	6,390
2026	1,715	4,746	6,461
2027	1,815	4,661	6,476
2028	1,920	4,570	6,490
2029	10,320	4,474	14,794
2030	11,520	3,958	15,478
2031	8,130	3,382	11,512
2032	4,375	2,975	7,350
2033	8,900	2,757	11,657
2034	4,200	2,312	6,512
2035	12,655	2,102	14,757
2036	5,600	1,469	7,069
2037	5,750	1,189	6,939
2038	1,015	901	1,916
2039	1,015	851	1,866
2040	1,100	800	1,900
2041	7,270	745	8,015
2042	<u>7,630</u>	<u>382</u>	<u>8,012</u>
Totals	<u>\$ 97,910</u>	<u>\$ 51,995</u>	<u>\$ 149,905</u>

Draft

CITY OF TALLAHASSEE, FLORIDA
ENERGY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020
SEPTEMBER 30, 2023
(in thousands)

Fiscal Year	Principal	Interest	Total
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>\$ 53,890</u>	<u>\$ 7,992</u>	<u>\$ 61,882</u>

See Independent Auditors' Report

Draft

CITY OF TALLAHASSEE, FLORIDA
ENERGY SYSTEM REFUNDING REVENUE BONDS, SERIES 2023
September 30, 2023
(in thousands)

Fiscal Year	Principal	Interest	Total
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>\$ 59,790</u>	<u>\$ 8,279</u>	<u>\$ 68,069</u>

Draft

CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED UTILITY SYSTEM REVENUE BONDS, SERIES 2010A
(FEDERALLY TAXABLE - BUILD AMERICA BONDS)
September 30, 2023
(in thousands)

Fiscal Year	Principal	Interest	Total
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>\$ 78,487</u>	<u>\$ 195,502</u>

Draft

CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2017
September 30, 2023
(in thousands)

Fiscal Year	Principal	Interest	Total
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>\$ 90,405</u>	<u>\$ 37,456</u>	<u>\$ 127,861</u>

See Independent Auditors' Report

Draft

CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED UTILITY SYSTEM REVENUE BONDS, SERIES 2018
September 30, 2023
(in thousands)

Fiscal Year	Principal	Interest	Total
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>\$ 37,800</u>	<u>\$ 16,830</u>	<u>\$ 54,630</u>

Draft

CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2020
September 30, 2023
(in thousands)

Fiscal Year	Principal	Interest	Total
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>\$ 8,035</u>	<u>\$ 817</u>	<u>\$ 8,852</u>

Draft

CITY OF TALLAHASSEE, FLORIDA
CONSOLIDATED UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2023
SEPTEMBER 30, 2023
(in thousands)

Fiscal Year	Principal	Interest	Total
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>\$ 34,720</u>	<u>\$ 6,205</u>	<u>\$ 40,925</u>

Draft

CITY OF TALLAHASSEE, FLORIDA
TRANSPORTATION IMPROVEMENT BOND, SERIES 2019
September 30, 2023
(in thousands)

Fiscal Year	Principal	Interest	Total
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>\$ 4,641</u>	<u>\$ 323</u>	<u>\$ 4,964</u>

Draft



**CITY OF
TALLAHASSEE**

THIS PAGE INTENTIONALLY LEFT BLANK.

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.

CONTENTS PAGE

Financial Trends

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

Net Position by Component	181
Changes in Net Position	182
Fund Balances, Governmental Funds	185
Changes in Fund Balances, Governmental Funds	186

Revenue Capacity

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

Assessed Value and Estimated Actual Value of Taxable Property	188
Direct and Overlapping Property Tax Rates	189
Principal Property Taxpayers	187
Property Tax Levies and Collections	190
Assessed Valuations, Millage and Taxes Levied and Collected	191

Debt Capacity

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

Ratios of Outstanding Debt by Type	192
Ratios of General Bonded Debt Outstanding	193
Direct and Overlapping Governmental Activities Debt	194
Computation of Legal Debt Margin	195
Revenue Bond Coverage:	
Energy System Revenue Bonds	196
Consolidated System Utility Revenue Bonds	197

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

STATISTICAL SECTION (Continued)

	PAGE
Demographic and economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Demographic Statistics	198
Principal Employers	199
Operating Information	
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.	
Full-time Equivalent City Government Employees by Function/Program	200
Operating Indicators by Function/Program	201
Capital Assets Statistics by Function/Program	202
Miscellaneous Statistical Data	203
Schedule of Insurance	205

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net Investment in Capital Assets	\$ 696,291	\$ 652,995	\$ 683,773	\$ 718,180	\$ 731,038	\$ 729,969	\$ 762,798	\$ 729,307	\$ 742,216	\$ 756,332
Restricted	96,363	94,221	93,264	82,797	83,814	114,361	100,167	99,999	99,012	62,644
Unrestricted	(163,992)	(124,652)	(164,776)	(150,599)	(113,386)	(121,288)	(65,648)	(56,664)	(56,651)	(2,497)
Total governmental activities net position	<u>\$ 628,662</u>	<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>
Business activities										
Net Investment in Capital Assets	\$ 884,406	\$ 829,331	\$ 866,359	\$ 895,189	\$ 899,679	\$ 884,077	\$ 863,179	\$ 840,415	\$ 809,395	\$ 763,439
Restricted	288,277	263,086	233,085	195,053	231,785	219,942	202,210	194,185	201,116	198,491
Unrestricted	138,951	159,214	162,577	194,659	170,891	152,743	198,232	199,519	202,099	210,447
Total Business activities net position	<u>\$ 1,311,634</u>	<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>
Primary government										
Net Investment in Capital Assets	\$ 1,580,697	\$ 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
Restricted	384,640	357,307	326,349	277,850	315,599	334,303	302,377	294,184	300,128	261,135
Unrestricted	(25,041)	34,562	(2,199)	44,060	57,505	31,455	132,584	142,855	145,448	207,950
Total primary government net position	<u>\$ 1,940,296</u>	<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>

See Independent Auditors' Report

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

<u>Expenses</u>	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
General Government	\$ 27,871	\$ 21,134	\$ 37,418	\$ 43,265	\$ 32,747	\$ 21,049	\$ 26,625	\$ 15,295	\$ 32,352	\$ 16,581
Public Safety	74,682	64,359	92,546	95,816	70,088	55,737	77,197	68,901	61,703	75,241
Transportation	24,477	16,628	18,692	23,029	24,197	42,106	20,164	20,530	19,928	35,786
Human Services	15,112	13,436	10,398	9,073	4,893	4,971	4,652	3,565	3,097	2,516
Economic Development	19,538	2,630	15,709	10,933	6,587	6,956	7,238	8,996	7,337	5,616
Physical Environment	6,477	5,691	6,683	7,217	16,786	5,530	7,693	7,943	1,489	2,528
Culture and Recreation	24,763	23,637	21,187	22,188	26,536	24,331	27,620	26,396	22,289	23,414
Unallocated Depreciation on Infrastructure	35,525	35,031	34,173	33,277	32,395	31,810	28,297	29,228	27,477	26,633
RTU Amortization Expense	279	284	-	-	-	-	-	-	-	-
SBITA Amortization Expense	247	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	3,472	3,563	3,542	3,890	4,635	3,610	3,572	4,058	4,966	2,805
Total governmental activities expenses	\$ 232,443	\$ 186,393	\$ 240,348	\$ 248,688	\$ 218,864	\$ 196,100	\$ 203,058	\$ 184,912	\$ 180,638	\$ 191,120
Business-type activities										
Electric	\$ 295,207	\$ 292,336	\$ 252,323	\$ 272,743	\$ 252,552	\$ 240,872	\$ 228,137	\$ 247,370	\$ 248,266	\$ 256,301
Gas	23,512	24,611	21,751	21,927	21,741	21,019	20,962	20,744	28,480	25,304
Sewer	78,278	74,193	77,383	83,571	52,753	76,701	51,629	53,274	46,804	51,258
Water	41,883	40,512	40,472	36,486	36,345	31,888	32,093	29,401	24,770	25,133
Airport	22,192	21,163	20,658	20,784	19,851	18,517	18,053	16,885	19,120	16,733
StarMetro	35,084	30,007	27,085	26,962	23,869	21,547	20,753	22,018	21,397	20,706
Solid Waste	31,500	28,876	29,798	27,654	26,441	24,551	21,285	20,874	20,700	25,346
Golf	1,394	1,279	1,057	926	968	1,271	864	927	973	1,012
Stormwater Management	20,591	20,186	20,965	14,886	19,618	16,893	15,440	14,944	14,837	14,585
Fire Services	51,918	50,547	48,090	48,437	45,836	43,698	42,475	40,797	36,787	41,237
Total business-type activities expenses	\$ 601,559	\$ 583,710	\$ 539,582	\$ 554,376	\$ 499,974	\$ 496,957	\$ 451,691	\$ 467,234	\$ 462,134	\$ 477,615
Total primary government expenses	\$ 834,002	\$ 770,103	\$ 779,930	\$ 803,064	\$ 718,838	\$ 693,057	\$ 654,749	\$ 652,146	\$ 642,772	\$ 668,735

