

The City of Palm Bay Florida

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2020

CITY OF PALM BAY, FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2020



PREPARED BY: DEPARTMENT OF FINANCE





Down to Earth

And Up To Great Things

The City of Palm Bay Florida

Table of Contents

Introduction Section

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

Financial Section

Independent Auditors' Report 1
Management's Discussion and Analysis 4

Basic Financial Statements

Government-Wide Financial Statements:

Statement of Net Position 21
Statement of Activities 23

Fund Financial Statements

Governmental Funds:

Balance Sheet 25
Reconciliation of Balance Sheet Governmental Funds to the Statement of Net Position 26
Statement of Revenues, Expenditures and Changes in Fund Balance 27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities 29

Proprietary Funds:

Statement of Net Position 30
Statement of Revenues, Expenses and Changes in Fund Net Position 33
Statement of Cash Flows 34

Fiduciary Funds:

Statement of Fiduciary Net Position – Pension Trust Fund 35
Statement of Changes in Fiduciary Net Position – Pension Trust Fund 36
Notes to Financial Statements 39

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balances-
Budget and Actual – General Fund 97
Budget and Actual – Bayfront Community Redevelopment Agency 100
Schedule of Changes in Net Pension Liability & Related Ratios – City of Palm Bay Retirement System 101
Schedule of Proportionate Share of Net Pension Liability – FRS Retirement System 104
Schedule of Proportionate Share of Net Pension Liability – Health Insurance Subsidy 105
Schedule of Contributions – City of Palm Bay Retirement System 106
Schedule of Contributions – Florida Retirement System 109
Schedule of Contributions – Health Insurance Subsidy 110
Schedule of Investment Return – PB Police, Fire and General Retirement System 111
Schedule of Changes in Total OPEB Liability and Related Ratios 112
Notes to Required Supplementary Information 113

Supplementary Information

Budget Comparison Schedule – GO Road Program Fund 117

Table of Contents
(Continued)

Financial Section (continued)

Supplementary Information (Continued)
Budget Comparison Schedule – Debt Service Fund 118
Combining Balance Sheet – Nonmajor Governmental Funds 124
Combining Statement of Revenues, Expenditures and Changes in Fund Balances- Nonmajor Governmental Balances 126

Budgetary comparison schedules:
Law Enforcement Trust Fund 130
Palm Bay Municipal Foundation Fund 131
Code Enforcement Fund 132
SHIP Program Fund 133
Community Development Block Grant Fund 134
HOME Grant Fund 135
Neighborhood Stabilization Program Fund 136
Coronavirus Relief Fund 137
Miscellaneous Donations Fund 138
Impact Fee Trust Fund 139
Environmental Fee Fund 140
Community Investment Fund 141
I-95 Interchange Fund 142
Road Maintenance CIP Fund 143
Connector Road I-95 CIP Fund 144

Nonmajor Enterprise Funds:
Combining Statement of Net Position 147
Combining Statement of Revenues, Expenses and Changes in Net Position 148
Combining Statement of Cash Flows 149

Internal Service Funds:
Combining Statement of Net Position 153
Combining Statement of Revenues, Expenses and Changes in Net Position 154
Combining Statement of Cash Flows 155

Fiduciary Funds:
Combining Statement of Fiduciary Net Position 158
Combining Statement of Changes in Fiduciary Net Position 159

Statistical Section

Government-Wide Information:
Schedule 1 – Net Position by Component – Last Ten Fiscal Years 163
Schedule 2 – Change in Net Position – Last Ten Fiscal Years 164

Fund information:
Schedule 3 – Fund Balances of Governmental Funds – Last Ten Fiscal Years 166
Schedule 4 – Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years 167
Schedule 5 – Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years 168
Schedule 6 – Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years 169
Schedule 7 – Principal Property Taxpayers 170
Schedule 8 – Property Tax Valuations, Levies and Collections 171
Schedule 9 – Ratios of Outstanding Deby by Type 172

Table of Contents
(Continued)

Statistical Section (continued)

Schedule 10 – Computation of Direct and Overlapping Bonded Debt – General Obligation Bonds 173
Schedule 11 – Pledged Revenue Coverage – Last Ten Fiscal Years 174
Schedule 12 – Demographic and Economic Statistics – Last Ten Fiscal Years 175
Schedule 13 – Principal Employers in the City of Palm Bay 176
Schedule 14 – Full-Time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years 177
Schedule 15 – Capital Asset Statistics – Last Ten Fiscal Years 178
Schedule 16 – Operating Indicators by Function/Program – Last Ten Fiscal Years 179
Schedule 17 – Impact Fee Collections and Balances – Last Ten Fiscal Years 180
Schedule 18 – Utility Debt Service Applicable to Transportation Projects – Last Ten Fiscal Years 181
Schedule 19 – Historical Public Service Tax Receipts by Category – Last Ten Fiscal Years 182
Schedule 20 – Certified Gallons of Taxable Fuel Sold in Brevard County, Florida and Local Option Gas Tax Revenue – Last Ten Years 183
Schedule 21 – Distribution of Brevard County, Florida Local Option Gas Tax Revenues 184
Schedule 22 – Utilities Debt Service Coverage – Last Ten Fiscal Years 185
Schedule 23 – Utility Rate Comparison with Neighboring Utilities 186
Schedule 24 – Ten Largest Customers of the Water and Wastewater System 187

Compliance Section

Schedule of Expenditures of Federal Awards and State Financial Assistance 189
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance 191

Reports

Independent Auditors' Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 193

Independent Auditors' Report on Compliance for each Major Federal Program and State Project and Report on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by Uniform Guidance And Chapter 10.550, Rules of the Auditor General 195

Schedule of Findings and Questioned Costs 198
Independent Auditors' Management Letter 203

Independent Accountants' Report 206

May 28, 2021

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

We are pleased to submit the Comprehensive Annual Financial Report of the City of Palm Bay, Florida, for the fiscal year ended September 30, 2020. The purpose of this report is to provide City Council, citizens, financial institutions, and others with detailed information concerning the financial condition and performance of the City of Palm Bay. This report is submitted pursuant to Florida Statutes Section 218.39, Chapter 10.550 of the Rules of the Auditor General of the State of Florida, and Section 4.05 of the City Charter.

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

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

As required by Florida Statutes and the City Charter, an audit of the City's Comprehensive Annual Financial Report was performed by MSL, P.A., a firm of licensed, independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Palm Bay for the fiscal year ended September 30, 2020 are free of material misstatement. The audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements,

assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditor concluded, based on the audit, that the City's financial statements for the fiscal year ended September 30, 2020 are fairly stated in conformity with GAAP. This is the most favorable conclusion and is commonly known as an unmodified or "clean" opinion. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE CITY OF PALM BAY

The City of Palm Bay was incorporated in 1960 with a population of 2,808. Palm Bay is now the largest city in Brevard County, the 2nd largest in Central Florida and the 15th largest in Florida, with more than 120,000 residents in 88 square miles. The City is located centrally on Florida's east coast, midway between Jacksonville and Miami. Port Canaveral and Kennedy Space Center, the nation's premiere spaceport, are all nearby.

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

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

part of the City (blended presentation). Additional information on this legally separate entity can be found in the notes to the financial statements on page 40.

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

CORONAVIRUS (COVID-19) ECONOMIC IMPACT

The City of Palm Bay, like municipalities and counties across the nation, was impacted by Covid-19 starting in March 2020. While the economic impact on local governments have been uneven and varied, the impact faced by the City in FY 2020 was minimal. Due to factors such as population, geography, government structure, funding streams, and economic drivers, the City has been largely shielded from the impacts of Covid-19.

The City experienced no major revenue decline in FY 2020, and the FY 2021 Budget was balanced without the need to draw from reserves, make cuts to capital projects or services, nor were there any workforce changes because of anticipated declines in revenue.

The pandemic has reduced state and local revenues. The City's decline in revenues was less than projections based on historical experience because much of employment losses within the City have been unusually concentrated in low-wage workers, and the federal government has increased and expanded unemployment insurance benefits and grants to business, which shored up income.

Housing values have held up in 2020, and future declines in property taxes do not appear to be significant. Ad Valorem tax revenue in 2020 came in $377,724 higher than budgeted. Revenue growth is expected to increase with continued increases in ad valorem taxable values due to new commercial development.

Sales tax revenues move proportionally with consumption of taxed items. Much of the declines affected services, such as hairdressing, which are less likely taxed than goods. Large declines in spending at restaurants and hotels also occurred, which are often taxed more heavily than other things. The City's economic base is predominantly restaurant and retail trade sectors. Palm Bay's unemployment rate increased by approximately two percent (2%), according to the U.S. Bureau of Labor Statistics in 2020 because of the pandemic. Palm Bay's unemployment rate remains below the State and U.S. average.

Operational/funding changes due to COVID-19 included:

- Closing of facilities to the public, with the continuation of essential services. Public encouraged to make use of online services.
- Waivers and Accommodations of waived fees for certain building permits, amnesty for old liens now in compliance, late fee penalties waived thru Dec 31, 2020 for Business Tax receipts for businesses with 100 or fewer employees.
- Implementation of an Eviction Prevention/Rental and Utility Assistance Program for eligible residents impacted by Covid-19.
- Amendment to the City's CDBG Grant, moved funds to eligible programs and activities that "prepare, prevent and respond to the Coronavirus".
- Grants funding for PPE passed through the County for City PPE needs.

The City experienced no major revenue decline in FY 2020. Due to projected declines in state shared revenues, the FY 2021 Budget was balanced with vacant positions. These positions were either unfunded or partially funded. This step mitigated the need to draw from reserves; make cuts to capital projects or scale back services.

ECONOMIC CONDITION AND OUTLOOK

The City of Palm Bay experienced strong growth in new single-family infill, subdivisions, multi-family development, and commercial redevelopment in 2020, despite the Coronavirus pandemic. This growth pattern is a result in part of the citywide G.O. Roads bond paving program and is anticipated to continue for the length of the road paving program. The City's increased efforts to foster a more open-for-business environment will result in new development and redevelopment of key commercial corridors.

Home values in Palm Bay continue to rise year-over-year. Single-family homes' taxable values steadily increased as reported by the Brevard County Property Appraiser's assessed values. In 2020, Palm Bay average single-family home values increased by 2.5 percent.

The City of Palm Bay's taxable assessed value for tax year 2020 increased by 10.3% from 2019. New construction, which represents improvement to real property that were not on the tax roll in the prior year, added $142,337,932 to the tax roll. This is the seventh year in a row that the assessed valuations have shown steady growth.

Over the past fiscal year, the City of Palm Bay's commercial growth has been strong. New commercial development projects planned and underway point to favorable prospects for continued growth in the City's tax base. Major projects completed in 2020 include a $52.97 million mixed use development containing a 320-unit multi-family apartment complex. The project's commercial outparcels are expected to be complete in 2021. Additionally, the City issued a certificate of completion on the Palm Bay Executive

Park complex, which includes two new hotels. In 2020, Harris Corporation and L3 Technologies completed their company merger to L3Harris Technologies, adding 450 new jobs and two new programs, integrated mission systems and space and airborne systems, both based in Palm Bay.

In August 2020, the City held a ribbon cutting ceremony to celebrate the opening of the St. Johns Heritage Parkway at the I-95 Interchange. The opening of the Parkway will serve as a catalyst for future growth and development in the southern portion of the City, to include Emerald Lakes, a regional activity center comprising over 1,500 acres of residential, commercial, and entertainment facilities. In 2020, the City commenced with Phase One of the citywide G.O. Roads Bond Paving Program, approximately $40 million in road paving aligned with stormwater improvements, to include over 300 culvert pipe replacements, all of which will put the City on a strong foundation for sustained growth.

A 2016 voter-approved city charter amendment limits City Council's ability to increase millage rates. The City Council is now restricted from setting millage rates at a level that would result in total ad valorem revenue growth exceeding the prior year ad valorem revenue by more than three percent, unless approved by a supermajority vote when an emergency or critical need exists. Even with this change, rate increases within the statutory limit remain in the city's independent legal control. For the FY 20 budget, Council did impose the three percent cap, while lowering the millage rate from 8.4500 to 8.1379, the lowest rate since FY 11.

LONG-TERM FINANCIAL PLANNING

Financial planning stimulates discussion about the long-term impact of decisions made today and how the City can position itself strategically to deliver a stable level of essential services to our residents over time. In fiscal year 2018, the City had a ten-year financial sustainability analysis done for the General Fund and Utility Fund. The financial forecast models populated data from every facet of the organization to create an informed, interactive, financial forecast model to bring awareness to decision makers when making long-term financial plans and striving to maintain structural balance in the budget.

FINANCIAL POLICIES

The City continues to exceed its policy to maintain the unrestricted fund balance for the General Fund equivalent to a minimum of ten percent (10.00%) of the subsequent fiscal year's budgeted expenditures less capital outlay and transfers out as originally adopted by ordinance in September. The minimum required unrestricted fund balance at the end of FY 2020 was $6,758,163. The actual Fund Balance was $24,548,632, of which $20,530,481 was Unassigned.

The City's investment policy strives to protect capital first and foremost, while providing for daily cash needs and then investment earnings. The City's portfolio on September 30, 2020 was $169,493,089 million, excluding investments of the fiduciary funds.

FY 2020 MAJOR INITIATIVES

The City placed focus on several key projects.

After nearly a year of extensive planning and preparation, work officially began on Palm Bay's GO Roads paving program. The GO Roads paving program is funded by the $150 million general obligation bonds approved by voters in November 2018. The GO Roads Program will address paving issues throughout the City of Palm Bay.

The long-awaited opening of the St. Johns Heritage Parkway & Southern I-95 Interchange occurred on August 11, 2020.

The City Council voted to award the City's ten-year Solid Waste and Recycling Services contract to Republic Services of Florida. The new solid waste and recycling contract will deliver many services improvements to Palm Bay residents beginning October 1, 2020.

Department Initiatives

Finance issued $51,670,000 of Taxable Special Obligation Refunding Bonds, Series 2019, to achieve over $7.2 million net P.V. savings by partially refunding the Taxable Special Obligation Refunding Bonds, Series 2013. The City's Energy Lease/Purchase agreement was also refinanced to achieve more savings. The Budget Office implemented a city-wide zero-base budget focused on operational requirements and needs of each department.

Procurement focused on improving access and education for small, local, and disadvantaged companies interested in doing business with the City. Pivoting to virtual training, Procurement offered an inaugural webinar on Doing Business with the City. Procurement also launched a new platform for posting quotes, bids, and proposal requests.

Information Technology, on September 29, 2020, the Police Department went live with a new one solution Public Safety application replacing a preview end of life product. This comprehensive software suite will aid in achieving a coordinated, multi-agency response to an incident. The in-vehicle solution and smartphone public safety app will provide instant access to critical background, incident, and mapping information, improve responder safety, and reduce information overload.

Growth Management worked on adding several ordinance changes to the Land Development Code. Some of these initiatives included ways to create more affordable housing by allowing Accessory Dwelling Units (ADUs), Tiny Homes, and the elimination of minimum unit sizes in multi-family zones.

Facilities has aided various departments in project management and construction. Projects included the Police and Fire Departments Envelope Hardening, West Regional Campground, Aquatic Center Pool Remodel, Christmas Light Drive-through and the Senior Center remodel.

Parks & Recreation implemented new programs, following CDC guidelines, to keep participants safe. Special Events were changed and increased in number during the pandemic. Halloween and Christmas events were held as drive-through events. Movies in the park were shown more frequently in a drive-in style. Virtual events took place for the first time such as virtual 5K and Scavenger hunts and self-guided tours at the Turkey Creek Sanctuary using QR codes.

Fire/Rescue was awarded an AFG grant for automatic cardiac compression devices (LUCAS Devices) in the amount of $117,136.00. This award was for 7 units to be placed on all front-line response units to improve the survivability for patients in cardiac arrest. Through collaboration with Economic Development and Procurement, Fire was able to utilize expiring CDBG funds to purchase a new water tender for Station 3's response area and a new brush truck for Station 1's response area.

Police enacted several successful initiatives during 2020, which included the major integration to the OneSolution computer aided dispatch (CAD) and records management system. Within the Uniform Services Division, the Traffic Unit was re-established to target aggressive driving and provide a visible presence during high volume crash times and locations. To continue open communication with citizens, the Police Department made key department policies available to the public via the City's website while also re-evaluating and updating protocols such as the Duty to Intervene.

Public Works completed numerous stormwater pipe replacement projects and planned to occur in advance of the road program work.

Phase One of the road program was completed. Reconstruction and full depth reclamation were completed in eleven areas throughout the City. Design plans for Phase Two areas have been completed and contracts for approximately 70% were either awarded or in Procurement for solicitation.

Utilities continued to manage multiple, significant projects to meet the water and sewer demands of both the existing and future customers connected to the system. The major projects include the following: The South Regional Water Reclamation Facility (SRWRF), The South Regional Water Treatment Plant (SRWTP) expansion, and the design and construct wastewater treatment upgrades at the North Regional Water Reclamation Facility.

FUTURE PROJECTS

City Council approved the funding to design a new building on the City Hall campus. It is anticipated the new building will be 2 to 3 stories and approximately 20,000 – 33,000 sq ft. The additional space will be used for future expansion to the Building Department and other City Departments.

The Finance Department will finalize conversion and publication of the FY 2021 Approved Budget documents and FY 2021 Annual Financial Report utilizing onboarded technology acquired in FY 2020. Working with the City's Financial Advisors, update Fund Balance Policy and present to Council for approval of recommended changes in FY 2021. Develop a quarterly Budget Monitoring Report for Management and City Council information and review.

Human Resources established a Fraud Hotline, for the purpose of providing both internal and external parties the opportunity to report any suspected fraud, waste, or abuse of City resources.

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

Information Technology will be launching a new web-based e-Permit application for the Building Department. This application will alleviate the need for in-person paper plan submittals. New efficiencies will also decrease gaps in the review and acceptance timeframes.

The Growth Management Department will undertake a Visioning Study to determine the best path for the growth of the City. After the Visioning Study, the entire Comprehensive Plan will be reviewed and updated, The Comprehensive Plan document will be the City's guiding document for the future development of the City for the next 10 to 20 years

Facilities is continuing to retrofit spaces that were not included in the Honeywell Energy Management Lease to more efficient LED lighting.

Parks and Recreation has several projects they will be moving forward with, including the completion of the Aquatic Center renovations, the Fred Poppe Regional Park sewer conversion, and renovation of the Palm Bay Senior Center to achieve ADA compliance. The department will also be replacing six playgrounds and constructing several new parks, along with construction of a new Campground.

The reopening of Fire Station 5 at a new location is scheduled for early FY21. City departments have been working collaboratively to ensure the new building purchased

would facilitate and properly operate as a fire station. The Fire Department is also awaiting return of dispatch operations back to the City from the County. City-operated dispatch services are projected to go live in the Spring of 2021.

The Police Department will establish a department-wide Body Worn Camera program beginning with Patrol Officers in the Uniform Services Division. The Police Department will utilize $1.4 million in grant funding to address capital improvements to both its facilities. The Police Department will also assume control over dispatching for Palm Bay Fire Rescue to improve response time and coordination between the two public service entities. Another key focus for the Police Department in FY21 will be recruitment and retention through a Police Academy Sponsorship program. This initiative provides full academy costs for selected applicants who are also offered employment as non-certified recruits during their academy training.

Building has been approved by DBPR to offer a Construction Internship Program. The program provides a participant with a professional work experience in a governmental organizational environment to learn how to apply the Florida Building Code to Buildings under construction. The internship program is an alternate method for licensure as a construction inspector in the State of Florida by gaining knowledge, skills, and experience under direct supervision of the Building Department. Upon completion of the Internship program the participant will be a highly skilled licensed Building Construction Inspector in the State of Florida.

Public Works will finish Phase 2 road projects and begin Phase 3 of the GO Roads paving projects which will repair another 140 miles of roads with an estimated value of $42.1 million. In addition, the Stormwater Utility Program will continue to install stormwater pipes in advance of the Phase 3 Road Paving Units.

.

Utilities will continue to focus on significant construction activities throughout FY 21. The South Regional Water Reclamation Facility (SRWRF) design has been completed and the project was placed for bid in FY 20. The construction work is estimated to be completed by November 2022. The South Regional Water Treatment Plant (SRWTP) 4.0 MGD to 6.0 MGD expansion design was completed in July 2020 and placed for bid in FY 20. The construction work is estimated to be completed by April 2022.

ACCREDITATION AND CERTIFICATIONS

In May 2019, the City received the Community Rating System (CRS) Class 7 rating. The CRS is a voluntary program for National Flood Insurance Program (NFIP)-participating communities. All CRS communities must maintain completed FEMA elevation and flood proofing certificates for all new and substantially improved construction in the Special Flood Hazard Area after the date of application for CRS classification.

The Police Department became accredited by the Commission for Florida Law Enforcement Accreditation in October 2007. Since that time, the agency was

reaccredited in October 2010, August 2013, October 2016, and August 2019. The agency will seek the Excelsior designation from the CFA in 2022 for 15 years of providing the highest standards of professionalism in law enforcement.

In July 2020, the Utilities Department successfully completed the annual evaluation and audit of the ISO 14001:2015 environmental standard, thus continuing its registration with NSF International, an accredited, independent third-party certification body. The Utilities Department is the second in the State of Florida to receive such certification. Through the implementation of the Environmental Management System (EMS) known as Greenway, the Utilities Department has been able to minimize its impact on the environment and establish efficiencies that reduce costs. The program promotes environmental awareness and stewardship among employees by focusing on regulatory compliance, pollution prevention, and continual improvement.

In November 2014, the City received the Silver recertification from the Florida Green Building Coalition. The Green Local Government Designation applies to local government functions and their interaction with the surrounding community. A city or county that incorporates multiple environmental, ecological and sustainability features throughout the functions they perform (e.g., conservation of resources, green utilities, pedestrian-oriented circulation) improves the environmental performance considerably over a city or county that just minimally meets state and local regulations.

In October 2018, the City received the Community Rating System (CRS) Class 7 rating. The CRS is a voluntary program for National Flood Insurance Program (NFIP)-participating communities. All CRS communities must maintain completed FEMA elevation and flood proofing certificates for all new and substantially improved construction in the Special Flood Hazard Area after the date of application for CRS classification.

AWARDS

The Palm Bay Police Department was chosen for the 2020 Enforcement Award from the Space Coast Transportation Planning Organization. The honor was awarded to the Palm Bay Police Department by the Bicycle, Pedestrian, and Trails Advisory Committee for its dedication to traffic safety and continued partnership with the Space Coast TPO. Supported by grant funded efforts, the Police Department concentrated patrol and enforcement activities in high crash areas with an emphasis on pedestrian safety.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Palm Bay for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2019. This was the 34th consecutive year that the City has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial

Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association of the United States and Canada presented an award for Distinguished Budget Presentation to the City of Palm Bay for its annual budget for the fiscal year beginning October 1, 2019 for the 30th year. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device.

ACKNOWLEDGEMENTS

The preparation of this report has been accomplished with the efficient and dedicated service of the City's Finance and Accounting staff. I would like to express my appreciation to all members of the Finance Department staff, as well as other staff members who contributed to its preparation. I would also like to thank the Mayor and City Council for their continued support of City staff as we work through these challenging economic times while building a strong foundation for the City's future.

Respectfully submitted,



Suzanne Sherman
City Manager



Larry Wojciechowski
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Palm Bay
Florida

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

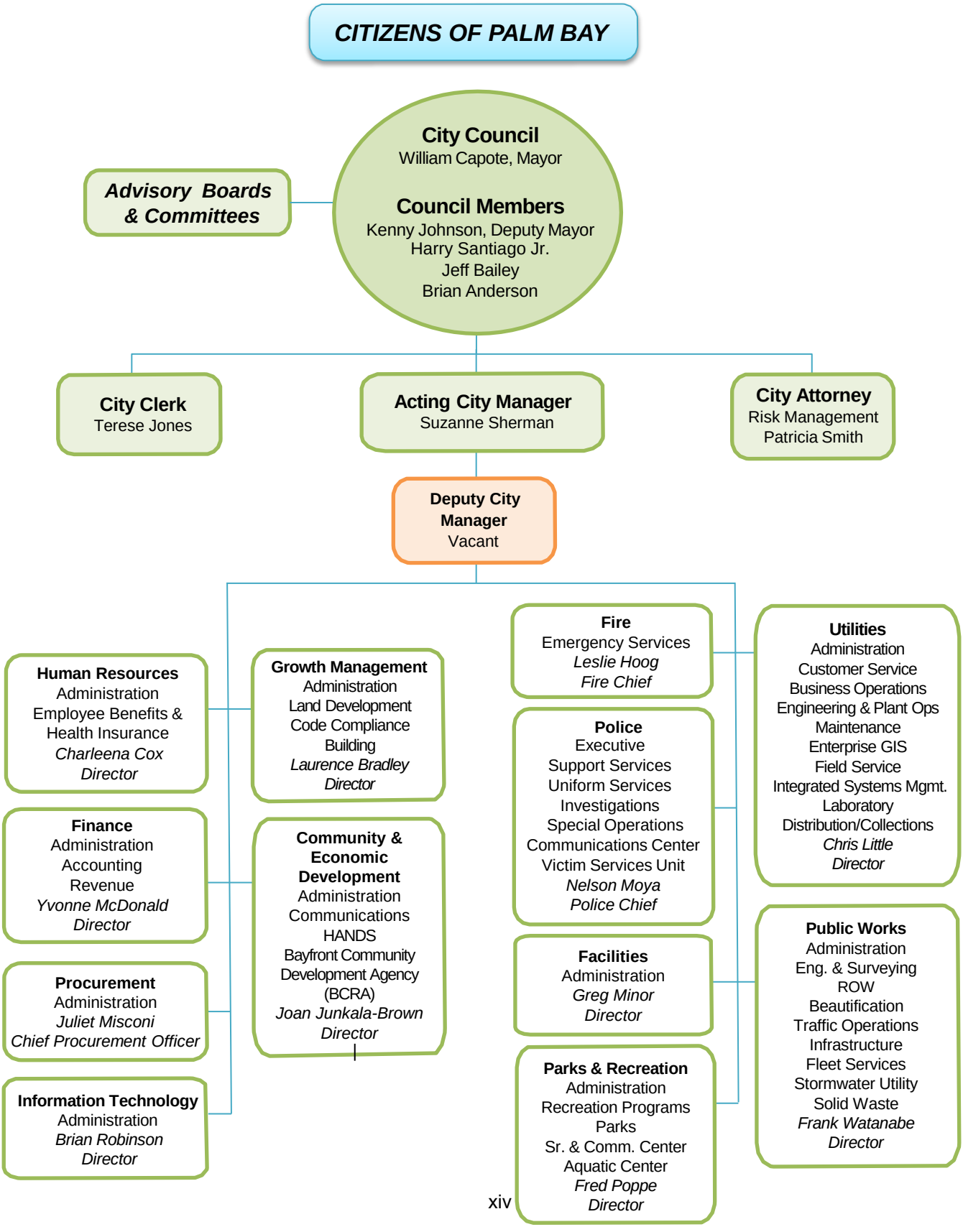


Executive Director/CEO



THIS PAGE INTENTIONALLY LEFT BLANK.

FY 2020 CITY OF PALM BAY ORGANIZATIONAL STRUCTURE





THIS PAGE INTENTIONALLY LEFT BLANK.

CITY OF PALM BAY, FLORIDA

LIST OF PRINCIPAL OFFICIALS

As of date of transmittal

MAYOR	ROB MEDINA
DEPUTY MAYOR	KENNY JOHNSON
COUNCIL MEMBER	JEFF BAILEY
COUNCIL MEMBER	RANDY FOSTER
COUNCIL MEMBER	DONNY FELIX
CITY MANAGER	SUZANNE SHERMAN
DEPUTY CITY MANAGER	JOAN JUNKALA-BROWN
CITY ATTORNEY	PATRICIA SMITH
CITY CLERK	TERESE JONES
CHIEF PROCUREMENT OFFICER - ACTING	SUSAN BLAIR
INFORMATION TECHNOLOGY DIRECTOR	BRIAN ROBINSON
COMMUNITY & ECONMIC DEVELOPMENT DIRECTOR - ACTING	JOAN JUNKALA-BROWN
FINANCE DIRECTOR	LARRY WOJCIECHOWSKI
FIRE CHIEF	LESLIE HOOG
HUMAN RESOURCES DIRECTOR	CHARLEENA COX
RECREATION DIRECTOR	FRED POPPE
PARKS & FACILITIES DIRECTOR	GREG MINOR
POLICE CHIEF	NELSON MOYA
PUBLIC WORKS DIRECTOR - ACTING	JULIET MISCONI
UTILITIES DIRECTOR	CHRISTOPHER LITTLE



THIS PAGE INTENTIONALLY LEFT BLANK.

MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Palm Bay, Florida (the "City") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police and Firefighters' Retirement System, which represent 100% of the assets, liabilities, net position, additions, and deductions of the pension trust fiduciary fund. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police and Firefighters' Retirement System, is based solely on the report of other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary information, 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.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the other supplementary information section, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

INDEPENDENT AUDITOR'S REPORT
(Concluded)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated May 28, 2021, 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

Orlando, Florida
May 28, 2021

The City of Palm Bay, Florida's (the "City") Management's Discussion and Analysis (the "MD&A") presents this overview and analysis of the City's financial activities for the fiscal year ended September 30, 2020. Please read it in conjunction with the letter of transmittal in the introductory section, and the City's financial statements following the MD&A.

Financial Highlights

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2020 by $223 million (net position).

- At September 30, 2020, the City's governmental funds reported combined ending fund balances of $78.6 million, as compared to $95.3 million as of September 30, 2019.
- At September 30, 2020, the City's General Fund reported an *unassigned* balance of $20.5 million or 27.5% of the total 2020 General Fund expenditures and transfers out.
- The City's outstanding long-term debt decreased by $2.7 million during fiscal year 2020. This was primarily due to scheduled amortized repayment and changes in actuarial assumptions related to pension.
- The City's business-type activities reported total net position of $162.9 million, which is an increase of $21.7 million or 15.3% in comparison to the prior year. Approximately 12.0% of the total, or $19.0 million, is *unrestricted*.

Overview of the Financial Statements

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

1) government-wide financial statements,

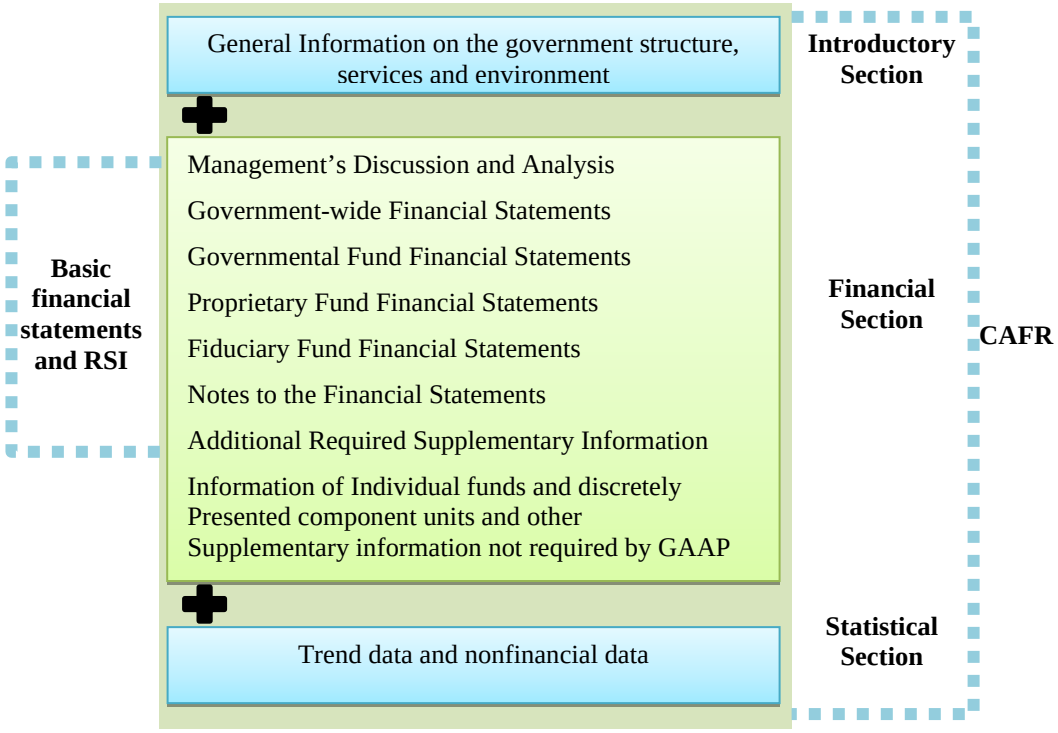
2) fund financial statements, and

3) notes to the financial statements.