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Program Revenues</u>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 2,470	\$ 2,360	\$ 2,259	\$ 2,293	\$ 2,310	\$ 2,230	\$ 2,991	\$ 2,520	\$ 2,192	\$ 2,106
Public Safety	1,435	1,623	1,263	1,537	1,261	1,876	2,026	2,051	2,487	2,649
Transportation	3,515	4,082	3,181	3,388	2,961	2,572	2,550	2,698	2,540	2,484
Human Services	1,377	1,143	1,143	1,745	1,421	1,072	953	1,022	965	888
Economic Development	288	224	56	3	8	11	10	14	-	-
Physical Environment	2,251	2,642	2,286	1,072	1,323	1,133	1,174	1,004	1,187	1,057
Culture and Recreation	4,449	3,971	3,125	2,598	3,846	3,755	3,745	3,903	3,956	3,895
Operating Grants and Contributions	23,339	13,485	20,234	13,251	7,173	4,384	10,270	8,250	1,549	566
Capital Grants and Contributions	8,474	3,609	5,118	4,243	1,160	-	-	-	13	1
Total Governmental Activities Program Revenues	\$ 47,598	\$ 33,139	\$ 38,665	\$ 30,130	\$ 21,463	\$ 17,033	\$ 23,719	\$ 21,462	\$ 14,889	\$ 13,646
Business-type Activities:										
Charges for Services:										
Electric	\$ 314,398	\$ 322,217	\$ 275,631	\$ 271,250	\$ 284,736	\$ 281,375	\$ 269,704	\$ 268,262	\$ 286,271	\$ 280,317
Gas	32,058	32,228	27,034	27,035	26,984	29,122	25,889	26,963	34,564	33,225
Sewer	87,647	79,708	73,002	71,413	69,325	68,180	63,351	61,759	62,184	60,126
Water	49,142	44,303	40,725	41,481	38,226	35,293	34,342	33,290	30,787	29,631
Airport	16,406	15,164	11,396	11,012	14,466	13,176	13,241	14,090	12,840	13,328
StarMetro	7,524	6,075	4,261	4,048	4,757	5,786	5,007	5,548	4,705	4,954
Solid Waste	34,587	32,327	31,144	29,393	25,686	24,674	24,215	22,508	23,553	24,751
Golf	1,533	1,608	1,146	759	955	765	794	786	771	885
Stormwater Management	24,267	20,871	21,043	21,110	22,722	19,250	18,198	17,946	18,380	17,552
Fire Services	53,693	52,853	46,310	45,553	45,239	43,021	42,777	41,469	32,772	32,260
Operating Grants and Contributions	21,114	9,346	8,390	26,101	4,620	4,853	4,825	8,977	5,465	9,295
Capital Grants and Contributions	45,690	37,099	15,160	15,496	10,332	14,251	13,347	12,865	16,395	14,767
Total Business-type Activities Program Revenues	\$ 688,059	\$ 653,799	\$ 555,242	\$ 564,651	\$ 548,048	\$ 539,746	\$ 515,690	\$ 514,463	\$ 528,687	\$ 521,091
Total Primary Government Program Revenues	\$ 735,657	\$ 686,938	\$ 593,907	\$ 594,781	\$ 569,511	\$ 556,779	\$ 539,409	\$ 535,925	\$ 543,576	\$ 534,737
<u>Net (Expenses) Revenues</u>										
Governmental Activities	\$ (184,845)	\$ (153,254)	\$ (201,683)	\$ (218,558)	\$ (197,401)	\$ (179,067)	\$ (179,339)	\$ (163,450)	\$ (165,749)	\$ (177,474)
Business-Type Activities	86,500	70,089	15,660	10,275	48,074	42,789	63,999	47,229	66,553	43,476
Total Primary Government Net Expenses	\$ (98,345)	\$ (83,165)	\$ (186,023)	\$ (208,283)	\$ (149,327)	\$ (136,278)	\$ (115,340)	\$ (116,221)	\$ (99,196)	\$ (133,998)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes, Levied for General Purposes	\$ 57,918	\$ 51,416	\$ 50,169	\$ 47,198	\$ 44,152	\$ 41,485	\$ 39,430	\$ 38,908	\$ 32,947	\$ 31,528
Public Service Tax	25,720	24,756	24,432	24,385	24,263	23,692	22,812	22,950	23,728	23,429
Permits and Fees	6,097	4,291	3,582	3,484	4,229	4,441	5,817	6,182	5,101	5,123
Grants and Contributions Not Restricted to Specific Programs	40,968	40,335	35,095	35,173	33,306	32,478	85,024	30,154	28,304	27,942
Unrestricted Investment Earnings	2,740	1,186	1,997	3,062	3,352	2,763	2,438	3,204	3,044	1,740
Net Securities Lending Income	5	6	3	3	2	2	2	5	-	5
Net Increase (Decrease) in Fair Value of Investments	325	(3,231)	(619)	450	1,248	(806)	(526)	178	14	131
Miscellaneous	14,040	3,943	7,834	3,844	7,781	8,828	14,251	14,475	7,634	13,052
Transfers	43,130	40,855	41,073	57,371	56,756	36,971	34,766	35,459	33,075	31,021
Total Governmental Activities	\$ 190,943	\$ 163,557	\$ 163,566	\$ 174,970	\$ 175,089	\$ 149,854	\$ 204,014	\$ 151,515	\$ 133,847	\$ 133,971
Business-Type Activities:										
Grants and Contributions, not restricted to specific programs	\$ 2,078	\$ 2,008	\$ 2,008	\$ 2,004	\$ 1,997	\$ 1,989	\$ 1,983	\$ 1,985	\$ -	\$ -
Unrestricted Investment Earnings	10,783	2,436	6,430	14,063	12,415	7,234	5,539	7,525	6,684	5,332
Net Securities Lending Income	58	19	12	14	10	7	5	11	-	38
Net Increase (Decrease) in Fair Value of Investments	4,367	(46,942)	(6,544)	5,856	16,446	(8,700)	(3,418)	739	52	202
Miscellaneous	(653)	2,855	627	205	1,856	23,655	(337)	1,094	19	2,058
Transfers	(43,130)	(40,855)	(41,073)	(57,371)	(56,756)	(36,971)	(34,766)	(35,459)	(33,075)	(31,021)
Total Business-type Activities	\$ (26,497)	\$ (80,479)	\$ (38,540)	\$ (35,229)	\$ (24,032)	\$ (12,786)	\$ (30,994)	\$ (24,105)	\$ (26,320)	\$ (23,391)
Total Primary Government	\$ 164,446	\$ 83,078	\$ 125,026	\$ 139,741	\$ 151,057	\$ 137,068	\$ 173,020	\$ 127,410	\$ 107,527	\$ 110,580
Change in Net Position										
Governmental Activities	\$ 6,098	\$ 10,303	\$ (38,117)	\$ (43,588)	\$ (22,312)	\$ (29,213)	\$ 24,675	\$ (11,935)	\$ (31,902)	\$ (43,503)
Business Activities	60,003	(10,390)	(22,880)	(24,954)	24,042	30,003	33,005	23,124	40,233	20,085
Total Primary Government	\$ 66,101	\$ (87)	\$ (60,997)	\$ (68,542)	\$ 1,730	\$ 790	\$ 57,680	\$ 11,189	\$ 8,331	\$ (23,418)

See Independent Auditors' Report

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 1,661	\$ 1,553	\$ 1,241	\$ 1,154	\$ 1,500	\$ 1,186	\$ 1,147	\$ 1,513	\$ 809	\$ 819
Spendable:										
Committed	25,070	21,033	21,011	16,846	-	23,306	26,492	25,251	25,420	21,414
Assigned	1,150	251	2,012	2,578	-	3,076	5,192	2,479	2,479	2,545
Unassigned	2,271	1,972	2,565	2,481	1,541	804	2,952	6,544	1,041	2,472
Total General Fund	<u>\$ 30,152</u>	<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>
All Other Governmental Funds										
Unreserved, reported in:										
Non-Spendable	11,960	503	205	-	594	-	620	584	580	626
Spendable:										
Restricted	39,260	48,743	54,465	44,290	59,785	58,904	39,487	39,331	44,722	56,705
Committed	29,725	27,737	27,826	16,033	21,256	25,322	23,160	24,227	23,715	25,673
Assigned	-	-	-	-	-	1,990	57	161	-	-
Unassigned	(14,734)	(6,916)	(1,172)	(613)	-	283	1,060	(91)	(148)	(605)
Total all Other Governmental Funds	<u>\$ 66,211</u>	<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>