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

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

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



Government-wide financial statements

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

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

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

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

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

Fund financial statements

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

Governmental funds

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

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

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

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

Proprietary funds

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

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

The City's proprietary fund financial statements are presented on pages 30-35.

Fiduciary funds

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

The City's fiduciary fund financial statements are presented on pages 36-37.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-95 of this report.

Other information

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $223 million at the close of the fiscal year ended September 30, 2020. At the end of the fiscal year, the City is able to report positive balances in two categories of net position, both in business-type activities and government as a whole.

As shown in the table below, the largest portion of the City's net position $197.0 million or (88%) reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets, except for some properties held for resale, are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City has *restricted net position* of $63.5 million for capital improvement projects and special revenues. These resources are subject to external restrictions on how the funds may be used. Unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The City had (*$37.5*) million of unrestricted net position as of September 30, 2020.

There was a net increase of $15.0 million in net position regarding the City's governmental activities.

There was a net increase of $21.7 million in net position reported regarding the City's business-type activities, which include the Utilities Fund, Solid Waste Fund, Stormwater Utility Fund, and the Building Inspections Fund. A detailed explanation is provided on page 12 of this report.

Net Position

	Governmental Activities		Business-type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	118,112,834	$ 117,116,371	$ 69,997,216	$ 61,869,893	188,110,050	$ 178,986,264
Capital Assets (Net)	142,049,367	116,602,851	135,362,668	128,370,373	277,412,035	244,973,224
Total Assets	260,162,201	233,719,222	205,359,884	190,240,266	465,522,085	423,959,488
Deferred Outflow of Resources						
Unamortized loss on refunding	16,868,893	9,685,753	945,909	1,345,892	17,814,802	11,031,645
Deferred Outflows for Pensions	10,456,790	11,807,381	-	-	10,456,790	11,807,381
Deferred Outflows for OPEB	2,518,936	2,958,537	795,453	934,274	3,314,389	3,892,811
Total Deferred Outflows of Resources	29,844,619	24,451,671	1,741,362	2,280,166	31,585,981	26,731,837
Current and Other Liabilities	23,325,092	10,813,053	7,336,031	7,770,953	30,661,123	18,584,006
Long-Term Liabilities	200,149,164	196,740,745	36,527,565	43,104,763	236,676,729	239,845,508
Total Liabilities	223,474,255	207,553,798	43,863,596	50,875,716	267,337,852	258,429,514
Deferred Inflow of Resources						
Deferred Inflows from Refunding	188,726	200,522	-	-	188,726	200,522
Deferred Inflows Related to Pensions	5,423,321	4,340,204	-	-	5,423,321	4,340,204
Deferred Inflows Related to OPEB	969,307	1,163,169	306,095	367,315	1,275,402	1,530,484
Total Deferred Outflows of Resources	6,581,354	5,703,895	306,095	367,315	6,887,449	6,071,210
Net Position:						
Net Investment in Capital Assets	83,302,221	84,229,260	113,663,888	99,899,205	196,966,109	184,128,465
Restricted	33,155,823	19,981,407	30,300,551	25,639,544	63,456,374	45,620,951
Unrestricted (Deficit)	(56,506,834)	(59,297,467)	18,967,116	15,738,652	(37,539,718)	(43,558,815)
Total Net Position	**$ 59,951,210**	**$ 44,913,200**	**$ 162,931,555**	**$ 141,277,401**	**$ 222,882,765**	**$ 186,190,601**

There was an overall increase in the City's net position of $36.7 million. This change is primarily due to higher property tax assessments, charges for services and reductions in general government expenditures.

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

	Governmental Activities		Business-type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues						
Charges for Services	$ 14,743,955	$ 11,925,475	$ 51,886,498	$ 50,058,912	$ 66,630,453	$ 61,984,387
Operating Grants and Contributions	1,285,813	3,586,892	384,333	177,515	1,670,146	3,764,407
Capital Grants and Contributions	950,180	132,180	7,592,339	10,365,135	8,542,519	10,497,315
General Revenues						
Property Taxes	38,668,807	33,081,759	-	-	38,668,807	33,081,759
Other Taxes	21,359,224	21,610,824	-	-	21,359,224	21,610,824
Other	13,125,622	14,130,840	985,140	1,264,275	14,110,762	15,395,115
Total Revenues	**90,133,601**	**84,467,970**	**60,848,310**	**61,865,837**	**150,981,911**	**146,333,807**
Expenses:						
General Government	18,919,703	24,380,488	-	-	18,919,703	24,380,488
Public Safety	34,253,417	34,160,050	-	-	34,253,417	34,160,050
Physical Environment	492,951	510,564	-	-	492,951	510,564
Transportation	9,611,992	9,226,210	-	-	9,611,992	9,226,210
Economic Environment	1,421,940	748,663	-	-	1,421,940	748,663
Culture/Recreation	5,293,102	4,865,004	-	-	5,293,102	4,865,004
Interest on Long-Term Debt	5,998,985	1,916,027	-	-	5,998,985	1,916,027
Water and Wastewater	-	-	23,662,920	23,687,045	23,662,920	23,687,045
Building Inspections	-	-	2,612,624	2,059,136	2,612,624	2,059,136
Stormwater	-	-	5,814,390	5,919,240	5,814,390	5,919,240
Solid Waste	-	-	6,207,723	5,744,908	6,207,723	5,744,908
Total expenses	**75,992,090**	**75,807,006**	**38,297,657**	**37,410,329**	**114,289,747**	**113,217,335**
Change in Net Positon before transfers	14,141,511	8,660,964	22,550,653	24,455,508	36,692,164	33,116,472
Transfers	896,499	1,791,667	(896,499)	(1,791,667)	-	-
Change in Net Position	15,038,010	10,452,631	21,654,154	22,663,841	36,692,164	33,116,472
Net Position, beginning of year	44,913,200	34,460,569	141,277,401	118,613,560	186,190,601	153,074,129
Net Position, end of year	**$ 59,951,210**	**$ 44,913,200**	**$ 162,931,555**	**$ 141,277,401**	**$ 222,882,765**	**$ 186,190,601**

Governmental Activities

Governmental activities increased the City's net position by $15.0 million, and revenues from governmental activities increased by $5.7 million or 6.7%. The main reasons were increase in charges for services, and property tax collection.

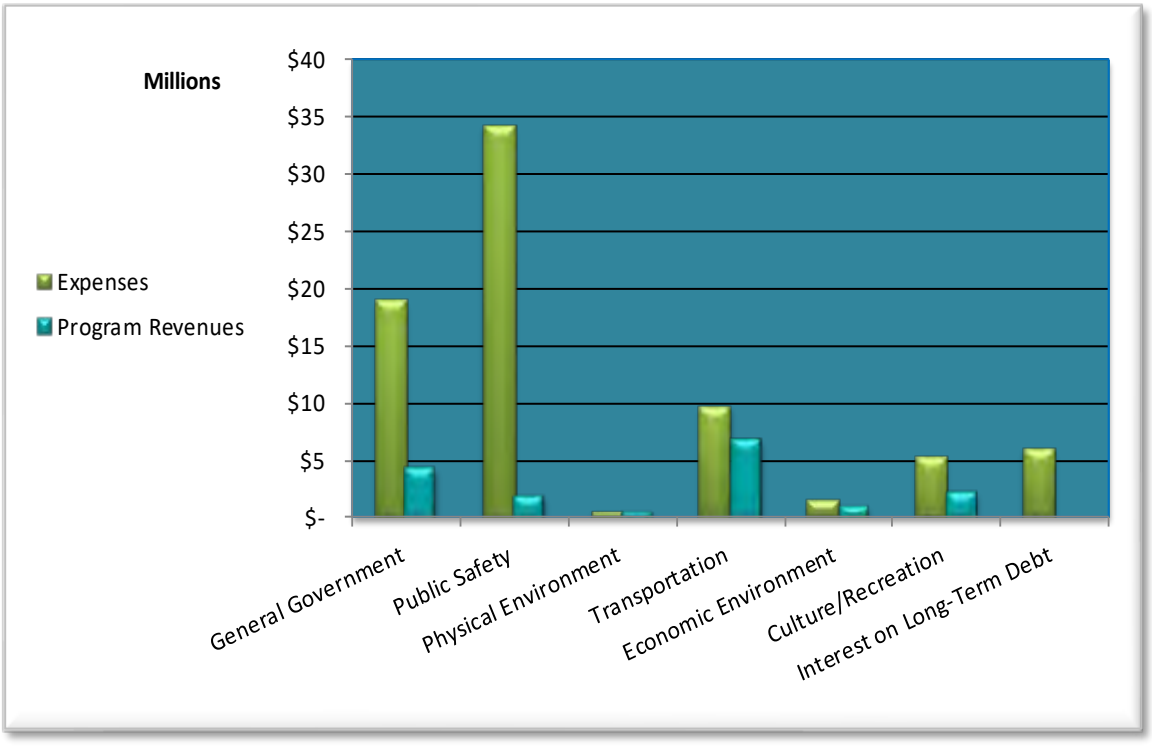
The following tables show the components of program and general revenues as a percentage of total governmental activities by function. Public safety which includes police and fire had the largest allocation at 45.1%, followed by general government at 24.9% which includes administrative activities. Allocations to transportation activities which is predominately public works related transactions accounted for 12.6% of the allocation.

Expenses and Program Revenues – Governmental Activities

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
General Government	$ 18,919,703	24.9%	$ 4,392,552	26.0%	$ (14,527,151)
Public Safety	34,253,417	45.1%	1,981,460	11.7%	(32,271,957)
Physical Environment	492,951	0.6%	525,415	3.1%	32,464
Transportation	9,611,992	12.6%	6,781,230	39.9%	(2,830,762)
Economic Environment	1,421,940	1.9%	1,095,653	6.4%	(326,287)
Culture/Recreation	5,293,102	7.0%	2,203,638	13.0%	(3,089,464)
Interest on Long-Term Debt	5,998,985	7.9%	-	0.0%	(5,998,985)
	$ 75,992,090	100%	$ 16,979,948	100%	$ (59,012,142)

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

Expenses and Program Revenue – Governmental Activities

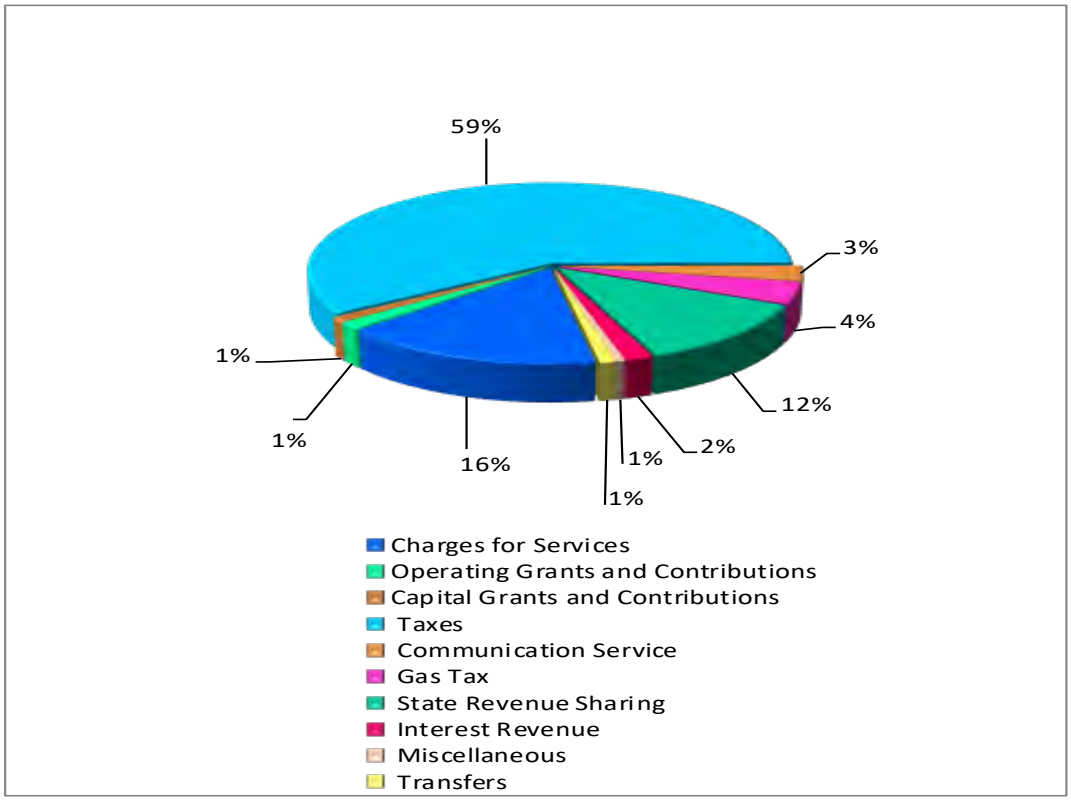


The following table and chart show revenues by source of governmental activities by percent of total revenues. Property taxes accounted for 42.48% of the revenues used to fund governmental functions. Combined revenue from other forms of taxes totaled 23.46%, while state revenue sharing sources provided 12.07% of the total revenue source.

Revenue by Source – Governmental Activities

Program Revenues		
Charges for Services	$ 14,743,955	16.20%
Operating Grants and Contributions	1,285,813	1.41%
Capital Grants and Contributions	950,180	1.04%
General Revenues		
Property Tax	38,668,807	42.48%
Franchise Fees	5,691,227	6.25%
Utility Service Tax	9,347,939	10.27%
Communication Service Tax	2,613,856	2.87%
Gas Tax	3,706,202	4.07%
State Revenue Sharing	10,987,149	12.07%
Interest Earnings	1,591,414	1.75%
Miscellaneous	547,059	0.60%
Transfers	896,499	0.99%
	$ 91,030,100	100.00%

Revenue by Source – Governmental Activities



Business-type activities

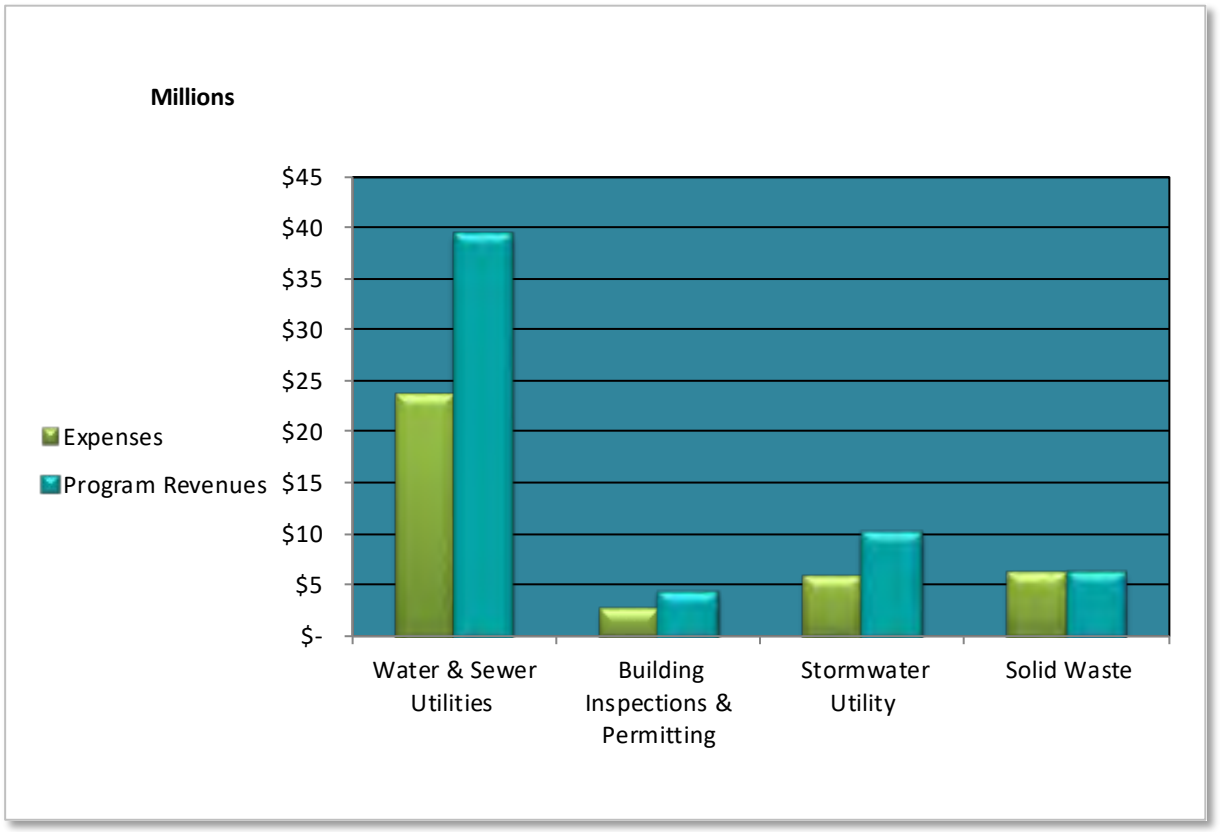
As previously mentioned, business-type activities increased the City's total net position by $21.7 million. This change resulted in large part from increased water and sewer mainline contribution.

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

Expenses and Program Revenues – Business-type Activities

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
Water & Sewer Utilities	$ 23,662,920	61.8%	$ 39,302,862	65.7%	$ 15,639,942
Building Inspections & Permitting	2,612,624	6.8%	4,229,201	7.1%	1,616,577
Stormwater Utility	5,814,390	15.2%	10,105,080	16.9%	4,290,690
Solid Waste	6,207,723	16.2%	6,226,027	10.4%	18,304
	$ 38,297,657	100%	$ 59,863,170	100%	$ 21,565,513

Expenses and Program Revenues – Business-type Activities

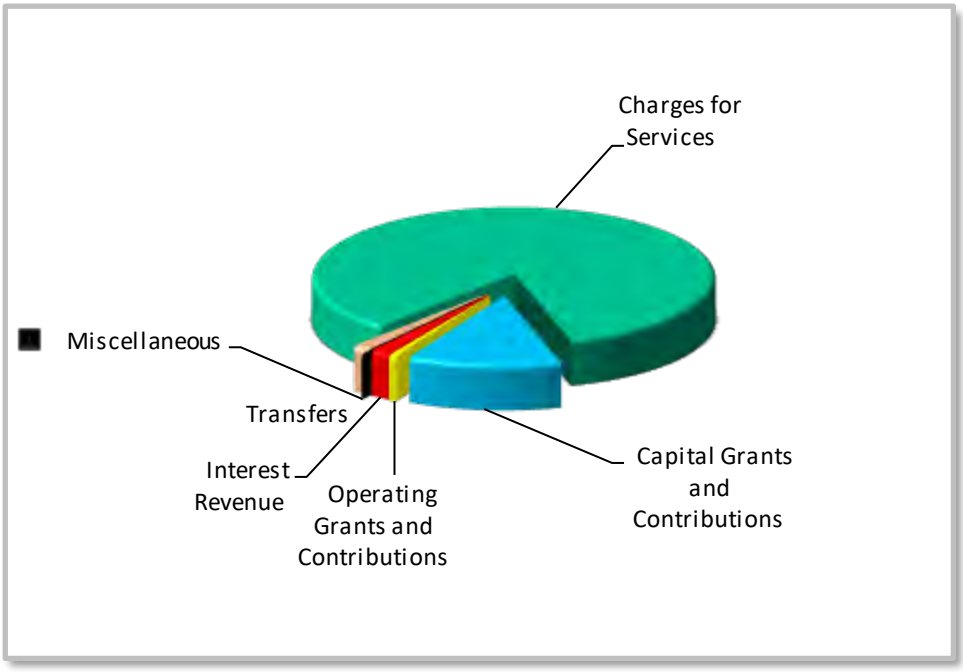


As shown in the table and chart below, the primary revenue source for business-type activities was charges for service. This category is comprised of water and sewer, stormwater, solid waste and building inspection fees. Charges for services accounted for 86.55 % of the total business-type activity revenue stream. Capital grants and contributions accounted for 12.66% of the revenue pool.

Revenues by Source – Business-type Activities

Charges for Services	$ 51,886,498	86.55%
Capital Grants and Contributions	7,592,339	12.66%
Operating Grants and Contributions	384,333	0.64%
Interest Revenue	956,975	1.60%
Miscellaneous	28,165	0.05%
Transfers	(896,499)	-1.50%
	$ 59,951,811	100.00%

Revenues by Source – Business-type Activities



Financial Analysis of the City's Funds

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

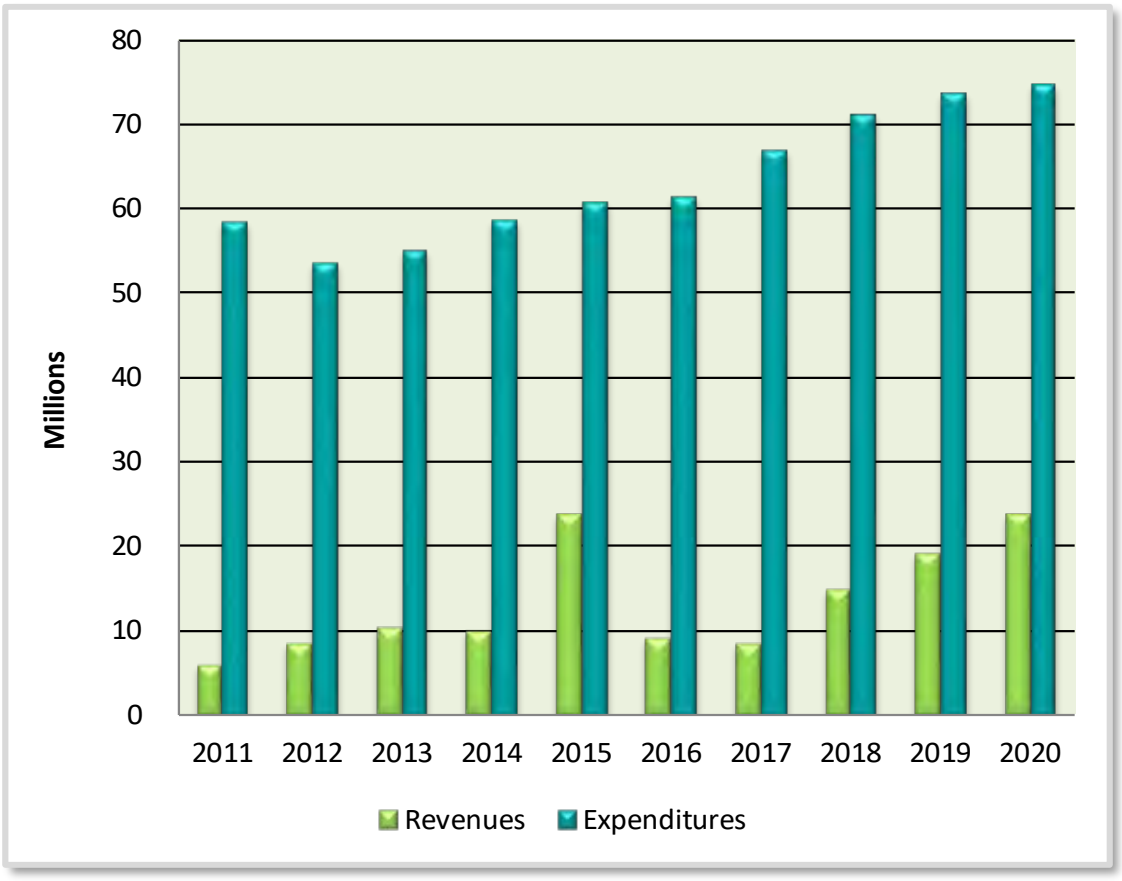
Governmental funds

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

As of the end of fiscal year 2020, the City's governmental funds reported combined ending fund balances of $78.6 million, a decrease of $16.7 million in comparison with the prior year. This decrease is principally due to expenditures incurred to improve City roadways. Additionally, the City experienced increases in most tax categories. *Non-Spendable* fund balance is $81,503 and is comprised of prepaid items and inventory. *Restricted* fund balance is $51.1 million and represents 65.1% of the total fund balance. *Committed* fund balance was $5.9 million. *Assigned* fund balance is $1.8 million. *Unassigned* fund balance, which is the residual, had a balance of approximately $19.7 million.

The General Fund is the chief operating fund of the City. At the end of fiscal year 2020, *unassigned* fund balance of the General Fund was $20.5 million, while total fund balance reached $24.5 million. As a measure of the General Fund's liquidity, it may be useful to compare both *unrestricted* fund balance and total fund balance to total fund expenditures and transfers out. The City's General Fund, fund balance increased by $5.4 million during the current fiscal year. Further details and General Fund budgetary highlights can be found pages 15 - 16 of this report.

General Fund Balance and Expenditures



The Bayfront Community Redevelopment Agency Fund (BCRA) is used to account for ad valorem tax increment revenues accumulated for the community development areas where taxes were assessed. BCRA fund balance increase by $68,379 in fiscal year 2020 to $905,089.

The Debt Service Fund is used to accumulate resources for the payment of principal and interest of City bonds, notes, and capital lease obligations. At the end of fiscal year 2020, Debt Service Fund had a restricted net position of $5.6 million.

GO Road Program Fund is used to account for proceeds from the City's General Obligation Bonds, Series 2019. These funds have been designated to overhaul and revitalize the City's roadways. At the end of fiscal year 2020, the overall restricted net position of the GO Road Program Fund was 29.0 million.

Enterprise funds

The City's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. The City has four enterprise funds, of which Utilities and Stormwater Utility are major funds and the Building Inspections and Solid Waste Utility Funds are non-major funds. *Unrestricted* net position of the enterprise funds at the end of the year were $18.9 million. The total net position of the Utilities Fund, increased by $15.0 million in fiscal year 2020. Stormwater's net position of $18.0 million is a $4.9 million increase over fiscal year 2019. Revenue inflow is facilitated by placing stormwater assessment fees on the County tax roll. There continues to be significant activities in residential and commercial construction. Due to the volume of permits and other building service, the Building Inspection Fund experienced an increase in net position of $1.7 million over fiscal year 2019 and ended the fiscal year with a restricted net position of $7.6 million. Solid Waste also had positive net operations of $23,061 from user fees charges.

General Fund Budgetary Highlights

The FY 2020 budget continued essential existing and critical City services while making necessary reduction to meet the fiscal requirements of the state mandated property tax reform and the current economic challenges.

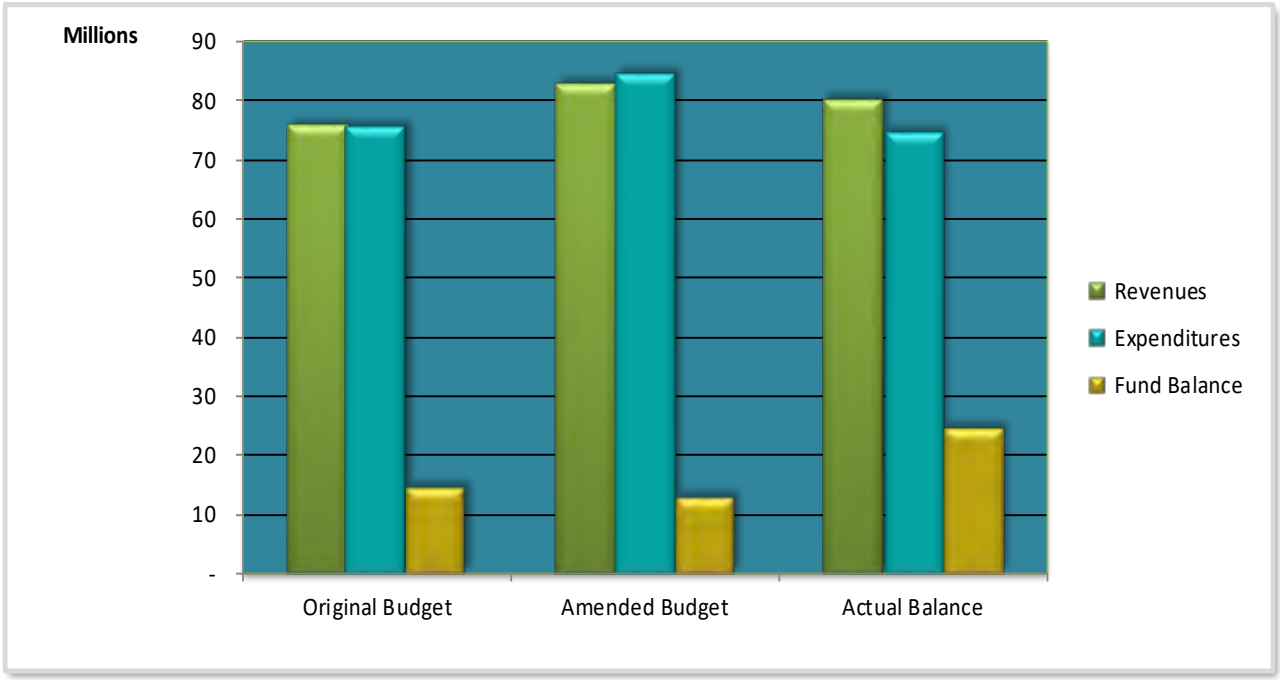
General Fund original budgeted revenue of $75,662,828 is $3.1 million more than the prior year. The total final budgeted revenues were less than actual revenues by $2.6 million.

General Fund original budgeted expenditures total $75,662,828, representing an increase of $3.1 million or 4.1% from FY 2019. Actual expenditures were $9.7 million less than final budget. A concerted effort on constraining expenditures resulted in an across the board decrease in most government functions.

The budget is based upon an estimated unreserved fund balance as of September 30, 2020 of $13,897,314. The minimum fund balance for FY20, as established by administrative code, is $6,784,007 and represents 10% of projected operating costs. The approved budget FY20 exceeds the minimum requirement by $7.1 million. This is a result of rising property values and the proportionate increase in ad valorem taxes.

The City generated positive/(negative) variances in the General Fund. There was a cumulative positive variance of approximately $7.1 million between the final adopted budget and actual results of operations. This positive variance was primarily a result of reduced personal services and operation expenditures in conformity with the City's cost management efforts.

2020 General Fund Budgetary Comparison



The FY 20 adopted millage rate was 8.9675 mills and FY21 adopted millage rate will be 8.5894.

Capital Asset and Debt Administration

Capital Assets

The City's total investment in capital assets for its governmental and business-type activities as of September 30, 2020 is $ 277.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure, and construction in progress.