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Taxes	\$ 83,632	\$ 76,170	\$ 74,602	\$ 71,582	\$ 68,419	\$ 65,174	\$ 62,243	\$ 61,858	\$ 56,675	\$ 54,962
Licenses and Permits	8,375	6,964	5,819	4,455	5,574	5,576	6,978	7,168	6,176	6,047
Intergovernmental Revenues	65,906	56,720	59,133	52,907	40,116	42,405	49,151	42,605	33,231	39,032
Charges for Services	14,209	12,640	10,745	9,620	10,044	9,151	8,830	9,385	9,043	8,789
Fines and Forfeitures	923	1,082	879	998	726	826	970	1,119	1,550	1,713
Net Investment Earnings	2,595	1,091	1,956	2,736	3,174	2,602	2,169	2,841	2,847	1,550
Securities Lending Income	35	15	3	6	8	4	6	11	-	10
Net Inc (Dec) in the Fair Value of Investments	299	(2,939)	(584)	422	1,163	(822)	(429)	145	12	126
Miscellaneous Revenues	14,165	11,360	10,881	16,881	13,770	13,209	14,889	16,070	15,631	12,765
Total Revenues	\$ 190,139	\$ 163,103	\$ 163,434	\$ 159,607	\$ 142,994	\$ 138,125	\$ 144,807	\$ 141,202	\$ 125,165	\$ 124,994
EXPENDITURES										
General Government	\$ 34,371	\$ 32,516	\$ 40,905	\$ 33,918	\$ 44,974	\$ 28,938	\$ 28,611	\$ 28,589	\$ 30,497	\$ 28,660
Public Safety	86,580	83,748	74,633	74,553	70,743	69,665	66,808	64,603	58,615	57,281
Transportation	33,842	34,047	27,996	43,221	35,952	38,194	31,212	32,026	33,231	34,270
Human Services	15,101	14,005	9,690	8,507	4,718	4,954	4,487	3,415	2,955	2,375
Economic Environment	16,833	8,155	15,641	10,903	7,296	8,837	7,178	8,093	7,636	8,621
Physical Environment	6,851	6,590	6,852	6,712	21,843	5,670	9,681	9,515	3,390	2,406
Cultural and Recreation	27,565	23,878	20,479	20,405	25,527	23,948	23,306	23,770	21,986	22,486
Securities Lending Expense:										
Interest	28	7	-	1	6	1	2	2	-	5
Agent Fees	2	-	-	-	-	-	-	1	-	1
Debt Service:										
Principal Retired	8,814	10,215	9,266	8,873	8,189	7,325	8,119	7,530	6,620	6,050
Interest and Fiscal Charges	2,926	4,309	4,339	4,624	5,315	3,948	4,226	4,502	5,324	3,105
Bond Issuance Costs	-	40	84	-	-	210	5	-	-	263
Advance Refunding Escrow	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 232,913	\$ 217,510	\$ 209,885	\$ 211,717	\$ 224,563	\$ 191,690	\$ 183,635	\$ 182,046	\$ 170,254	\$ 165,523
Excess of Revenues Over (Under)										
Expenditures	(42,774)	(54,407)	(46,451)	(52,110)	(81,569)	(53,565)	(38,828)	(40,844)	(45,089)	(40,529)
Other Financing Sources (Uses):										
Transfers In	64,756	\$ 65,909	\$ 71,147	\$ 86,390	\$ 73,682	\$ 62,845	\$ 60,433	\$ 59,942	\$ 55,167	\$ 52,970
Transfers Out	(23,238)	(24,777)	(29,959)	(28,874)	(27,674)	(26,383)	(24,283)	(24,823)	(21,426)	(20,283)
Sale of Capital Assets	2,743	-	3,641	187	4,630	838	2,846	5,370	317	579
Proceeds from Loans from Other Funds	-	-	11,260	-	-	-	-	1,736	-	-
Refunding Bond Issue	-	-	-	-	-	30,969	-	-	-	33,902
Payments to Refunded Bond Escrow Agent	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ 44,261	\$ 41,132	\$ 56,089	\$ 57,703	\$ 50,638	\$ 68,269	\$ 38,996	\$ 42,225	\$ 34,058	\$ 67,168
Net Change in Fund Balances	\$ 1,487	\$ (13,275)	\$ 9,638	\$ 5,593	\$ (30,931)	\$ 14,704	\$ 168	\$ 1,381	\$ (11,031)	\$ 26,639
Debt Services as a Percentage of Noncapital Expenditures	6.68 %	6.99 %	6.78 %	6.73 %	5.62 %	6.60 %	10.05 %	7.22 %	7.12 %	6.59 %

See Independent Auditors' Report

Draft

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

Tax payer	Type of Business	2023		2014		Percentage of Total City Taxable Assessed Value	
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value		Rank
Smith Interest General Partnership	Retail	\$ 173,517	1	19.49 %	\$ 114,254	2	16.88 %
Capital Regional Medical Center	Medical	115,953	2	13.01 %	N/A		- %
510 West Virginia Street	Real Estate	82,136	3	9.22 %	N/A		- %
District Joint Venture, LLC	Real Estate	76,443	4	8.58 %	N/A		- %
Florida Power & Light Co	Utilities	76,831	5	8.63 %	N/A		- %
Talquin Electric Cooperative, Inc.	Utilities	89,405	6	10.04 %	64,928	5	9.59 %
Presbyterian Retirement Communities	Non-Profit	105,149	7	11.81 %	N/A		- %
Tallahassee-Westcott LLC	Real Estate	56,280	8	6.32 %	N/A		- %
Comcast	Communications	58,970	9	6.62 %	50,006	7	7.39 %
Grove Park Apartments LLC	Real Estate	55,942	10	6.28 %	N/A		- %
Tallahassee Medical Center, LLC	Medical	N/A		- %	68,643	4	10.14 %
DRA CRT Tallahassee Centre	Retail	N/A		- %	59,539	6	8.79 %
St. Joe Company	Real Estate	N/A		- %	45,236	8	6.68 %
Century Link (Embarq, Sprint)	Communications	N/A		- %	123,878	1	18.30 %
Capital City Bank	Financial Svcs	N/A		- %	35,457	10	5.24 %
Florida Gas Transmission Company	Utilities	N/A		- %	77,460	3	11.44 %
Comcast Cablevision, Inc.	Communications	N/A		- %	37,592	9	5.55 %
Total		\$ 890,626		100.00 %	\$ 676,993		100.00 %

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⁾
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
2023	25,971,668	1,857,123	2,847	12,134,580	15,697,058	4.10	23,656,892	66.35

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

Draft

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

Fiscal Year	Direct		Debt Service	Overlapping		Total
	City of Tallahassee Operating	Leon County School Board Operating		Leon County Operating	N.W. Fla Water Management Operating	
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
2023	4.45	5.81	-	8.31	0.02	18.59

Source: Leon County Tax Collector

Draft

**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
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
2023	\$ 69,574	\$ 57,039	82.0	\$ 32	\$ 57,071	82.0

See Independent Auditors' Report

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Valuations	\$ 27,831,638	\$ 25,049,989	\$ 22,705,619	\$ 21,787,407	\$ 20,687,037	\$ 18,540,284	\$ 18,548,241	\$ 17,451,681	\$ 16,944,644	\$ 16,160,618
Exemptions										
Agricultural Adjustment	\$ 84,842	\$ 83,771	\$ 79,918	\$ 64,748	\$ 44,422	\$ 46,859	\$ 46,859	\$ 49,272	\$ 42,463	\$ 37,998
Government Exemption	6,097,813	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
Institutional Exemption	1,044,324	1,000,453	848,798	776,875	740,842	629,419	631,059	616,233	667,825	658,118
Individual/Homestead Exemptions	1,508,662	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
Other Exemptions & Adjustments	3,398,939	2,253,395	1,499,762	1,297,554	1,270,673	1,011,159	1,008,110	905,934	848,920	675,118
Total Exemption and Adjustments	\$ 12,134,580	\$ 10,562,194	\$ 9,442,398	\$ 9,059,938	\$ 8,741,897	\$ 8,077,231	\$ 8,074,381	\$ 7,857,174	\$ 7,718,416	\$ 7,342,512
Taxable Valuation	\$ 15,697,058	\$ 14,487,795	\$ 13,263,221	\$ 12,727,469	\$ 11,945,140	\$ 10,463,053	\$ 10,473,860	\$ 9,594,507	\$ 9,226,228	\$ 8,818,106
Millage Levied	4.100	4.100	4.100	4.100	4.100	4.100	4.100	4.200	3.700	3.700
Total Taxes Levied	\$ 69,916	\$ 59,361	\$ 52,138	\$ 49,015	\$ 48,975	\$ 42,914	\$ 40,857	\$ 40,352	\$ 34,392	\$ 32,673
Less: Adjustments & Discount	684	615	1,882	1,753	1,644	1,545	1,457	1,433	1,214	1,145
Net Taxes Levied	\$ 69,232	\$ 58,746	\$ 50,256	\$ 47,262	\$ 47,331	\$ 41,369	\$ 39,400	\$ 38,919	\$ 33,178	\$ 31,528
Net Collected ⁽¹⁾⁽²⁾	\$ 57,071	\$ 52,254	\$ 50,042	\$ 47,197	\$ 44,123	\$ 41,410	\$ 39,431	\$ 38,908	\$ 32,891	\$ 31,511

Source: Leon County Property Appraiser

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

⁽²⁾ Net collected includes penalties or late payments.