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

	Governmental Activities		Business-type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
Land	$ 16,854,938	$ 16,793,873	$ 5,138,205	$ 5,138,205	$ 21,993,143	$ 21,932,078
Construction in Progress	42,119,098	12,947,970	9,910,685	10,765,759	52,029,783	23,713,729
Buildings and Improvements	35,644,094	35,894,094	2,886,341	2,863,766	38,530,435	38,757,860
Water and Sewer System	-	-	185,907,972	177,006,986	185,907,972	177,006,986
Machinery and Equipment	29,185,635	28,096,346	11,694,315	11,096,741	40,879,950	39,193,087
Infrastructure	121,710,419	119,441,806	6,573,648	3,225,439	128,284,067	122,667,245
	245,514,184	213,174,089	222,111,166	210,096,896	467,625,350	423,270,985
Less: Accumulated Depreciation	(103,464,817)	(96,571,238)	(86,748,498)	(81,726,523)	(190,213,315)	(178,297,761)
Capital Assets, net	**$ 142,049,367**	**$ 116,602,851**	**$ 135,362,668**	**$ 128,370,373**	**$ 277,412,035**	**$ 244,973,224**

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

- Completed transportation project related to road maintenance, rejuvenation and reconstruction totaled $2.9 million.
- Road construction projects still in progress at the end of the year totaled $41.1 million
- Water and sewer improvement projects completed during the year totaled $7.1 million
- Developers Capital contribution of $1.2 million

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

Long-term debt

At the end of fiscal year 2020, the City had total long-term liabilities of $226.6 million. Of this amount $115.1 million is secured solely by specified revenue sources (i.e., revenue bonds, revenue notes).

Outstanding Long-Term Debt and Claims Payable

	Governmental Activities		Business-type Activities		Total Activities	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	$ 52,672,929	$ 54,568,370	$ -	$ -	$ 52,672,929	$ 54,568,370
Revenue Bonds	76,339,602	70,030,402	5,728,475	6,580,885	82,068,077	76,611,287
Notes Payable	16,243,000	18,393,000	16,807,000	21,932,000	33,050,000	40,325,000
Capital Leases	5,913,753	4,231,728	-	273,247	5,913,753	4,504,975
Net Pension Liability	30,501,345	31,881,751	-	-	30,501,345	34,717,410
OPEB Liability	9,409,798	8,979,585	2,971,515	2,835,659	12,381,313	9,975,389
Compensated Absences	5,320,436	5,046,601	953,563	995,804	6,273,999	6,042,405
Claims Payable	3,748,301	3,609,308	-	-	3,748,301	3,609,308
	$ 200,149,164	**$ 196,740,745**	**$ 26,460,553**	**$ 32,617,595**	**$ 226,609,717**	**$ 229,358,340**

Revenue Bonds payable increased primarily because of partially refunding $44.0 million of Series 2013, Taxable Obligation Bonds to attain a lower interest rate. Proceeds from the 2019 Taxable Special Obligation Refunding bonds totaled $51.7 million.

Notes payable decrease by $7.3 million from scheduled principal reduction.

Capital lease payable increased due to refinancing the City's master lease agreement to achieve a lower interest rate, and the addition of two safety equipment agreements totaling $1.9 million.

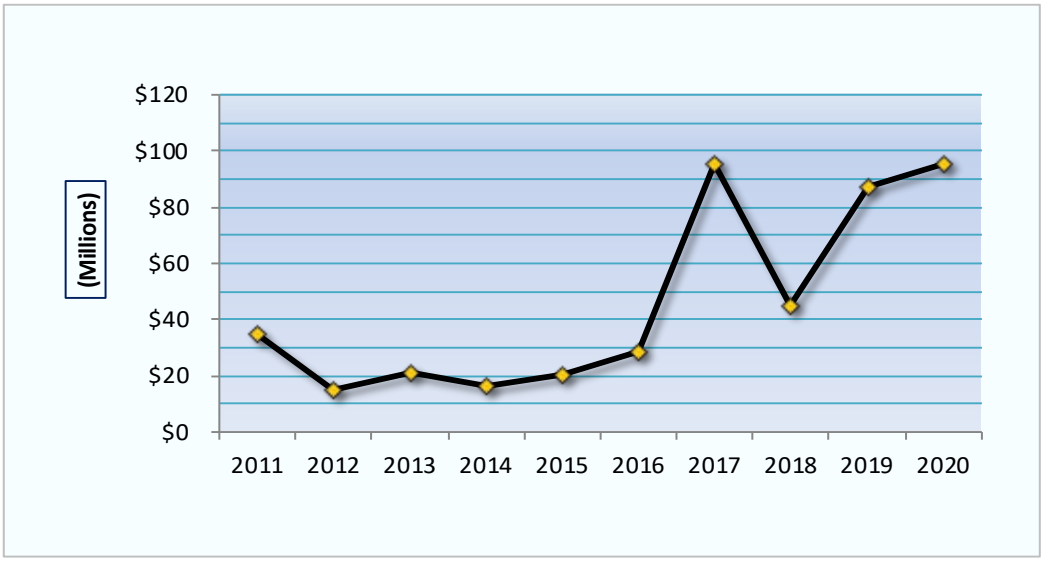
OPEB obligations increased due to the requirement of GASB 75, necessitating the inclusion of actuarially determined OPEB liability in the financial statement.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City at September 30, 2020 was 5.7%, which is a 2.6% increase over 2019. The national average unemployment rate for 2020 was 7.9%
- Population increased approximately 3.6% from the prior year.
- The taxable value of real property for the City increased by 8.9% in the 2020 fiscal year.
- Building activity resulted in $95.2 million of new construction during the year, which is an increase of million, or , from the previous year. A graphical presentation of the change in taxable value from new construction for the past ten years is presented below:
- In October 2020, the City authorized the issuance of Utility Systems Revenue Note, Series 2020 in the amount $11,507,000 to finance certain capital improvements in connection with the South Regional Water Treatment Plant expansion.
- In October 2020, the City authorized the issuance of a Special Obligation Revenue Refunding Note in the amount of $4,258,000 for the outstanding Public Service Tax Revenue Bonds, Series 2010, This transaction facilitated a more favorable interest rate and resulted in a net present value savings of $719,828.
- In December 2020, the City entered into a Clean Water State Revolving Fund Loan Agreement with Florida Water Pollution Control Financing Corp. The initial loan was authorized for $20.0 million, with an amended finance endorsement of $12.0 million. The loan financed construction of the South Regional Water Reclamation Facility and has a zero percent interest rate.

Taxable Value from New Construction



During the current fiscal year, *unassigned* fund balance in the General Fund increased to $20.5 million.

The ad valorem tax rate for the General Fund in fiscal year 2020 was 8.1379 mills.

Requests for Information

This financial report is designed to present users with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the City's Finance Department, 120 Malabar Road, S.E., Palm Bay, Florida 32907-3009. The Comprehensive Annual Financial Report for fiscal year 2018/2019 can also be found on the City's website at www.palmbayflorida.org.

THIS PAGE INTENTIONALLY LEFT BLANK.

STATEMENT OF NET POSITION
September 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 24,889,825	$ 4,611,595	$ 29,501,420
Investments	86,216,736	30,636,921	116,853,657
Restricted Assets:			
Cash and Cash Equivalents	182,994	5,265,249	5,448,243
Investments	-	20,634,709	20,634,709
Accounts Receivable (Net)	3,047,408	6,342,985	9,390,393
Internal Balances	(650,973)	650,973	-
Due from Other Governments	3,648,654	349,733	3,998,387
Land Held for Resale	4,000	-	4,000
Inventories	219,792	438,475	658,267
Prepaid Items	356,296	9,388	365,684
Accounts Receivable, Long-term (Net)	-	1,057,188	1,057,188
Capital Assets Not Being Depreciated:			
Land	16,854,938	5,138,205	21,993,143
Construction in Progress	42,119,098	9,910,685	52,029,783
Capital Assets, Net of Accumulated Depreciation:			
Building and Improvements	16,322,214	1,359,800	17,682,014
Water and Sewer Systems	-	108,680,610	108,680,610
Machinery, Equipment and Vehicles	6,437,889	3,883,012	10,320,901
Infrastructure	60,315,228	6,390,356	66,705,584
Net Pension Asset	198,102	-	198,102
Total Assets	260,162,201	205,359,884	465,522,085
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss from Bond Refunding	16,868,893	945,909	17,814,802
Deferred Outflows Related to Pensions	10,456,790	-	10,456,790
Deferred Outflows Related to OPEB	2,518,936	795,453	3,314,389
Total Deferred Outflows of Resources	29,844,619	1,741,362	31,585,981

Continued on the next page

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts Payable	**17,672,568**	**3,375,649**	**21,048,217**
Accrued Liabilities	**1,935,730**	**538,799**	**2,474,529**
Due to Other Governments	**52,537**	**-**	**52,537**
Unearned Revenues	**1,560,454**	**791,387**	**2,351,841**
Liabilities Payable from Restricted Assets:			
Accrued Interest Payable	**2,103,803**	**-**	**2,103,803**
Customer Deposits	**-**	**2,630,196**	**2,630,196**
Long-Term Liabilities:			
Due Within One Year:			
Bonds Payable	**3,306,410**	**814,560**	**4,120,970**
Notes Payable	**2,199,000**	**5,240,000**	**7,439,000**
Capital Leases Payable	**382,131**	**-**	**382,131**
Claims Payable	**1,070,381**	**-**	**1,070,381**
Compensated Absences	**857,936**	**152,570**	**1,010,506**
Due in More Than One Year:			
Bonds Payable	**125,706,121**	**4,913,915**	**130,620,036**
Notes Payable	**14,044,000**	**11,567,000**	**25,611,000**
Capital Leases Payable	**5,531,622**	**-**	**5,531,622**
Accreted Interest Payable	**-**	**10,067,012**	**10,067,012**
Claims Payable	**2,677,920**	**-**	**2,677,920**
Total OPEB Liability	**9,409,798**	**2,971,515**	**12,381,313**
Net Pension Liability	**30,501,345**	**-**	**30,501,345**
Compensated Absences	**4,462,500**	**800,993**	**5,263,493**
Total Liabilities	**223,474,256**	**43,863,596**	**267,337,852**
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows from Bond Refunding	**188,726**	**-**	**188,726**
Deferred Inflows Related to Pensions	**5,423,321**	**-**	**5,423,321**
Deferred Inflows Related to OPEB	**969,307**	**306,095**	**1,275,402**
Total Deferred Inflows of Resources	**6,581,354**	**306,095**	**6,887,449**
NET POSITION			
Net Investment in Capital Assets	**83,302,221**	**113,663,888**	**196,966,109**
Restricted for:			
Transportation	**26,060,991**	**-**	**26,060,991**
Economic Development	**1,556,283**	**-**	**1,556,283**
Debt Service	**3,535,122**	**-**	**3,535,122**
Building Inspections	**-**	**7,031,257**	**7,031,257**
Water and Sewer Utilities System	**-**	**23,269,294**	**23,269,294**
Internal Service Fund Claim Reserves	**1,800,000**	**-**	**1,800,000**
Public Safety	**203,427**	**-**	**203,427**
Unrestricted (Deficit)	**(56,506,834)**	**18,967,116**	**(37,539,718)**
Total Net Position	**$ 59,951,210**	**$ 162,931,555**	**$ 222,882,765**

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

STATEMENT OF ACTIVITIES
For Fiscal Year Ended September 30, 2020

Functions/Programs:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Governmental Activities:							
General Government	$ 18,919,703	$ 4,376,161	$ 16,391	$ -	$ (14,527,151)	$ -	$ (14,527,151)
Public Safety	34,253,417	1,649,367	332,093	-	(32,271,957)	-	(32,271,957)
Physical Environment	492,951	525,415	-	-	32,464	-	32,464
Transportation	9,611,992	5,839,498	-	941,732	(2,830,762)	-	(2,830,762)
Economic Environment	1,421,940	158,824	936,829	-	(326,287)	-	(326,287)
Culture/Recreation	5,293,102	2,194,690	500	8,448	(3,089,464)	-	(3,089,464)
Interest on Long-Term Debt	5,998,985	-	-	-	(5,998,985)	-	(5,998,985)
Total Governmental Activities	75,992,090	14,743,955	1,285,813	950,180	(59,012,142)	-	(59,012,142)
Business-type Activities:							
Water and Sewer Utilities	23,662,920	31,326,190	384,333	7,592,339	-	15,639,942	15,639,942
Building Inspections & Permiting	2,612,624	4,229,201	-	-	-	1,616,577	1,616,577
Stormwater Utility	5,814,390	10,105,080	-	-	-	4,290,690	4,290,690
Solid Waste	6,207,723	6,226,027	-	-	-	18,304	18,304
Total Business-type Activities	38,297,657	51,886,498	384,333	7,592,339	-	21,565,513	21,565,513
Total	$ 114,289,747	$ 66,630,453	$ 1,670,146	$ 8,542,519	(59,012,142)	21,565,513	(37,446,629)
General Revenues:							
Taxes:							
Property Tax					38,668,807	-	38,668,807
Franchise Fees					5,691,227	-	5,691,227
Utility Service Tax					9,347,939	-	9,347,939
Communication Service Tax					2,613,856	-	2,613,856
Gas Tax					3,706,202	-	3,706,202
State Revenue Sharing (unrestricted)					10,987,149	-	10,987,149
Investment Earnings					1,591,414	956,975	2,548,389
Miscellaneous					547,059	28,165	575,224
Transfers					896,499	(896,499)	-
Total General Revenues/Transfers					74,050,152	88,641	74,138,793
Change in Net Position					15,038,010	21,654,154	36,692,164
Net Position - Beginning					44,913,200	141,277,401	186,190,601
Net Position - Ending					$ 59,951,210	$ 162,931,555	$ 222,882,765

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

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2020

	General	Bayfront Community Redevelopment Agency Fund	Debt Service Fund	GO Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	$ 8,036,901	$ 62,390	$ -	$ -	$ 11,232,069	$ 19,331,360
Investments	14,838,529	842,699	1,301,574	41,354,961	11,035,399	69,373,162
Restricted Cash and Equivalents	-	-	4,273,837	-	182,994	4,456,831
Accounts Receivable	2,860,638	-	-	-	1,130	2,861,768
Due from Other Governments	2,782,567	-	63,513	-	866,087	3,712,167
Due from Other Funds	456,699	-	-	-	184,243	640,942
Land Held for Resale	-	-	-	-	4,000	4,000
Prepaid Items	78,108	-	-	-	2,772	80,880
Inventory	3,395	-	-	-	-	3,395
Total Assets	$ 29,056,837	$ 905,089	$ 5,638,924	$ 41,354,961	$ 23,508,694	$ 100,464,505
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 2,139,421	$ -	$ -	$ 12,278,213	$ 2,828,051	$ 17,245,685
Accrued Liabilities	1,750,247	-	-	-	4,632	1,754,879
Due to Other Funds	-	-	-	66,648	574,294	640,942
Unearned Revenue	499,971	-	-	-	1,044,385	1,544,356
Advances from Other Funds	127,171	-	-	-	523,802	650,973
Due to Other Governments	-	-	-	-	52,537	52,537
Total Liabilities	4,516,810	-	-	12,344,861	5,027,701	21,889,372
Fund Balances:						
Nonspendable	81,503	-	-	-	-	81,503
Restricted	800,000	905,089	5,638,924	29,010,100	14,795,744	51,149,857
Committed	2,793,774	-	-	-	3,093,642	5,887,416
Assigned	342,873	-	-	-	1,434,447	1,777,320
Unassigned (Deficit)	20,521,877	-	-	-	(842,840)	19,679,037
Total Fund Balances	24,540,027	905,089	5,638,924	29,010,100	18,480,993	78,575,133
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 29,056,837	$ 905,089	$ 5,638,924	$ 41,354,961	$ 23,508,694	$ 100,464,505

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

THIS PAGE INTENTIONALLY LEFT BLANK.