See Independent Auditors' Report

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
General Revenue Bonds	\$ 65,990	\$ 75,205	\$ 78,585	\$ 87,595	\$ 96,215	\$ 104,155	\$ 83,915	\$ 91,825	\$ 99,355	\$ 105,975
Unamortized Premiums/Discounts	3,127	8,786	10,230	11,610	12,928	14,143	11,317	12,343	13,107	13,753
Bank of America Loan Payable	-	264	525	780	1,033	1,282	1,527	1,736	-	-
Public Improvement Revenue Note	7,310	7,310	7,310	-	-	-	-	-	-	-
Redevelopment Revenue Note	2,860	3,410	3,950	-	-	-	-	-	-	-
Lease Payables	3,689	4,971	-	-	-	-	-	-	-	-
Subscription Liability	5,284	-	-	-	-	-	-	-	-	-
Total Governmental Activities	\$ 88,260	\$ 99,946	\$ 100,600	\$ 99,985	\$ 110,176	\$ 119,580	\$ 96,759	\$ 105,904	\$ 112,462	\$ 119,728
Business-Type Activities:										
Energy System	\$ 459,650	\$ 479,945	\$ 498,025	\$ 515,690	\$ 564,335	\$ 582,427	\$ 494,988	\$ 539,447	\$ 557,345	\$ 581,028
Consolidated Utility System	287,975	299,060	308,585	318,295	330,350	339,185	330,495	338,180	345,455	323,440
Transportation Improvement Bond	4,641	5,508	6,356	7,185	7,995	-	-	-	-	-
Unamortized Premiums/Discounts	67,908	73,386	92,059	96,783	86,236	89,164	52,974	29,857	31,187	14,877
AMI Loan Payable	3,233	6,345	9,335	12,211	14,977	17,639	20,634	23,514	26,282	28,941
Bank of America Loan Payable	-	128	254	378	500	621	739	840	-	-
Republic Parking Loan	-	-	-	-	331	367	401	-	-	-
Lease Payables	2,953	-	-	-	-	-	-	-	-	-
Subscription Liability	530	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	\$ 826,890	\$ 864,372	\$ 914,614	\$ 950,542	\$ 1,004,724	\$ 1,029,403	\$ 900,231	\$ 931,838	\$ 960,269	\$ 948,286
Total Primary Government	\$ 915,150	\$ 964,318	\$ 1,015,214	\$ 1,050,527	\$ 1,114,900	\$ 1,148,983	\$ 996,990	\$ 1,037,742	\$ 1,072,731	\$ 1,068,014
Per Capita	\$ 4,531	\$ 4,815	\$ 5,118	\$ 5,289	\$ 5,697	\$ 5,258	\$ 5,249	\$ 5,471	\$ 5,595	\$ 5,604

See Independent Auditors' Report

Draft

CITY OF TALLAHASSEE, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
For the Fiscal Year Ended September 30, 2023
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⁾
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
2023	65,990	0.28	327

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, 2023
(in thousands)

Government Unit	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Leon County School Board ⁽²⁾	\$ 108,397	68	\$ 73,710
Debt repaid with non self-supporting revenue debt:			
Leon County ⁽³⁾	14,653	68	<u>9,964</u>
Subtotal, Overlapping Debt			83,674
City Direct Debt	79,28	100	<u>79,287</u>
Total Direct and Overlapping Debt			<u><u>\$ 162,961</u></u>

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

⁽²⁾ Leon County School Board

⁽³⁾ Leon County

See Independent Auditors' Report

Draft

**CITY OF TALLAHASSEE, FLORIDA
LEGAL DEBT MARGIN
September 30, 2023
(in thousands)**

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

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

Fiscal Year Ending	Gross Revenue ⁽¹⁾	Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirements ⁽³⁾			Coverage
				Principal	Interest	Total	
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
2023	345,877	233,537	112,340	20,295	24,289	44,584	2.52

⁽¹⁾ Total operating revenues plus operating interest earned.

⁽²⁾ Total operating expenses exclusive of depreciation.

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

**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⁾			
				Principal	Interest	Total	
2014	\$ 99,063	\$ 51,802	\$ 47,261	\$ 6,530	\$ 16,417	22,947	2.06
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
2023	147,980	99,132	48,848	11,085	14,688	25,773	1.90

⁽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.

**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
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
2023	201,997	837,337	3,041,692	9,629	2,803	91,766	32,562

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)
2014	13,731,806	\$ 36,764	101,034	95,302	5,732	5.9
2015	14,205,240	37,848	99,331	94,321	5,010	5.0
2016	14,725,366	39,168	99,879	94,852	5,027	5.0
2017	15,433,218	40,621	101,300	95,674	5,626	4.0
2018	16,210,788	42,590	101,793	98,162	3,631	3.6
2019	17,078,135	44,586	102,904	99,510	3,394	3.3
2020	18,307,705	47,474	90,583	86,053	4,530	4.7
2021	20,211,955	52,041	99,280	95,606	3,673	3.8
2022	20,471,919	52,359	104,912	101,738	3,174	3.0
2023	-	-	202,142	195,773	6,369	3.2

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

Draft

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

Employer	Type of Business	2023 ⁽¹⁾			2014 ⁽²⁾		
		Number of Employees	Rank	% age of Total	Number of Employees	Rank	% age of Total
State of Florida	Government	18,352	1	30.6	19,442	1	35.83 %
Florida State University	Education	16,610	2	27.7	14,378	2	26.78 %
Tallahassee Memorial Hospital	Healthcare	5,993	3	10.0	4,583	4	8.32 %
Leon County School Board	Education	4,300	4	7.2	5,383	3	8.34 %
City of Tallahassee	Government	2,951	5	4.9	2,811	5	5.19 %
Walmart Stores, Inc.	Retail	2,701	6	4.5	-		- %
Publix Super Markets	Retail	2,487	7	4.2	2,200	6	3.68 %
Florida A&M University	Education	2,173	8	3.6	1,767	8	3.29 %
Leon County	Government	1,807	9	3.0	1,712	9	3.19 %
Tallahassee Community College ⁽³⁾	Education	1,424	10	2.4	1,518	7	3.45 %
Capital Regional Medical Center	Healthcare	<u>1,100</u>	11	<u>1.8</u>	<u>1,051</u>	10	<u>1.93 %</u>
Total		<u>59,898</u>		<u>100.0</u>	<u>54,845</u>		<u>100.00 %</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

<u>Function/Program</u>	<u>2023</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>
City Commission & Appointed Officials	123	123	123	114	110	111	124	134	134	133
Administration & Professional Services	76	75	72	72	70	67	62	184	183	181
Aviation	54	54	54	54	54	55	55	55	53	53
Communications	9	9	9	9	9	9	8	14	14	13
Customer Services	157	162	130	126	130	17	17	1	1	1
Human Resources & Workforce										
Development	30	30	28	35	35	35	35	-	-	-
Technology and Innovations	101	101	98	96	99	99	100	-	-	-
Real Estate Management	7	7	7	8	8	7	11	-	-	-
Housing and Community Services	42	32	17	17	16	18	20	36	36	37
Economic Vitality/Minority & Women										
Business Enterprise	-	-	-	-	8	-	-	-	-	-
Energy Services - Electric & Gas	330	330	330	330	325	328	336	303	302	298
Emergency Preparedness & Facilities										
Security	1	1	1	3	4	4	5	1	1	1
Energy Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30
Environmental Services & Facilities										
Management	26	26	23	23	22	22	12	14	14	14
Ethics	2	2	2	2	2	2	N/A	1	N/A	N/A
Fire	301	301	301	300	299	299	297	296	280	280
Fleet	83	84	82	81	82	82	82	80	61	59
TEMPO	-	10	9	3	-	-	-	-	-	-
Growth Management	72	72	71	71	77	77	80	63	63	63
Community Relations	11	11	9	9	10	-	-	-	-	-
Parks & Recreation & Neighborhood Affairs	220	208	177	180	178	177	173	173	171	171
Planning/PLACE	23	23	24	25	25	25	27	26	26	26
Police	485	485	482	483	483	483	466	466	433	427
Public Works	N/A	N/A	N/A	N/A	N/A	-	-	286	285	286
Community Beautification & Waste										
Management	152	152	147	146	151	151	148	83	84	87
Sustainability & Community Preparedness	-	-	15	15	-	-	-	-	-	-
StarMetro	145	146	140	140	139	140	141	148	170	170
Utility Services	-	-	-	-	-	129	135	148	145	120
Underground Utilities & Public Infrastructure	506	507	505	513	516	514	531	362	361	361
Total	2,956	2,951	2,856	2,855	2,852	2,851	2,865	2,874	2,817	2,811

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>	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Arrests	-	4,243	3,459	3,145	5,828	6,267	7,044	5,998	5,933	6,053
Traffic violations	-	11,654	5,352	5,663	10,990	9,710	15,459	14,716	13,652	13,039
Parking violations	-	18,722	13,924	11,144	10,470	13,804	14,891	18,886	15,948	17,872
Fire										
Emergency responses	-	33,739	30,957	27,687	19,789	28,015	27,379	27,849	24,704	22,075
Fires reported	-	1,088	906	926	1,041	1,033	989	1,225	1,047	1,153
Gas										
Daily average consumption (MCF)	-	7,978	8,236	7,582	8,090	7,988	7,411	7,450	8,027	8,030
Number of service connections	-	34,890	34,342	33,378	32,528	31,471	30,638	30,355	29,659	29,275
Water										
Daily average consumption (MGD)	-	24	26	28	27	25	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
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
Average number residential customers	-	107,327	92,342	91,805	91,125	89,798	89,070	99,793	88,112	87,674
Average residential monthly bill	-	127	119	117	117	119	108	113	123	121
Sewage										
Daily average treatment (MDG)	-	17	16	16	19	16	17	17	16	16
Number of service connections	-	75,927	75,741	74,892	74,146	74,322	72,614	72,070	71,556	71,440
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
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
Solid Waste										
Number of customers	-	64,291	65,017	57,389	64,117	61,547	52,528	63,455	63,455	63,284
Refuse collected (in tons)	-	152,341	156,743	151,366	153,907	149,560	149,560	139,778	144,488	119,659
Recyclables collected (in tons)	-	11,478	12,577	12,337	12,491	13,297	13,297	24,474	24,474	33,752
Airport										
Number of passengers	-	822,709	539,609	513,719	851,689	796,214	717,559	699,035	690,533	708,433

Source: Various city departments

N / A - Not Available

See Independent Auditors' Report

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

<u>Function / Program</u>	<u>2023</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>
Police										
Stations	-	1	1	1	1	1	1	1	1	1
Vehicular units										
Marked vehicles	-	299	306	356	326	309	300	306	289	284
Motorcycles	-	9	9	9	9	9	9	9	9	9
Unmarked vehicles	-	161	164	167	144	150	152	153	137	143
Bicycle patrol units	-	27	25	25	25	25	16	16	16	15
Fire stations	-	16	16	16	16	16	16	16	16	15
Gas										
Gas lines (in miles)	-	975	963	950	930	923	910	905	885	881
Plant Capacity (MCF)	-	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
Deep Wells	-	22	27	27	27	27	27	27	27	27
Plant Capacity (MGD)	-	79	79	79	76	76	76	76	74	76
Electric										
Generating plants	-	4	4	3	3	3	3	3	3	3
Generating capacity (MW)	-	799	799	702	702	711	711	746	746	746
Transmission lines (in miles)	-	219	219	219	219	214	214	214	204	204
Number of street lights	-	20,073	19,660	19,302	19,302	18,825	18,825	18,710	18,589	18,188
Distribution lines (in miles)	-	2,044	2,044	2,023	2,023	1,995	1,995	1,942	2,937	2,937
Sewage										
Number of lift stations	-	112	110	110	110	110	107	107	109	111
Sanitary sewers (in miles)	-	1,077	1,064	1,064	1,059	1,050	1,039	1,039	1,049	1,046
Number of disposal plants	-	1	1	1	1	1	1	1	1	1
Capacity of treatment plans (MGD)	-	27	27	27	27	27	27	27	27	27
Transit										
Bus Plaza	-	1	1	1	1	1	1	1	1	1
Buses	-	55	55	55	55	58	65	65	58	58
Refuse Collection										
Collection trucks	-	83	83	82	73	73	73	69	69	67
Parks and recreation										
Community centers and specialty center	-	12	12	12	12	11	11	11	11	11
Summer playgrounds and camps	-	65	46	46	46	43	43	43	43	43
Athletic fields	-	86	86	86	86	86	86	86	86	86
Golf courses	-	2	2	2	2	2	2	2	2	2
Swimming pools	-	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
Fitness trails	-	75	30	30	30	30	30	30	30	30
Tennis/racquetball courts	-	70	67	67	67	67	67	67	67	67
Gymnasiums, center sites	-	9	9	9	9	7	7	7	7	7
Gymnasiums, school sites	-	5	5	5	5	5	5	4	4	4
Airport	-	1	1	1	1	1	1	1	1	1
Other public works										
Traffic signals ⁽¹⁾	-	88	85	85	85	73	73	73	73	73

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, 2023

Governance		Education:	
Date of Incorporation	1825	Number of Public Schools ⁽¹⁾	51
Date Present Charter Adopted	1996	Number of Public School Instructors ⁽¹⁾	2,328
Form of Government: Commission-Manager		Number of Public School Students, (PK-12) ⁽¹⁾	32,562
Commission Composed of: Mayor and Four Commissioners		Number of Vocational-Technical Schools ⁽¹⁾	3
Terms of Office:		Number of Community Colleges	2
Mayor - Five Years (Elected by Tallahassee Citizens)		Number of Universities	5
Commissioners - Four Years (Elected by Tallahassee Citizens)		Number of College-level Instructors ⁽⁴⁾	2,377
Manager (Appointed by Commission)		Number of College-level Students ⁽²⁾	65,664
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 Museums)	13,375
		Museums	15
		Libraries (including branches)	20
		Skating Rinks	2
		Golf Courses	11
		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, 2023

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, 2023

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-ST508694-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.

APPENDIX C

FORM OF THE RESOLUTION

[THIS PAGE INTENTIONALLY LEFT BLANK]

RESOLUTION NO. 24-R-____

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$70,000,000 CITY OF TALLAHASSEE, FLORIDA CAPITAL BONDS, SERIES 2024 TO FINANCE CERTAIN CAPITAL PROJECTS; PLEDGING REVENUES DERIVED FROM THE GUARANTEED ENTITLEMENT REVENUES, THE LOCAL GOVERNMENT HALF-CENT SALES TAX, THE LOCAL COMMUNICATIONS SERVICES TAX AND THE PUBLIC SERVICE TAX REVENUES FOR THE PAYMENT OF SAID SERIES 2024 BONDS; DELEGATING THE AWARD OF THE SALE OF THE SERIES 2024 BONDS TO THE MAYOR; DELEGATING TO THE MAYOR THE AUTHORITY TO DEEM FINAL FOR CERTAIN PURPOSES AND APPROVE THE USE OF AND DISTRIBUTION OF THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT WITH RESPECT TO THE SERIES 2024 BONDS; APPOINTING A REGISTRAR AND PAYING AGENT; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF TALLAHASSEE, FLORIDA, as follows:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to Chapter 166, Part II, Florida Statutes, Resolution No. 12-R-42 adopted on September 19, 2012, as amended and supplemented, and other applicable provisions of law.

SECTION 2. DEFINITIONS. All capitalized undefined terms shall have the same meaning as set forth in the Master Resolution, as hereinafter defined. In addition, the following terms shall have the following meanings herein, unless the text expressly requires otherwise. Words importing singular numbers shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

“Bond Purchase Agreement” shall mean the Bond Purchase Agreement between the Issuer and the Underwriters dated the date of sale of the Series 2024 Bonds, in substantially the form on file in the Office of the City Treasurer-Clerk.

“Cede” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2024 Bonds pursuant to Section 6 hereof.

“Continuing Disclosure Certificate” shall mean that certain Continuing Disclosure Certificate executed by the Issuer and dated the date of issuance and delivery of the Series 2024 Bonds, as it may be amended from time to time in accordance with the terms thereof.

“Date of Delivery” shall mean the date of delivery of the Series 2024 Bonds.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Financial Advisor” shall mean PFM Financial Advisors LLC, Orlando, Florida.

“Issuer” shall mean the City of Tallahassee, Florida.

“Master Resolution” shall mean Resolution No. 12-R-42 of the Issuer adopted on September 19, 2012, as amended by Resolution No. 14-R-10 adopted on May 14, 2014, and as amended and supplemented from time to time.

“Parity Obligations” shall mean collectively, the outstanding \$27,320,000 City of Tallahassee, Florida Capital Bonds, Series 2018, \$6,035,000 City of Tallahassee, Florida Capital Bonds, Series 2021, and \$37,455,000 City of Tallahassee, Florida Capital Refunding Bonds, Series 2022.

“Paying Agent” shall mean U. S. Bank Trust Company, National Association.

“Registrar” shall mean U. S. Bank Trust Company, National Association.

“Reserve Account Requirement” shall mean, with respect to the Series 2024 Bond, the amount determined in accordance with Section 13(B) hereof.

“Series 2024 Bond” shall mean the Capital Bonds, Series 2024 in the aggregate principal amount not to exceed \$70,000,000, authorized to be issued pursuant to Section 5 hereof.

“State” shall mean the State of Florida.

“2024 Project” shall mean capital projects, consisting of construction and/or improvements of the (i) Issuer’s police headquarters, (ii) southside transit center, (iii) Kleman Plaza parking garage repairs, including the elevator, (iv) paving and other street improvements to various roads and streets within the territorial limits of the Issuer,(v) infrastructure upgrades to various facilities, including, but not limited to, LED lighting, digital control upgrades, HVAC upgrades, and window replacements, and (vi) any other capital projects authorized by the City Commission.

“Underwriters” shall mean collectively, RBC Capital Markets, LLC , Senior Manager, and Raymond James & Associates, Inc. and Siebert Williams Shank & Co., LLC, Co-Managers.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

A. On September 19, 2012, the Issuer adopted its Master Resolution for the purpose of financing and refinancing capital projects.