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
September 30, 2020

Total fund balances of governmental funds		**$ 78,575,133**
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $234,752,174 and the accumulated depreciation is $94,858,437. Internal service funds capital assets of $10,762,010 and accumulated depreciation of $8,606,380 are included in the internal service funds balances below.		139,893,737
Net pension assets are not financial resources and therefore are not reported in the funds.		198,102
Deferred outflows and inflows of resources for changes in Pension assumptions and projections in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Deferred Outflows of Resources		10,456,790
Deferred Inflows of Resources		(5,423,321)
Deferred outflows and inflows of resources for changes in OPEB assumptions and projections in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Deferred Outflows of Resources		2,452,649
Deferred Inflows of Resources		(943,800)
Deferred Inflows of resources for loss on bond refunding		(188,726)
Unamortized refunding charges are reported as expenditures in the funds because current financial resources are used. They are amortized over the life of the debt in the government-wide statements.		16,868,893
The internal service fund is used by management to charge the costs of employee benefits and risk management services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		16,224,892
Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the Statement of Net Position. The amount for internal service funds includes compensated absences of $93,901 ($15,094 current and $78,877 long-term) and total OPEB liability of $247,626		
Long-term liabilities at year end consist of :		
General Obligation Bonds Payable	$ 52,672,929	
Revenue Bonds Payable	76,339,602	
Notes Payable	16,243,000	
Accrued Interest Payable	2,103,803	
Capital Leases Payable	5,913,753	
Net Pension Liability	30,501,345	
Total OPEB Liability	9,162,172	
Compensated Absences	5,226,535	(198,163,139)
Total net position of governmental activities		**$ 59,951,210**

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS
For Fiscal Year Ended September 30, 2020

	General	Community Redevelopment Agency	Debt Service Fund	GO Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 49,914,407	$ 1,403,970	$ 3,572,072	$ -	-	$ 54,890,449
Impact Fees	-	-	-	-	7,880,081	7,880,081
Licenses and Permits	5,747,984	-	-	-	-	5,747,984
Intergovernmental Revenues	12,127,081	-	-	-	1,887,009	14,014,090
Charges for Services	4,533,860	-	-	-	351,373	4,885,233
Fines and Forfeitures	399,765	-	-	-	109,766	509,531
Investment Income	571,051	8,922	57,121	597,884	148,406	1,383,384
Miscellaneous Revenues	313,003	2,280	125,980	-	49,519	490,782
Total Revenues	73,607,151	1,415,172	3,755,173	597,884	10,426,154	89,801,534
EXPENDITURES						
Current:						
General Government	17,693,811	-	1,028	-	-	17,694,839
Public Safety	36,280,117	-	-	-	173,173	36,453,290
Transportation	5,569,180	-	-	2,334	38,859	5,610,373
Economic Environment	-	344,605	-	-	1,077,335	1,421,940
Culture/Recreation	4,770,432	-	-	-	1,043	4,771,475
Debt Service:						
Principal Retirement	-	390,000	5,255,088	-	-	5,645,088
Interest and Fiscal Charges	-	39,474	5,657,640	-	-	5,697,114
Capital Outlay	-	7,205	-	25,824,254	5,420,736	31,252,195
Total Expenditures	64,313,540	781,284	10,913,756	25,826,588	6,711,146	108,546,314
Excess (Deficiency) of Revenues Over Expenditures	9,293,611	633,888	(7,158,583)	(25,228,704)	3,715,008	(18,744,780)
OTHER FINANCING SOURCES (USES)						
Transfers In	4,514,095	1,016	7,958,979	-	1,736,784	14,210,874
Transfers Out	(10,440,534)	(566,525)	(670,722)	(6,248)	(2,269,951)	(13,953,980)
Proceeds from Sale of Capital Assets	134,185	-	-	-		134,185
Capital Leases	1,939,884	-	4,479,235	-	-	6,419,119
Issuance of Refunding Debt	-	-	51,670,000	-	-	51,670,000
Payment to Refunded Bond Escrow Agent	-	-	(56,430,252)	-	-	(56,430,252)
Total Other Financing Sources and (Uses)	(3,852,370)	(565,509)	7,007,240	(6,248)	(533,167)	2,049,946
Net Change in Fund Balances	5,441,241	68,379	(151,343)	(25,234,952)	3,181,841	(16,694,834)
Fund Balances - Beginning	19,098,786	836,710	5,790,267	54,245,052	15,299,152	95,269,967
Fund Balances - Ending	$ 24,540,027	$ 905,089	$ 5,638,924	$ 29,010,100	$ 18,480,993	$ 78,575,133

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

THIS PAGE INTENTIONALLY LEFT BLANK.

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds.	**$**	**(16,694,834)**
Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases ($32,934,048) exceeds depreciation expense ($7,160,384) in the current period.		25,860,622
Governmental funds report only the proceeds from the sale of capital assets. However, in the Statement of Activities, the amount of the proceeds (if any) are shown net of the remaining book balance of the assets disposed. This is the amount of the gain or (loss) realized on the current year dispositions:		
Current Year Net Loss on Disposal		(307,916)
Community Redevelopment Agency		(250,000)
Proceeds from the sale of capital assets increase financial resources, but in the statement of activities, only a gain or loss is reported.		(134,185)
Pension contribution made subsequent to the measurement date is an expenditure in the governmental funds, but reported as a deferred outflow of resources in the government-wide financial statements.		7,153
Pension expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		(1,037,836)
Capital assets contributed to the City in the current year and recognized as revenue in the statement of activities.		31,105
The repayment of principal is an expenditure in the governmental funds, but reduces liabilities in the statement of net position. In addition, the issuance of bonds and similar long-term debt provides current financial resources to governmental funds and therefore contribute to an increase in fund balance. In the statement of net position, however, issuing debt increases and payment of debt decreases long-term liabilities and does not affect the statement of activities. The amounts of the items that make up these differences in the treatment of long-term debt and related items are:		
Principal repayments:		
Revenue Bonds		3,256,241
Capital Leases		505,367
Notes Payable		2,150,000
Debt Refunding:		
Revenue Bonds		44,000,000
Capital Leases		4,231,727
Debt issued or incurred:		
Proceeds from Bonds Payable		(51,670,000)
Capital Leases		(6,419,119)
Amortized Refunding Charges		(9,678,238)
Unamortized Refunding Charges		16,868,893
Amortized Refunding Gains		(11,796)
Accrued Interest Payable on Long-Term Debt		523,511
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.		
Compensated Absences		(275,815)
Total OPEB Liability		(418,891)
The internal service fund is used by management to charge the costs of risk management services to other funds. The decrease in net position of the internal service fund is reported with governmental activities.		4,502,021
Change in net position of governmental activities.	**$**	**15,038,010**

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

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2020

	Business Type Activities - Enterprise Funds				Governmental
	Utilities Fund (Major Fund)	Stormwater (Major Fund)	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ 1,744,423	$ 375,712	$ 2,491,460	$ 4,611,595	$ 4,240,793
Investments	15,964,180	7,726,987	6,945,754	30,636,921	13,871,311
Restricted Cash and Cash Equivalents	2,279,246	-	350,950	2,630,196	-
Accounts Receivable - (Net)	5,651,260	243,298	448,427	6,342,985	122,127
Due from Other Government	348,238	1,495	-	349,733	-
Advances to Other Funds	-	-	127,171	127,171	-
Inventory	428,462	-	10,013	438,475	216,397
Prepaid Items	9,062	-	326	9,388	275,416
Total Current Assets	26,424,871	8,347,492	10,374,101	45,146,464	18,726,044
Noncurrent Assets:					
Restricted Assets:					
Cash and Cash Equivalents	2,635,053	-	-	2,635,053	-
Investments	20,634,709	-	-	20,634,709	-
Total Restricted Assets	23,269,762	-	-	23,269,762	-
Accounts Receivable (Net)	1,057,188	-	-	1,057,188	-
Advances to Other Funds	-	-	523,802	523,802	-
Total Other Noncurrent Assets	1,057,188	-	523,802	1,580,990	-
Capital Assets:					
Land	5,118,403	19,802	-	5,138,205	-
Construction in Progress	6,568,701	3,341,984	-	9,910,685	-
Building and Improvements	2,886,341	-	-	2,886,341	-
Water and Sewer Systems	185,907,972	-	-	185,907,972	-
Infrastructure	-	6,573,648	-	6,573,648	-
Machinery, Equipment and Vehicles	5,073,331	3,235,065	3,385,919	11,694,315	10,762,010
Less: Accumulated Depreciation	(82,264,911)	(1,844,998)	(2,638,589)	(86,748,498)	(8,606,380)
Total Capital Assets (Net)	123,289,837	11,325,501	747,330	135,362,668	2,155,630
Total Noncurrent Assets	147,616,787	11,325,501	1,271,132	160,213,420	2,155,630
Total Assets	174,041,658	19,672,993	11,645,233	205,359,884	20,881,674
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized Loss from Bond Refunding	945,909	-	-	945,909	-
Deferred Outflows Related to OPEB	530,303	165,719	99,431	795,453	66,287
Total Deferred Outflows of Resources	1,476,212	165,719	99,431	1,741,362	66,287

Continued on the next page

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

STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
September 30, 2020

	Business Type Activities - Enterprise Funds				Governmental
	Utilities Fund (Major Fund)	Stormwater (Major Fund)	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,652,239	667,898	1,055,512	3,375,649	426,883
Accrued Liabilities	359,821	114,459	64,519	538,799	180,851
Unearned Revenues	14,503	243,276	533,608	791,387	-
Bonds Payable	814,560	-	-	814,560	-
Notes Payable	5,240,000	-	-	5,240,000	-
Compensated Absences	120,687	19,214	12,669	152,570	15,024
Claims Payable	-	-	-	-	1,070,381
Current Liabilities Payable from Restricted Assets:					
Customer Deposits	2,279,246	-	350,950	2,630,196	-
Total Current Liabilities	10,481,056	1,044,847	2,017,258	13,543,161	1,693,139
Noncurrent Liabilities:					
Bonds Payable	4,913,915	-	-	4,913,915	-
Notes Payable	11,567,000	-	-	11,567,000	-
Accreted Interest Payable	10,067,012	-	-	10,067,012	-
Total OPEB Liability	1,981,010	619,066	371,439	2,971,515	247,626
Compensated Absences	633,609	100,871	66,513	800,993	78,877
Claims Payable	-	-	-	-	2,677,920
Total Noncurrent Liabilities	29,162,546	719,937	437,952	30,320,435	3,004,423
Total Liabilities	39,643,602	1,764,784	2,455,210	43,863,596	4,697,562
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows Related to OPEB	204,064	63,770	38,261	306,095	25,507
Total Deferred Outflows of Resources	204,064	63,770	38,261	306,095	25,507
NET POSITION					
Net Investment in Capital Assets	102,182,240	10,734,318	747,330	113,663,888	2,155,630
Restricted:					
Renewal and Replacement	10,761,586	-	-	10,761,586	-
Capital Improvements	12,507,708	-	-	12,507,708	-
Building Fund	-	-	7,031,257	7,031,257	-
Employee Benefits	-	-	-	-	1,800,000
Unrestricted	10,218,670	7,275,840	1,472,606	18,967,116	12,269,262
Total Net Position	$ 135,670,204	$ 18,010,158	$ 9,251,193	$ 162,931,555	$ 16,224,892

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

THIS PAGE INTENTIONALLY LEFT BLANK.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For Fiscal Year Ended September 30, 2020

	Business Type Activities - Enterprise Funds				Governmental
	Utilities Fund (Major Fund)	Stormwater (Major Fund)	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Operating Revenues:					
Charges for Services:					
Water	$ 17,828,273	$ -	$ -	$ 17,828,273	$ -
Sewer	13,078,629	-	-	13,078,629	-
Stormwater	-	-		-	-
Solid Waste	-	-	6,209,924	6,209,924	-
User Fees	-	-	211,727	211,727	24,280,891
Assessments	276,267	9,809,811	-	10,086,078	-
Licenses and Permits	-	60,205	3,943,077	4,003,282	-
Miscellaneous Income	143,021	235,064	90,500	468,585	23,802
Total Operating Revenues	31,326,190	10,105,080	10,455,228	51,886,498	24,304,693
Operating Expenses:					
Personal Services	9,259,906	2,807,115	1,767,666	13,834,687	4,288,607
Material, Supplies, and Operating expenses	7,996,650	2,670,782	6,741,100	17,408,532	3,742,931
Claims/Premium Expense	-	-	-	-	12,054,497
Depreciation	4,674,349	336,493	306,824	5,317,666	617,124
Total Operating Expenses	21,930,905	5,814,390	8,815,590	36,560,885	20,703,159
Operating Income	9,395,285	4,290,690	1,639,638	15,325,613	3,601,534
Nonoperating Revenues (Expenses):					
			-	-	-
Interest Income	761,083	114,996	80,896	956,975	208,030
Interest Expense and Fiscal Charges	(1,732,015)	-	(4,757)	(1,736,772)	(28,625)
Intergovernmental Revenues	384,333	-	-	384,333	82,660
Gain on Sale of Capital Assets	28,165	-	-	28,165	10,272
Gain (Loss) on Disposal	-	-	-	-	(11,455)
Total Nonoperating Revenues (Expenses)	(558,434)	114,996	76,139	(367,299)	260,882
Income Before Contributions and Transfers	8,836,851	4,405,686	1,715,777	14,958,314	3,862,416
Capital Contributions	7,592,339	-	-	7,592,339	-
Transfers In	12,407,040	415,506	81,185	12,903,731	3,210,115
Transfers Out	(13,792,036)	-	(8,194)	(13,800,230)	(2,570,510)
Change in Net Position	15,044,194	4,821,192	1,788,768	21,654,154	4,502,021
Net Position - Beginning of year	120,626,010	13,188,966	7,462,425	141,277,401	11,722,871
Total Net Position - Ending	$ 135,670,204	$ 18,010,158	$ 9,251,193	$ 162,931,555	$ 16,224,892

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For Fiscal Year Ended September 30, 2020

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utilities Fund (Major Fund)	Storm Water Fund (Major Fund)	Total Nonmajor Enterprise Funds	Total Enterprise Funds	
Cash Flows from Operating Activities					
Receipts from Customers and Users	$ 31,573,589	$ 10,104,330	$ 10,526,532	$ 52,204,451	$ 24,520,781
Payments to Suppliers	(8,016,986)	(3,127,579)	(7,007,412)	(18,151,977)	(15,636,498)
Payments to Employees	(9,091,417)	(2,829,004)	(1,586,061)	(13,506,482)	(4,145,374)
Net Cash Provided by Operating Activities	14,465,186	4,147,747	1,933,059	20,545,992	4,738,909
Cash Flows from Noncapital Financing Activities					
Interfund Advances	819,252	-	316,764	1,136,016	(944,202)
Intergovernmental Revenues	384,333	-	-	384,333	82,660
Transfers to Other Funds	(13,792,036)	-	(8,194)	(13,800,230)	(2,126,197)
Transfers from Other Funds	12,407,040	415,506	81,185	12,903,731	2,765,802
Net Cash Provided (Used) by Noncapital Financing Activities	(181,411)	415,506	389,755	623,850	(221,937)
Cash Flows from Capital and Related Financing Activities					
Acquisition/Construction of Capital Assets	(7,679,697)	(4,058,716)	(122,113)	(7,801,810)	(633,645)
Principal Paid on Capital Debt	(852,410)	-	-	(852,410)	-
Interest Paid on Capital Debt	(2,635,649)	-	(4,757)	(2,640,406)	(28,625)
Contributions	7,592,339	-	-	7,592,339	-
Principal Paid on Notes Payable	(5,125,000)	-	-	(5,125,000)	-
Proceeds from Sale of Capital Assets	28,165	-	-	28,165	(1,183)
Net Cash Used by Capital and Related Financing Activities	(8,672,252)	(4,058,716)	(126,870)	(8,799,122)	(663,453)
Cash Flows from Investing Activities					
Investment purchases	(18,861,711)	(302,111)	(3,040,868)	(22,204,690)	(3,740,670)
Proceeds from Sale and Maturity of Investments	8,199,997	-	-	8,199,997	-
Interest Income on Investments	761,083	114,996	80,896	956,975	208,030
Net Cash Provided (Used) by Investing Activities	(9,900,631)	(187,115)	(2,959,972)	(13,047,718)	(3,532,640)
Net Increase (Decrease) in Cash and Cash Equivalents	(4,289,108)	317,422	(764,028)	(4,735,714)	320,879
Cash and Cash Equivalents at **Beginning of Year**	10,947,830	58,290	3,606,438	14,612,558	3,919,914
Cash and Cash Equivalents at End of Year	$ 6,658,722	$ 375,712	$ 2,842,410	$ 9,876,844	$ 4,240,793
Cash and Cash Equivalents Classified As:					
Current Assets	$ 1,744,423	$ 375,712	$ 2,491,460	$ 4,611,595	$ 4,240,793
Restricted Assets	4,914,299	-	350,950	5,265,249	-
Total Cash and Cash Equivalents	$ 6,658,722	$ 375,712	$ 2,842,410	$ 9,876,844	$ 4,240,793

Continued on the next page

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

STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
For Fiscal Year Ended September 30, 2020

	Business Type Activities - Enterprise Funds				Governmental
	Utilities Fund (Major Fund)	Storm Water Fund (Major Fund)	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income (Loss)	$ 9,395,905	$ 4,290,690	$ 1,639,638	$ 15,326,233	$ 3,601,534
Depreciation	4,674,349	336,493	306,824	5,317,666	617,124
Change in Assets and Liabilities:					
Decrease in Accounts Receivable	244,115	59,286	55,976	359,377	220,488
Decrease in Deferred Outflows - OPEB	92,548	28,921	17,352	138,821	11,568
(Increase) Decrease in Inventories	(29,219)	-	12,375	(16,844)	6,993
Decrease in Prepaid Expenses	11,345	-	-	11,345	3,225
Increase (Decrease) in Accounts Payable	(74,626)	(477,303)	54,016	(497,913)	58,288
Increase in Accrued Liabilities	71,544	20,506	11,730	103,780	76,456
(Decrease) in Capital Lease Payable	-	-	(273,247)	(273,247)	-
(Increase) in Deferred Inflows - OPEB	(40,813)	(12,754)	(7,653)	(61,220)	(5,102)
Increase in Customer Deposits	3,284	-	19,193	22,477	-
Increase in Total OPEB Liability	90,571	28,303	16,982	135,856	11,321
Increase (Decrease) in Compensated Absences	26,183	(66,359)	(2,066)	(42,242)	(1,979)
Increase in Claims Payable	-	-	-	-	138,993
Increase (Decrease) in Unearned Revenue	-	(60,036)	81,939	21,903	-
Total Adjustments	5,069,281	(142,943)	293,421	5,219,759	1,137,375
Net Cash Provided by Operating Activities	$ 14,465,186	$ 4,147,747	$ 1,933,059	$ 20,545,992	$ 4,738,909
Noncash Investing, Capital, Noncapital and					
Capital Contribution	$ 1,222,580	$ -	$ -	$ 1,222,580	$ -

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

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
September 30, 2020

ASSETS	Total
Cash and Cash Equivalents	**$ 9,889,954**
Investments, at fair value:	
Common Stock	**63,938,653**
Domestic Equity Funds	**19,391,957**
U.S. Government securities	**24,295,793**
Corporate Bonds	**18,472,167**
Bond Funds	**70,836**
International Equity Funds	**33,076,624**
Real Estate Funds	**22,944,236**
Convertible Securities	**22,532,112**
Master Limited Partnership	**5,793,673**
Total investments	**210,516,051**
Receivables:	
Accrued Interest and Dividends	**347,347**
Due from Broker	**481,327**
Other	**26,047**
Due to/from Other Funds	**-**
Total Receivables	**854,721**
Other assets:	**29,594**
Total Assets	**221,290,320**
LIABILITIES	
Accounts Payable	**344,788**
Deferred Retirement Option Benefits due and currently payable	**1,266,651**
Defered City Contributions	**50,705**
Due to broker	**1,051,853**
Total Liabilities	**2,713,997**
NET POSITION	
Restricted for Pension Benefits	**$ 218,576,323**

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
For the Year Ended September 30, 2020

		Total
ADDITIONS		
Contributions:		
Employer	**$**	**4,668,806**
Employee		**1,245,722**
State		**1,421,278**
Employee Buybacks		**40,406**
Total Contributions		**7,376,212**
Investment Earnings:		
Net Appreciation in Fair Value of Investments		**20,198,181**
Interest and Dividends		**4,387,460**
Miscellaneous		**4,102**
Total Investment Earnings		**24,589,743**
Less: Investment Expenses		**1,037,757**
Net investment Income		**23,551,986**
Total Additions		**30,928,198**
DEDUCTIONS		
Benefits		**12,646,209**
Refunds		**129,518**
Administrative Expense		**530,319**
Total Deductions		**13,306,046**
Change in Net Position		**17,622,152**
Net Position - Beginning of Year		**200,954,171**
Net Position - End of Year	**$**	**218,576,323**

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

THIS PAGE INTENTIONALLY LEFT BLANK.

NOTE 1 – Summary of Significant Accounting Policies

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

A. The Reporting Entity

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

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

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

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

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

B. Government-wide and Fund Financial Statements

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

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

NOTE 1 – Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements (Continued)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

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

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

Fund Financial Statements

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

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

NOTE 1 – Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Bayfront Community Redevelopment Agency Fund is used to account for ad valorem tax increment revenues accumulated for community development in the areas where the taxes were assessed.
- The City has one debt service fund which is used to account for principal and interest payment on the following debts:
    - Taxable Special Obligation Revenue Bonds, Series 2004
    - Public Service Tax Revenue Bonds, Series 2010
    - Taxable Special Obligation Refunding Bonds, Series 2013
    - Local Option Gas Tax Refunding Note, Series 2014
    - Sales Tax Refunding Bonds, Series 2015
    - Franchise Fee Revenue Note, Series 2015
    - Franchise Fee Revenue Note, Series 2016
    - Local Option Gas Tax Revenue Note, Series 2018
    - General Obligation Bonds, Series 2019
    - Debt service on capital leases.
- The GO Bond Road Program Fund is used to account for the bond proceeds earmarked for maintenance and repair of citywide roadways.

The City reports the following major enterprise fund:

- The Utilities Fund, accounts for the fiscal activities of the City's water and wastewater treatment and distribution operations as well as the funding and payment of related debt.
- The Stormwater Utility Fund is used to account for fees and services associated with management of the City's stormwater system.

Additionally, the City reports the following fund types:

- The Internal Service Funds account for certain activities of the City's risk management, employee benefit programs and its fleet operations. Activities include premium and benefit payments, legal expenses incurred related to activities not specifically covered by City insurance policies, collections of settlements or refunds from related cases, and charges to City departments for fleet services and a vehicle replacement program.
- The Pension Trust Fund accounts for the activities of the City's Police and Firefighters Retirement System, ("PBP&FPF") which accumulates resources for pension benefit payments to certain general government employees and qualified police and fire employees.

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

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

NOTE 1 – Summary of Significant Accounting Policies (Continued)

D. Cash and Cash Equivalents

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

E. Investments

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

F. Receivables

Property Taxes Receivable

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessments are also designed to assure a consistent property valuation method statewide. State Statutes permit municipalities to levy property taxes at a rate of up to 10 mills. The City's millage rate, on which tax collections in fiscal year 2020 are based, is 8.1379.

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

Accounts Receivable

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

NOTE 1 – Summary of Significant Accounting Policies (Continued)

G. Inventories and prepaid items

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

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

H. Restricted Assets

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

I. Encumbrance

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

J. Capital Assets

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

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

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

Assets	Years
Buildings and Improvements	25-50
Utilities System	25-40
Infrastructure	15-20
Equipment	5-20
Vehicles	3-10

NOTE 1 – Summary of Significant Accounting Policies (Continued)

K. Deferred Outflows/Inflows of Resources

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

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

L. Pension

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

M. Amortization of Bond Discount and Premium

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

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

N. Compensated Absences

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

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

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

NOTE 1 – Summary of Significant Accounting Policies (Continued)

N. Compensated Absences (Continued)

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

O. Fair Value Measurement

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

P. Capital Contributions

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

Q. Net Position

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

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

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

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

R. Fund Balance

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

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

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

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

NOTE 1 – Summary of Significant Accounting Policies (Continued)

R. Fund Balance (Continued)

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

SBC 1800: *Classification and terminology* requires the highest legal authority to approve authorized commitments of fund balance and to approve who can authorize assignment of fund balance. On August 4, 2011, City Council by resolution 2011-34 authorized the Finance Director rights to assign resources and ending fund balances. GASBC 1800: *Classification and terminology* also requires a spending policy to ending fund balances. The spending policy states in what order fund balance categories are spent. On August 4, 2011 by resolution 2011-34, the Council approved the following fund balance order of spending: (1) *restricted* fund balance first, and then (2) *committed* fund balance, then (3) *assigned* fund balance, and (4) *unassigned* fund balance. The General Fund maintains a minimum fund balance of 10% of the subsequent year's budgeted expenditures less capital outlay and transfers.

A detailed classification of the City's Fund Balances as of September 30, 2020, are as follows:

	Major Funds					
Function Balance Classification	General Fund	Bayfront Community Redevelopment Agency	Debt Service Fund	GO Bond Road Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
Non-Spendable:						
Items Not In Spendable Form:						
Inventory	$ 3,395	$ -	$ -	$ -	$ -	$ 3,395
Prepaid Items	78,108	-	-	-	-	78,108
Total Nonspendable Fund Balances	81,503	-	-	-	-	81,503
Restricted for:						
Debt Service	-	-	5,638,924	-	-	5,638,924
Citizen Services	-	-	-	-	651,194	651,194
Forfeited Propertyroperty	-	-	-	-	203,427	203,427
Redevelopment Activities	-	905,089	-	-	-	905,089
Road Maintenance & Repair Projects	-	-	-	29,010,100	-	29,010,100
Other Capital Projects	800,000	-	-	-	13,941,123	14,741,123
Total Restricted Fund Balances	800,000	905,089	5,638,924	29,010,100	14,795,744	51,149,857
Committed to:						
Road Maintenance	-	-	-	-	3,085,994	3,085,994
Various Contracts	2,793,774	-	-	-	7,648	2,801,422
Total Committed Fund Balances	2,793,774	-	-	-	3,093,642	5,887,416
Assigned to:						
Citizen Services	-	-	-	-	659,206	659,206
Various Contracts	342,873	-	-	-	775,241	1,118,114
Total Assigned Fund Balances	342,873	-	-	-	1,434,447	1,777,320
Unassigned:						
General government	20,521,877	-	-	-	-	20,521,877
Other governmental fund deficit residuals	-	-	-	-	(842,840)	(842,840)
Total Unassigned Fund Balances	20,521,877	-	-	-	(842,840)	19,679,037
Total Fund Balances	$ 24,540,027	$ 905,089	$ 5,638,924	$ 29,010,100	$ 18,480,993	$ 78,575,133

NOTE 1 – Summary of Significant Accounting Policies (Continued)

S. Use of Estimates

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

NOTE 2 – Stewardship, Compliance and Accountability

A. Deficit Fund Equity

At September 30, 2020, the following funds of the City had deficit balances:

Special Revenue Funds:	
Community Development Block Grant	($367,716)
Enviromental Fee Fund	($475,124)

The deficit in the Community Development Block Grant Fund is expected to be eliminated by future program revenue and grant reimbursement.

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

NOTE 3 – Deposits and Investments

A. Cash and Deposits

At September 30, 2020, the carrying amount of the City's cash deposit accounts was $34,854,494 and the bank balance was $33,614,793. The City's cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes. The City's cash deposits are fully insured by the Public Deposits Trust Fund.

Cash Equivalents consist of amounts placed in money market accounts with US Bank totaling $95,170.

B. Investment Portfolio

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

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

NOTE 3 – Deposits and Investments (Continued)

B. Investment Portfolio (Continued)

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

As of September 30, 2020, the City had the following investment types and effective duration presented in terms of years:

Security Type	Fair Value	Effective Duration (Years)
U.S. Treasuries	$ 15,162,895	1.38
Federal Agency	4,746,202	2.54
Federal Agency Mortgage-Backed Security	1,034,448	2.05
Federal Agency Collateralized Mortgage Obligation	1,083,639	1.83
Supranational	1,311,002	2.15
Municipal	387,613	2.69
Commercial Paper	4,846,574	0.38
Corporate Notes	3,764,361	1.51
Asset-Backed Securities	4,072,296	1.86
Florida Prime**	48,990,202	48 days
Florida PALM*	52,303,074	46 days
US Bank Money Market Account	95,170	0.003
JP Morgan Chase Account	31,695,613	0.003
Less: Amounts reported as cash and cash equivalents	(31,790,783)	
Total	**$ 137,702,306**	**0.33**

* The Florida Public Asset for Liquidity Management Trust Fund's Fact Sheet as of September 30, 2020 provided the Weighted Average Maturity (represented in days).

** Florida Prime (SBA)'s September 30, 2020 Financial Statement Disclosure is available on the website, https://www.sbafla.com/prime/, is the source of the Fund's Weighted Average Maturity (represented in days).

C. Interest Rate Risk

The City's investment policy sets limits for investment maturities to match known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no longer than five-and one-half years (5.5). Investments of bond reserves, construction funds, and other non-operating funds, "core funds", shall have a term appropriate to the need for funds and in accordance with debt covenants, but in no event shall exceed five (5.5) years. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Master Repurchase Agreement. The City utilizes "weighted average duration" as a measurement of interest rate risk and as of September 30, 2020, the investment portfolio had an effective duration of 0.33 years.

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

NOTE 3 – Deposits and Investments (Continued)

C. Interest Rate Risk (continued)

CUSIP	Description	Maturity Date	Call Date	Call Schedule	Fair Value
808513AW5	Charles Schwab Note (Callable)	05/17/21	04/21/21	Continuous	$ 96,522
06406HBY4	BoNY Mellon Notes (Callable)	09/23/21	08/23/21	Continuous	180,037
30231GAJ1	Exxon Mobil Corp (Callable)	03/06/22	01/06/22	Continuous	128,319
172967LG4	Citigroup Corp (Callable)	04/25/22	03/25/22	Continuous	258,368
38141GWC4	Goldman Sachs (Callable)	04/06/22	04/26/21	Continuous	202,888
Total					$ 866,134

D. Credit Risk

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

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

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

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

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

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

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

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

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

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

NOTE 3 – Deposits and Investments (Continued)

D. Credit Risk (Continued)

As of September 30, 2020, the City had the following credit exposure as a percentage of total investments:

Security Type	Credit Rating	% of Portfolio
U.S. Treasury Notes	A-1+	3.63%
U.S. Treasury Notes	AA+	5.31%
Federal Instrumentalities - Notes	AA+	2.80%
Federal Agency Mortgage-Backed Security	AA+	0.61%
Federal Agency Collateralized Mortgage Obligation	AA+	0.64%
Commercial Paper	A-1+	1.65%
Commercial Paper	A-1	1.21%
Corporate Notes	AA+	0.08%
Corporate Notes	AA	0.21%
Corporate Notes	AA-	0.07%
Corporate Notes	A+	0.41%
Corporate Notes	A	0.60%
Corporate Notes	A-	0.31%
Corporate Notes***	BBB+	0.54%
Supranational	AAA	0.77%
Municipals	AA	0.04%
Municipals	A+	0.09%
Municipals	A	0.01%
Municipals****	NR	0.09%
Asset Backed Securities	AAA	1.89%
Asset Backed Securities	NR	0.51%
Florida Prime**	AAAm	30.86%
Florida PALM*	AAAm	28.90%
US Bank Money Market Account	N/A	0.06%
JP Morgan Chase Checking Account	N/A	18.71%

* The Public Assets for Liquidity Management Trust Fund's Fact Sheet as of September 30, 2020 provided the Credit Rating from Standard & Poor's.

** Florida Prime (SBA)'s September 30, 2020 Monthly Summary Report available on the website, https://www.sbafla.com/prime/, is the source of the Fund's Credit Rating from Standard & Poor's.