B. The Series 2024 Bonds shall be considered Bonds under the terms and conditions of the Master Resolution.

C. The Pledged Revenues are not now pledged or encumbered in any manner except for the payment of the principal and interest on the Parity Obligations and the payment of the principal and interest on the Issuer’s remaining outstanding \$26,975,000 Capital Improvement Refunding Revenue Bond, Series 2009 (the “Subordinate Bonds”) on a junior and subordinate basis.

D. The principal of and interest and redemption premium, if any, on the Series 2024 Bonds and all required reserve or other payments shall be payable solely from the Pledged Funds as herein provided. The Issuer shall never be required to levy ad valorem taxes on any real or personal property therein to pay the principal of and interest on the Series 2024 Bonds herein authorized or to make any other payments provided for herein. The Series 2024 Bonds shall not constitute a lien upon any properties owned by or located within the boundaries of the Issuer.

E. The estimated Pledged Funds will be sufficient to pay all principal of and interest and redemption premium, if any, on the Series 2024 Bonds, the Parity Obligations and the Subordinate Bonds as the same become due, and to make all required reserve or other payments required by the Master Resolution and this Resolution.

F. The Issuer desires to sell its Series 2024 Bonds pursuant to a Bond Purchase Agreement subject to certain conditions herein.

G. Due to the present instability in the market for revenue obligations, the interest on which is excluded from federal gross income, the critical importance of the timing of the sale of the Series 2024 Bonds, and due to the willingness of the Underwriters to purchase the Series 2024 Bonds, it is hereby determined that it is in the best interest of the public and the Issuer to sell the Series 2024 Bonds at a negotiated sale.

H. The Issuer has been or will be provided all applicable disclosure information required by Section 218.385(6), Florida Statutes.

SECTION 4. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Series 2024 Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution together with the Master Resolution shall be deemed to be and shall constitute a contract between the Issuer and such Holder. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holder of the Series 2024 Bonds.

SECTION 5. AUTHORIZATION OF SERIES 2024 BOND; AUTHORIZATION OF PROJECT. The obligations of the Issuer to be known as “Capital Bonds, Series 2024” are hereby authorized in the aggregate principal amount of not exceeding \$70,000,000. The 2024 Project is also hereby authorized.

SECTION 6. DESCRIPTION OF SERIES 2024 BONDS. Series 2024 Bonds shall be issued in fully registered form; shall be numbered consecutively from R-1 upward; shall be in denominations of \$5,000 each or integral multiples thereof; shall bear interest at such rate or rates not exceeding the maximum rate allowed by State law, the actual rate or rates or method of determining rates and the dates of payment shall be set forth in the Bond Purchase Agreement; and shall mature on such date in such years and amounts as will be fixed by the Bond Purchase Agreement prior to or upon the sale of the Series 2024 Bonds and may be Serial and/or Term Bonds.

Each Series 2024 Bond shall bear interest from the Interest Payment Date next preceding the date on which it is authenticated, unless authenticated on an Interest Payment Date, in which case it shall bear interest from such Interest Payment Date, or, unless authenticated prior to the first interest payment date, in which case it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Series 2024 Bond shall bear interest from the date to which interest shall have last been paid. The interest on the Series 2024 Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

A book-entry-only system of registration is hereby authorized for the Series 2024 Bonds. So long as the Issuer shall maintain a book-entry-only system with respect to the Series 2024 Bonds, the following provisions shall apply:

A blanket issuer letter of representations (the “BLoR”) was entered into by the Issuer with The Depository Trust Company (“DTC”). It is intended that the Series 2024 Bonds be registered so as to participate in a global book-entry system with DTC as set forth herein and in such BLoR. The terms and conditions of such BLoR shall govern the registration of the Series 2024 Bonds. The Series 2024 Bonds shall be initially issued in the form of a single fully registered Series 2024 Bond for each maturity of such Series. Upon initial issuance, the ownership of such Series 2024 Bonds shall be registered by the Registrar in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. So long as any Series 2024 Bond is registered in the name of DTC (or its

nominee), the Issuer, the Registrar and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive holder of such Series 2024 Bonds registered in its name, and all payments with respect to the principal or redemption price of, if any, and interest on such Series 2024 Bond ("Payments") and all notices with respect to such Series 2024 Bond ("Notices") shall be made or given, as the case may be, to DTC. Transfers of Payments and delivery of Notices to DTC Participants shall be the responsibility of DTC and not of the Issuer, subject to any statutory and regulatory requirements as may be in effect from time to time. Transfers of Payments and delivery of Notices to beneficial owners of the Bonds by DTC Participants shall be the responsibility of such participants, indirect participants and other nominees of such beneficial owners and not of the Issuer, subject to any statutory and regulatory requirements as may be in effect from time to time.

Upon (a) receipt by the Issuer of written notice from DTC (i) to the effect that a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2024 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of DTC hereunder can be found which is able to undertake such functions upon reasonable and customary terms, (b) termination, for any reason, of the agreement among the Issuer, the Registrar and Paying Agent and DTC evidenced by the BLoR, or (c) determination by the Issuer that such book-entry only system should be discontinued by the Issuer, and compliance with the requirements of any agreement between the Issuer and DTC with respect thereto, the Series 2024 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names Holders shall designate, in accordance with the provisions hereof. In such event, the Issuer shall issue and the Registrar shall authenticate, transfer and exchange Series 2024 Bonds consistent with the terms hereof, in denominations of \$5,000 or any integral multiple thereof to the Holders thereof. The foregoing notwithstanding, until such time as participation in the book-entry only system is discontinued, the provisions set forth in the BLoR shall apply to the registration and transfer of the Series 2024 Bonds and to Payments and Notices with respect thereto.

SECTION 7. PROVISIONS FOR REDEMPTION. The Series 2024 Bonds may be subject to redemption prior to their maturity, at the option of the Issuer, at such times and in such manner as shall be fixed by Bond Purchase Agreement at or prior to the time of sale of the Series 2024 Bonds.

SECTION 8. APPLICATION OF PROVISIONS OF THE MASTER RESOLUTION. The Series 2024 Bonds, herein authorized, shall for all purposes (except as herein expressly provided) be considered to be issued under the authority of the Master Resolution, all covenants in the Master Resolution shall apply to the Series 2024 Bonds, and the Series 2024 Bonds shall be entitled to all the protection and security provided in the Master Resolution for Bonds issued thereunder.

SECTION 9. SUPPLEMENTAL RESOLUTION. This Resolution shall be deemed to be a Supplemental Resolution for purposes of the Master Resolution.

SECTION 10. APPLICATION OF SERIES 2024 BOND PROCEEDS. The proceeds, including accrued interest and premium, if any, received from the sale of the Series 2024 Bonds shall be applied by the Issuer simultaneously with the delivery of such Series 2024 Bonds to the purchaser, as follows:

A. Capitalized interest, if any, shall be deposited into the Interest Account and shall be used only for the purpose of paying interest becoming due on the Series 2024 Bonds.

B. The initial Reserve Account Requirement for such Series 2024 Bonds shall be deposited in a subaccount of the Reserve Account created pursuant to the Master Resolution for the benefit of the Series 2024 Bonds, and shall be used only for the purposes provided therefor.

C. A portion of the Series 2024 Bond proceeds shall be deposited in the Construction Fund. The Issuer covenants and agrees to establish a separate account within the Construction Fund to be known as the "City of Tallahassee Capital Bonds, Series 2024 Construction Account" (hereinafter referred to as the "2024 Construction Account") which shall be used only for the payment of the cost of the 2024 Project. Moneys in the 2024 Construction Account until applied in payment of any item of the cost of the 2024 Project, shall be held in trust by the Issuer and shall be subject to a lien and charge in favor of the Holders of the Series 2024 Bonds, and for the further security of such Holders.

D. To the extent not paid by the original purchasers of the Series 2024 Bonds, the Issuer shall pay all costs and expenses in connection with the issuance, sale and delivery of the Series 2024 Bonds.

SECTION 11. SPECIAL OBLIGATION OF ISSUER. The Series 2024 Bonds shall not be or constitute a general obligation or indebtedness of the Issuer as a "bond" within the meaning of the Constitution of the State of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the Pledged Funds. No Holder or Holders of any Series 2024 Bonds issued hereunder shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer or taxation in any form of any property therein, or to compel the Issuer to pay such principal and interest from any other funds of the Issuer except the Pledged Funds.

The payment of the principal of and interest on the Series 2024 Bonds shall be secured forthwith equally and ratably by, and the Issuer hereby grants to the Holders of Series 2024 Bonds an irrevocable lien on the Pledged Funds. The Issuer does irrevocably pledge such Pledged Funds to the payment of the principal of and interest on the Series 2024 Bonds, for the reserves, if any, therefor and for all other required payments. Such amounts hereby pledged shall immediately be subject to the lien of this pledge without any further physical delivery thereof or any further act, and the lien of this pledge shall be valid and binding as against all

parties having claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof.

SECTION 12. DELEGATION OF AWARD OF SERIES 2024 BONDS. Subject to full satisfaction of the conditions set forth in this Section, the City Commission of the Issuer hereby authorizes a delegated negotiated sale of the Series 2024 Bonds to the Underwriters in accordance with the terms of a Bond Purchase Agreement to be dated the date of sale and to be substantially in the form on file in the Office of the City Treasurer-Clerk and incorporated herein by reference, with such changes, amendments, modifications, omissions and additions thereto as shall be approved by the Mayor or the City Treasurer-Clerk in accordance with the provisions of this Section (including, without limitation, making the final determination concerning the structuring and marketing of the Series 2024 Bonds to obtain the most favorable rating and interest rate on the Series 2024 Bonds), and the execution and delivery of the Bond Purchase Agreement by the Mayor and the City Treasurer-Clerk shall be deemed conclusive evidence of the approval of such changes and the full and complete satisfaction of the conditions set forth in this Section.

Notwithstanding the foregoing, the Bond Purchase Agreement shall not be executed by the Mayor and the City Treasurer-Clerk until such time as all of the following conditions have been satisfied:

1. Receipt by the City Treasurer-Clerk of a written offer to purchase the Series 2024 Bonds by the Underwriters substantially in the form of the Bond Purchase Agreement, said offer to provide for, among other things, (i) the issuance of not exceeding \$70,000,000 principal amount of Series 2024 Bonds, (ii) an underwriting discount (including management fee and all expenses) not in excess of \$4.00/\$1,000 of the par amount, (iii) a true interest cost of not more than 6.5%, and (iv) the maturities of the Series 2024 Bonds with the final maturity no later than October 1, 2054.

2. The Series 2024 Bonds shall be subject to such optional and mandatory redemption provisions as provided in the Bond Purchase Agreement.

3. Receipt by the City Treasurer-Clerk from the Underwriters of a disclosure statement and truth-in-bonding information complying with Section 218.385, Florida Statutes and substantially in the form attached to the Bond Purchase Agreement.

Upon satisfaction of the conditions set forth in this Section, the Mayor and City Treasurer-Clerk are hereby authorized to execute and deliver the Series 2024 Bonds and any other documents, agreements or certificates relating to the Series 2024 Bonds, and are further authorized and directed to prepare and furnish to the purchasers of the Series 2024 Bonds, when the Series 2024 Bonds are issued, certified copies of all the proceedings and records of the Issuer relating to the Series 2024 Bonds, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Series 2024 Bonds as

such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the Issuer as to the truth of all statements contained therein.

SECTION 13. RESERVE ACCOUNT. A. Establishment of a Subaccount in the Reserve Account for the Series 2024 Bonds. Pursuant to the Master Resolution, the Issuer is authorized to establish a separate subaccount within the Reserve Account for the benefit of the Series 2024 Bonds. The Issuer hereby establishes the Series 2024 subaccount in the Reserve Account (the "Series 2024 Subaccount"). The Issuer further authorizes the Reserve Account Requirement for the Series 2024 Bonds to be funded by proceeds of the Series 2024 Bonds and deposited into the Series 2024 Subaccount of the Reserve Account.

B. Delegation of Reserve Account Requirement. Subject to parameters set forth in this Section, the City Commission of the Issuer hereby authorizes the City Treasurer-Clerk to determine the Reserve Account Requirement for the Series 2024 Bonds, in consultation with the Issuer's Financial Advisor.

The Reserve Account Requirement for the Series 2024 Bonds shall not exceed an amount which equals the lesser of (1) Maximum Debt Service Requirement for the Series 2024 Bonds, (2) 125% of the average annual debt service for the Series 2024 Bonds or (3) the maximum amount allowed under the Code in order to maintain the exclusion of interest on the Series 2024 Bonds. However, such Reserve Account Requirement may be zero, in such case no subaccount in the Reserve Account would be required for the Series 2024 Bonds.

The City Treasurer-Clerk shall execute a certificate dated the Date of Delivery certifying the Reserve Account Requirement for the Series 2024 Bonds.

SECTION 14. APPOINTMENT OF REGISTRAR AND PAYING AGENT. U. S. Bank Trust Company, National Association, Jacksonville, Florida is hereby appointed as Registrar and Paying Agent for the Series 2024 Bonds. The Mayor and the City Treasurer-Clerk are hereby authorized to enter into any agreements with such Registrar and Paying Agent, which may be necessary to reflect the obligation of such Registrar and Paying Agent to accept and perform the respective duties imposed upon each and to effectuate the transactions contemplated, by this Resolution.

SECTION 15. INFORMATION WITH RESPECT TO THE OFFERING AND PRELIMINARY OFFICIAL STATEMENT. The City Treasurer-Clerk, Bond Counsel to the Issuer, Disclosure Counsel to the Issuer and the Issuer's Financial Advisor are hereby authorized to prepare and to disseminate (or cause to be prepared and disseminated) copies of a "Preliminary Official Statement" in the form on file in the Office of the City Treasurer-Clerk, with such changes, amendments, modifications, omissions and additions thereto as shall be approved by the Mayor or the City Treasurer-Clerk, and the execution and delivery of a

certificate deeming final the Preliminary Official Statement by the Mayor or the City Treasurer-Clerk pursuant to the last sentence of this Section shall be deemed conclusive evidence of the approval of such changes, and are also authorized to prepare and disseminate a final official statement ("Official Statement") after execution and delivery of the Bond Purchase Agreement. At closing, the appropriate officers of the Issuer are authorized and directed to furnish a certificate to the effect that the Preliminary Official Statement did not as of its date and does not contain any untrue statement or omission of a material fact and the Official Statement did not as of its date and does not as of the Date of Delivery contain any untrue statement or omission of a material fact. The Mayor and City Treasurer-Clerk are authorized to deem final the Preliminary Official Statement prepared pursuant to this section for purposes of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission.

SECTION 16. CONTINUING DISCLOSURE. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Such Continuing Disclosure Certificate shall be in the form on file in the Office of the City Treasurer-Clerk. Notwithstanding any other provision of this Resolution, failure of the Issuer to comply with the Continuing Disclosure Certificate will not be considered an event of default; however, any Holder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Section. Holders of Series 2024 Bonds shall not be entitled to any damages for failure of the Issuer to comply with the terms of the Continuing Disclosure Certificate.

SECTION 17. FEDERAL INCOME TAX COVENANTS. With respect to the Series 2024 Bonds:

A. The Issuer shall not use or permit the use of any proceeds of the Series 2024 Bonds or any other funds of the Issuer, directly, or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Issuer with respect to the Series 2024 Bonds in any manner, and shall not take or permit to be taken any other action or actions, which would cause any such Series 2024 Bond to be a "private activity bond" within the meaning of Section 141 or an "arbitrage bond" within the meaning of Section 148, or "federally guaranteed" within the meaning of Section 149(b), of the Internal Revenue Code of 1986, as amended (the "Code"), or otherwise cause interest on such Series 2024 Bonds to become subject to federal income taxation.

B. The Issuer shall, at all times, do and perform all acts and things permitted by law and the Resolution which are necessary or desirable in order to ensure that interest paid on such Series 2024 Bonds will be excluded from gross income for purposes of federal income taxes and shall take no action that would result in such interest not being so excluded.

C. The Issuer shall pay or cause to be paid to the United States Government any amounts required by Section 148(f) of the Code and the regulations thereunder (the "Regulations"). In order to ensure compliance with the rebate provisions of Section 148(f) of the

Code with respect to any Series 2024 Bonds for which the Issuer intends on the date of issuance thereof to be excluded from gross income for purposes of federal income taxation, the Issuer has created the Rebate Fund pursuant to the Master Resolution. Moneys in the Rebate Fund shall be held for future payment to the United States Government as required by the Regulations and as set forth in instructions of Bond Counsel delivered to the Issuer upon issuance of the Series 2024 Bonds.

SECTION 18. CONFLICTS. All resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby supplemented to conform with the provisions herein contained and except as otherwise modified, supplemented and amended hereby shall remain in full force and effect.

SECTION 19. SEVERABILITY. If any word, phrase, clause, section, or portion of this Resolution shall be held invalid or unconstitutional by a court of competent jurisdiction, such portion or words shall be deemed a separate and independent provision and such holding shall not affect the validity of the remaining portions thereof.

SECTION 20. EFFECTIVE DATE. This Resolution shall have effect upon adoption.

PASSED AND ADOPTED on this _____ day of April, 2024.

CITY OF TALLAHASSEE, FLORIDA

ATTEST:

By: _____
Mayor

By: _____
City Treasurer-Clerk

Approved as to form and legality:

By: _____
City Attorney

APPENDIX D

FORM OF BOND COUNSEL OPINION

Upon delivery of the Series 2024 Bonds in definitive form, Bryant Miller Olive P.A., Bond Counsel, proposes to render an approving opinion with respect to the Series 2024 Bonds in substantially the following form:

[Date of Issuance]

City Commission
City of Tallahassee
Tallahassee, Florida

Raymond James & Associates, Inc.
Winter Park, Florida

RBC Capital Markets
Orlando, Florida

Siebert Williams Shank & Co., LLC
Tampa, Florida

\$ _____
City of Tallahassee, Florida
Capital Bonds, Series 2024

Ladies and Gentlemen:

We have acted as Bond Counsel to the City of Tallahassee, Florida (the "Issuer") in connection with the issuance by the Issuer of its \$ _____ Capital Bonds, Series 2024 (the "Series 2024 Bonds") pursuant to and under the authority of the Constitution of the State of Florida, Chapter 166, Part II, Florida Statutes, the Charter of the Issuer, and other applicable provisions of law, and Resolution No. 12-R-42, adopted by the City Commission on September 19, 2012, as amended by Resolution No. 14-R-10, adopted by the City Commission on May 14, 2014, and as particularly supplemented by Resolution No. 24-R-[], adopted by the City Commission on April 10, 2024 (collectively, the "Resolution"). In such capacity, we have examined such laws and certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. Any capitalized undefined terms used herein shall have the meanings set forth in the Resolution.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Resolution and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. We have not undertaken an independent audit, examination, investigation or inspection of such matters and have relied solely on the facts, estimates and circumstances described in such proceedings and certifications. We have assumed the

genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

In rendering this opinion, we have examined and relied upon the opinion of even date herewith of Amy Toman, Esq., Issuer's Counsel, as to the due creation and valid existence of the Issuer, the due adoption of the Resolution, the due execution and delivery of the Series 2024 Bonds and the compliance by the Issuer with all conditions contained in ordinances and resolutions of the Issuer precedent to the issuance of the Series 2024 Bonds.

The Series 2024 Bonds are payable from the Pledged Revenues, which consist primarily of proceeds from the (i) the Local Government Half-Cent Sales Tax, (ii) the Guaranteed Entitlement Revenues, and (iii) the Local Communications Services Tax, and (iv) the Public Service Tax Revenues on parity and equal status with the Bonds heretofore issued under the Resolution in the manner and to the extent provided in the Resolution (the "Parity Obligations"). Pursuant to the terms, conditions and limitations contained in the Resolution, the Issuer has reserved the right to issue Additional Parity Obligations in the future which shall have a lien on the Pledged Revenues equal to that of the Series 2024 Bonds and the Parity Obligations.

The Series 2024 Bonds do not constitute a general obligation or indebtedness of the Issuer within the meaning of any constitutional, statutory or other limitation of indebtedness and the holders thereof shall never have the right to compel the exercise of any ad valorem taxing power of the Issuer or taxation in any form on any real or personal property for the payment of the principal of or interest on the Series 2024 Bonds.

The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based on our examination, we are of the opinion that, under existing law:

1. The Resolution constitutes a valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.
2. The Series 2024 Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their terms, payable solely from the Pledged Revenues in the manner and to the extent provided in the Resolution.
3. The Resolution creates a valid lien upon the Pledged Revenues for the security of the Series 2024 Bonds on a parity with the Parity Obligations and any Additional Parity Bonds hereafter issued, all in the manner and to the extent provided in the Resolution.
4. Interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, interest on the Series 2024 Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent

alternative minimum tax under Section 55 of the Internal Revenue Code of 1986, as amended (the "Code"). The opinion set forth in the preceding sentence is subject to the condition that the Issuer complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted in the Resolution to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2024 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2024 Bonds.

It is to be understood that the rights of the owners of the Series 2024 Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity, to the valid exercise of the sovereign police powers of the State of Florida and of the constitutional powers of the United States of America and to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted.

For purposes of this opinion, we have not been engaged or undertaken to review and, therefore, express no opinion herein regarding the accuracy, completeness or adequacy of the Official Statement or any offering material relating to the Series 2024 Bonds. This opinion should not be construed as offering material, an offering circular, prospectus or official statement and is not intended in any way to be a disclosure statement used in connection with the sale or delivery of the Series 2024 Bonds. Furthermore, we are not passing on the accuracy or sufficiency of any CUSIP numbers appearing on the Series 2024 Bonds. In addition, we have not been engaged to and, therefore, express no opinion as to compliance by the Issuer or the underwriter or underwriters with any federal or state statute, regulation or ruling with respect to the sale and distribution of the Series 2024 Bonds or regarding the perfection or priority of the lien, except as provided in paragraph 3 with respect to the parity status of the Series 2024 Bonds on the Pledged Revenues created by the Resolution. Further, we express no opinion regarding federal income or state tax consequences arising with respect to the Series 2024 Bonds other than as expressly set forth herein. Our opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

BRYANT MILLER OLIVE P.A.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Tallahassee, Florida (the "Issuer") in connection with the issuance of its \$ _____ Capital Bonds, Series 2024 (the "Bonds"). The Bonds are being issued pursuant to Resolution No. 12-R-42, adopted by the City on September 19, 2012, as amended and supplemented, and particularly as supplemented by Resolution No. 24-R-11, adopted on April 10, 2024 (the "Series 2024 Resolution;" collectively, the "Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. PURPOSE OF DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter of the Bonds in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("SEC") pursuant to the Securities Exchange Act of 1934 (the "Rule"). This Disclosure Certificate, together with Section 16 of the Series 2024 Resolution, constitutes the continuing disclosure commitment for the Bondholders and Beneficial Owners of the Bonds for purposes of the Rule.

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Business Day" shall mean any day other than a Saturday, Sunday or a day when banks within the City of New York, New York, or in the City of Tallahassee, or in the city of the designated office of the Registrar are required or authorized by law to be closed or on which the New York Stock Exchange is closed.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(h)(1) of the Securities Exchange Act of 1934.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean any municipal securities information repository approved from time to time by the SEC, or otherwise established by law or regulation, where information is required to be filed in accordance with the Rule and shall constitute initially the entity set forth in Exhibit B.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Florida.

SECTION 3. PROVISION OF ANNUAL INFORMATION.

(a) The Issuer shall provide not later than March 31 of the year following the end of the Issuer's fiscal year (currently September 30), commencing with the report for the 2024 fiscal year, to each Repository an Annual Report, which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but in such case unaudited statements will be submitted with the Annual Report. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) If the Issuer is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Issuer shall send a notice to the Repository and the Municipal Securities Rulemaking Board, in substantially the form attached as Exhibit A.

SECTION 4. CONTENT OF ANNUAL REPORTS. The Issuer's Annual Report shall contain or include by reference the following:

1. Summary of revenues, expenses and debt service coverage and financial and operating data and statistics for such fiscal year, of the type and in a manner consistent with the presentation of such information included under the following headings contained in the Official Statement for the Bonds dated April ____, 2024 (the "Official Statement"):

"Historical Guaranteed Entitlement Revenues, Local Government Half-Cent Sales Tax Receipts, Local Communications Services Tax, Public Service Tax Revenues and Historical Debt Service Coverage."

The foregoing shall not obligate the City to prepare projections of any operating or financial data.

2. The audited general purpose financial statements of the Issuer utilizing generally accepted accounting principles applicable to governmental units as described in the Official Statement, except as may be modified from time to time and described in such financial

statements. The Issuer also agrees to file its Fiscal Year 2023 audited financial statements when the same are completed.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the Repository, the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. REPORTING SIGNIFICANT EVENTS.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give notice of any of the following events with respect to the Bonds within ten (10) Business Days of the occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax-exempt status of the Bonds;
- (7) Modifications to rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances of the Bonds;
- (10) Release, substitution or sale of property securing repayments of the Bonds, if material;
- (11) Rating changes;

- (12) Bankruptcy, insolvency, receivership or similar event of the Issuer, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction of substantially all of the assets or business of the Issuer;
- (13) The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer; other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional Registrar, Paying Agent or trustee or the change of name of a Registrar, Paying Agent or trustee, if material;
- (15) Incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect holders of the Bonds; if material (for purposes of the foregoing and paragraph (xvi) below, "financial obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, and existing or planned debt obligation; or (c) a guarantee of (a) of (b));
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties; and
- (17) In a timely manner, notice of failure to provide the annual report before the date(s) specified in Section 3 hereof.

(b) The Issuer shall file a notice of the occurrence of any of the foregoing with the Municipal Securities Rulemaking Board and each Repository.

SECTION 6. TERMINATION OF REPORTING OBLIGATION. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final

maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

SECTION 8. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation

under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. DEFAULT. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Participating Underwriter, Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. OBLIGATED PERSONS. If any person, other than the Issuer, becomes an Obligated Person (as defined in the Rule) relating to the Bonds, the Issuer shall use its best efforts to require such Obligated Person to comply with all provisions of the Rule applicable to such Obligated Person.

SECTION 12. BENEFICIARIES. This Disclosure Certificate shall inure solely to the benefit of the Issuer, any dissemination agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: May ___, 2024

CITY OF TALLAHASSEE, FLORIDA

By: _____
Mayor

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Tallahassee, Florida

Name of Bond Issue: Capital Bonds, Series 2024

Date of Issuance: May ____, 2024

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate of the Issuer dated May ____, 2024. The Issuer anticipates that the Annual Report will be filed by _____

Dated: _____

CITY OF TALLAHASSEE, FLORIDA

By: _____

EXHIBIT B

Municipal Securities Information Repositories approved by the United States Securities and Exchange Commission:

Municipal Securities Rulemaking Board:

<http://emma.msrb.org/>

A list of names and addresses of all designated Municipal Securities Information Repositories as of any point in time is available by visiting the SEC's website at <http://www.sec.gov/info/municipal.shtml>.

[THIS PAGE INTENTIONALLY LEFT BLANK]