*** The City's policy requires securities be rated A-/A3 or better by at least one NRSRO, the four Corporate Notes are rated BBB+ by S&P but are rated A3 by Moody's an NRSRO in compliance with the City policy.

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

E. Custodial Credit Risk

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

As of September 30, 2020, the City's investment portfolio was held with a third-party custodian as required by the City's investment policy.

F. Concentration of Credit Risk

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

Investment	Max % Available Funds	% Limit on Indvidual Agency or Issuers
Florida PRIME Fund "SBA"	25%	0%
United States Government Securities	100%	0%
United States Government Agencies	75%	40%
Federal Instrumentalities	75%	10%
Mortgage Backed Securities	25%	40%
Non-negotiable Collateralized Bank Deposits or Savings Accounts	50%	0%*
Repurchase Agreements**	25%	10%
Prime Commercial Paper	50%	5%
Corporates	50%	5%
Municipals	25%	5%
Money Market Funds (MMFs)	50%	25%
Intergovernmental Investment Pools (LGIPs)	50%	25%

***If fully collateralized**
****excluding one business day agreements and overnight sweep agreements**

NOTE 3 – Deposits and Investments (Continued)

F. Concentration of Credit Risk (Continued)

As of September 30, 2020, the City had the following issuer concentration based on fair value:

Security Type		Fair Value	% of Portfolio
FLORIDA PALM	$	52,303,074	30.86%
FLORIDA PRIME		48,990,202	28.90%
JP MORGAN CHASE ACCOUNTS		31,695,613	18.70%
UNITED STATES TREASURY		15,162,895	8.95%
FREDDIE MAC		4,403,191	2.60%
EXXON MOBIL CORP.		2,925,631	1.73%
FANNIE MAE		2,355,998	1.39%
CREDIT AGRICOLE SA		2,049,262	1.21%
ASIAN DEVELOPMENT BANK		667,703	0.39%
TOYOTA MOTOR CORP.		429,632	0.25%
NISSAN AUTO RECEIVABLES		419,256	0.25%
GM FINANCIAL SECURITIZED TERM		395,474	0.23%
AFRICAN DEVELOPMENT BANK		364,410	0.21%
CARMAX AUTO OWNER TRUST		328,476	0.19%
HONDA AUTO RECEIVABLES		307,245	0.18%
AMERICAN EXPRESS CO DIT ACCOUNT		259,491	0.15%
CITIGROUP INC.		258,367	0.15%
THE BANK OF NEW YORK MELLON CORP.		257,417	0.15%
CATERPILLAR INC.		239,945	0.14%
HYUNDAI AUTO RECEIVABLES		236,080	0.14%
AMERICAN HONDA FINANCE		213,486	0.13%
WORLD OMNI AUTO REC TRUST		211,905	0.13%
BANK OF AMERICA CO		206,490	0.12%
GOLDMAN SACHS GROUP INC.		202,888	0.12%
UNILEVER PLC		182,196	0.11%
WELLS FARGO & COMPANY		177,453	0.10%
MORGAN STANLEY		177,119	0.10%
JOHN DEERE OWNER TRUST		167,629	0.10%
CAPITAL ONE FINANCIAL CORP.		154,098	0.09%
INTL BANK OF RECONSTRUCTION & DEV		153,090	0.09%
NY & NJ PORT AUTHORITY		152,149	0.09%
HONOLULU HI		148,676	0.09%
PACCAR FINANCIAL CORP		148,156	0.09%
ALLY AUTO RECEIVABLES TRUST		143,650	0.08%
WAL-MART STORES INC.		143,037	0.08%
APPLE INC.		141,428	0.08%
MERCEDES-BENZ AUTO LEASE TRUST		137,915	0.08%
NISSAN AUTO LEASE TRUST		129,165	0.08%
VOLKSWAGEN OF AMERICA		128,326	0.08%
VERIZON OWNER TRUST		126,724	0.07%
INTER-AMERICAN DEVELOPMENT BANK		125,799	0.07%
AMAZON.COM INC.		125,556	0.07%
HONEYWELL INTERNATIONAL		120,198	0.07%
FEDERAL HOME LOAN BANKS		105,100	0.06%
NATIONAL RURAL UTILITIES CO FINANCE		101,891	0.06%
AMERICAN EXPRESS CO		101,629	0.06%
JP MORGAN CHASE & CO		100,038	0.06%
PFIZER INC		97,494	0.06%
CHARLES SCHWAB		96,523	0.06%
US BANK MONEY MARKET ACCOUNT		95,170	0.06%
CNH EQUIPMENT TRUST		92,458	0.05%
CHEVRON CORPORATION		91,190	0.05%
GM FINANCIAL AUTO LEASING TRUST		80,138	0.05%
DISCOVER FINANCIAL SERVICES		77,712	0.05%
CAPITAL ONE PRIME AUTO REC TRUST		76,703	0.05%
HARLEY-DAVIDSON MOTORCYCLE TRUST		76,241	0.04%
DEERE & COMPANY		75,856	0.04%
FORD CREDIT AUTO LEASE TRUST		72,444	0.04%
FLORIDA STATE BOARD ADMIN FIN		65,998	0.04%
PEPSICO INC.		65,661	0.04%
MERCEDES-BENZ AUTO RECEIVABLES		64,642	0.04%
3M COMPANY		61,430	0.04%
HERSHEY COMPANY		61,123	0.04%
BMW VEHICLE OWNER TRUST		50,128	0.03%
BMW FINANCIAL SERIVES NA LLC.		39,294	0.02%
ADOBE INC.		30,901	0.02%
HOME DEPOT INC.		26,040	0.02%
STATE OF CONNECTICUT		20,790	0.01%
Total	$	169,493,089	100.00%

NOTE 3 – Deposits and Investments (Continued)

G. Fair Value Measurement and Application

Investments are carried at fair value as defined in GASB Statement 72 "Fair Value Measurement and Application". Consistent with GASBC Section 150: *Investments*, the City categorizes its fair value measurements within the fair value hierarchy. The City has the following fair value measurements as of September 30, 2020.

Investments by fair value level	9/30/2020	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2
U.S. Treasury securities	$ 15,162,895	$ 15,162,895	$ -
Federal Agencies and Instrumentalities	4,746,202	-	4,746,202
Federal Agency Mortgage-Backed Securities	1,034,448	-	1,034,448
Federal Agency Collateralized Mortgage Obligation	1,083,639	-	1,083,639
Supranationals	1,311,002	-	1,311,002
Municipal securities	387,613	-	387,613
Commercial paper	4,846,574	-	4,846,574
Corporate notes	3,764,361	-	3,764,361
Asset-Backed Securities	4,072,296	-	4,072,296
Total investments by fair value level	36,409,030	15,162,895	21,246,135
Investments measured at net asset value (NAV)			
Florida Prime Fund (NAV)	48,990,202		
Florida Public Assets - Liquidity Mgmt Fund (Amortized Cost)	52,303,074		
US Bank money market account (Amortized Cost)	95,170		
JP Morgan Chase Concentration Account (Amortized Cost)	31,695,613		
Total investments measured at NAV and Amortized Cost	133,084,059		
Total investments	$ 169,493,089		

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

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

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

NOTE 3 – Deposits and Investments (Continued)

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

Investments regarding the City's Police and Fire Pension Plan had the following fair value measurements as of September 30, 2020.

		Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs
Investments by fair value level	**9/30/2020**	**Level 1**	**Level 2**	**Level 3**
U.S. Treasury securities	$ 24,295,793	$ 6,582,159	$ 17,713,634	$ -
Common Stock	63,938,653	68,168,732	14,242,088	-
Corporate Bonds	18,472,167	-	-	-
Real Estate Funds	22,944,236	-	-	22,944,236
Convertible Securities	22,532,113	2,535,466	19,996,647	-
Total Investmements by net fair value level	152,182,962	77,286,357	51,952,369	22,944,236
Investments measured at net asset value ("NAV")				
Domestic Equity Funds	14,540,577			
International Equity Funds	33,076,624			
Bond Funds	70,836			
Master Limited Partnership	10,645,052			
Total investments measured at NAV	58,333,089			
Total investments	$ 210,516,051			

The Plan's valuation methods for investments measured at the net asset value ("NAV") per share (or its equivalent) as of September 30, 2020 are as follows:

Investments Measured at the NAV

		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Mutual funds	$ 47,688,037	$ -	Daily	Same Day
Commingled domestic equity funds	10,645,052	-	Monthly	Up to 15 Days
Total investment measured at the NAV	$ 58,333,089	$ -		

NOTE 3 – Deposits and Investments (Continued)

H. Investments – Investment in Palm Bay Retirement System

1. Investment Authorization

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

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

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

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

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

2. Types of Investments

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

Authorized Investments	Target % of Portfolio	Actual % of Portfolio
Domestic equities	35%	36%
Fixed income	25%	21%
International equities	15%	16%
Real estate	10%	10%
Convertible securities	10%	10%
Infrastructure	5%	3%
Cash equivalents	0%	5%
	100%	100%

NOTE 3 – Deposits and Investments (Continued)

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

3. Interest Rate Risk

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

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations are provided by the following tables that show the distribution of the Plan's investment by maturity at September 30, 2020:

		Investment Maturities (in Years)			
Investment Type	**Fair Value**	**Less Than 1**	**1 to 5**	**6 to 10**	**More Than 10**
U.S. Treasuries	$ 12,203,417	$ 3,404,564	$ 5,282,734	$ 591,030	$ 2,925,089
U.S. Agencies	12,092,376	-	-	-	12,092,376
Debt Securities	38,577,158	532,399	20,914,744	7,866,238	9,263,777
Bond Funds	70,836	-	70,836	-	-
Total Fixed Income	$ 62,943,787	$ 3,936,963	$ 26,268,314	$ 8,457,268	$ 24,281,242

4. Credit Risk

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

The following tables disclose credit ratings by investment type, at September 30, 2020 as applicable:

Quality Rating of Credit Risk Debt Securities	Fair Value	Percentage of Portfolio
Government	$ 24,295,793	38.6%
AAA	1,482,445	2.4%
AA+	-	0.0%
AA	636,105	1.0%
AA-	135,503	0.2%
A+	633,263	1.0%
A	1,601,418	2.5%
A-	2,308,173	3.7%
B+	-	0.0%
B	71,757	0.1%
B-	-	0.0%
BB+	168,373	0.3%
BB	540,019	0.9%
BB-	2,507,905	4.0%
BBB+	2,345,669	3.7%
BBB	4,956,790	7.9%
BBB-	2,078,983	3.3%
CCC+	179,010	0.3%
CCC+	-	0.0%
NR	19,002,581	30.2%
Total Fixed Income Securities	$ 62,943,787	100%

NOTE 3 – Deposits and Investments (Continued)

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

5. Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of plan net position at September 30, 2020.

6. Custodial Credit Risk

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

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

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

7. Rate of Return

For the year ended September 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 12.29% for Police Officers, 11.37% for Firefighters and 11.19% for General. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount invested.

NOTE 4 – Receivables

The City's receivables as of September 30, 2020 are summarized as follows:

	Primary Government		
	Governmental	Business-type	Total
Accounts Receivable:			
Accounts receivable	$ 3,047,408	$ 6,412,985	$ 9,460,393
Due from other Governments	3,648,654	349,733	3,998,387
Assessments Receivables	-	1,083,406	1,083,406
	6,696,062	7,846,124	14,542,186
Less: Allowances for Uncollectibles	-	(96,218)	(96,218)
Accounts receivable, net	$ 6,696,062	$ 7,749,906	$ 14,445,968

	Governmental Activities			
	General Fund	Other Governmental	Internal Service	Total
Accounts Receivable:				
Accounts receivables	$ 2,860,638	$ 64,435	$ 122,127	$ 3,047,200
Due from State of Florida	2,593,042	-	-	2,593,042
Due from Brevard County	37,737	208	-	37,945
Due from Other Governments	151,788	866,087	-	1,017,875
Governmental receivable, net	$ 5,643,205	$ 930,730	$ 122,127	$ 6,696,062

NOTE 4 – Receivables (Continued)

The City's Utilities Fund provides water, sewer, and stormwater services to residents in the City. Customers routinely receive services in advance during the ordinary course of business; however, customers' deposits are available to be applied against amounts owed. Accounts receivable in the Utilities Fund at September 30, 2020 is summarized as follows:

	Business-type Activies			
	Utilities Fund (Major Fund)	Stormwater (Major Fund)	Enterprise (Nonmajor Fund)	Total
Accounts Receivable:				
Accounts receivables	$ 2,971,308	$ 243,298	$ 448,427	$ 3,663,033
Unbilled receivables	2,749,952	-	-	2,749,952
Due from other Governments	348,238	1,495	-	349,733
Assessments receivables	1,083,406	-	-	1,083,406
	7,152,904	244,793	448,427	7,846,124
Less: Allowances for uncollectibles	(96,218)	-	-	(96,218)
Business-type receivable, net	$ 7,056,686	$ 244,793	$ 448,427	$ 7,749,906

NOTE 5 – Restricted Net Position

The use of certain Utilities Fund assets is restricted by specific provisions of the bond resolution authorizing the issuance of the utilities revenue and refunding bonds, as required by state statutes. Restricted net position at September 30, 2020 are as follows:

Account Description:	
Renewal, Replacement & Improvements	$ 10,761,586
Connection Fees	12,507,708
Building Inspections	7,031,257
Total Restricted Net Position - Business-type Activities	$ 30,300,551

NOTE 6 - Interfund Transfers, Receivables and Payables

Individual Interfund transfers at September 30, 2020 are presented on the table that follows:

	Transfers In								
Transfers Out	General	Bayfront Community Redevelopment	Debt Service Fund	Nonmajor Govermental	Utilities	Stormwater	Nonmajor Enterprise	Internal Service	Total Transfers Out
General	$ -	$ -	$ 5,675,503	$ 1,242,342	$ 39,772	$ 309,666	$ 23,140	$ 3,150,111	$ 10,440,534
2019 G.O Bond Road Program	-	-	6,248	-	-	-	-	-	6,248
Debt Service Fund	-	-	670,723	-	-	-	-	-	670,723
Nonmajor Governmental	146,086	-	935,782	1,162,062	-	-	-	26,020	2,269,950
Bayfront Comm Redevelopment	566,525	-	-	-	-	-	-	-	566,525
Utilities	1,866,232	-	-	-	11,925,804	-	-	-	13,792,036
Nonmajor Enterprise	-	-	-	-	8,194	-	-	-	8,194
Internal Service	1,935,252	1,016	-	3,103	433,270	105,840	58,045	33,984	2,570,510
Total Transfers In	$ 4,514,095	$ 1,016	$ 7,288,256	$ 2,407,507	$ 12,407,040	$ 415,506	$ 81,185	$ 3,210,115	$ 30,324,720

The transfer of approximately $1.9 million from Utilities to the General Fund represents annual return on investments (ROI). This amount is based on a percentage of the Utility System's total gross capital assets and is equivalent to payment in lieu of taxes (PILOT). Transfers from General Fund to the Debt Service Fund totaling $5.7 million covers interest and principal obligations as does the transfer of $935,782 from nonmajor, Impact Fees Fund. Transfers within utilities in the amount of $11.9 million covered debt service obligations, supported capital improvement projects and maintained fund balance in accordance with established policies. Internal Services transfers from General Fund totaling $3.2 million included $684,791 debt service obligations and $2.5 million for machine and equipment acquisitions. Nonmajor activities represent transfers of $1.2 million within impact fee funds and $1.2 million from General Fund to capital project funds for construction and improvements,

Advances to/from other funds at September 30, 2020 were as follows:

- $523,802 – Balance of funds advanced by the Building Inspection Fund in FY07 to the Environmental Fee fund to cover the cost of a Federal Fish and Wildlife permit granted by the U.S. Department of Interior.

- $127,171 – Funds advanced by Building Inspection to General Fund to cover the cost of police radio consoles and Microsoft Enterprise Software.

Due to/from other funds balances consist of amounts from General Fund ($456,699) to Community Development Block Grant to cover deficit balance. Nonmajor due to other funds of $184,243 represents the balance due the SHIP fund from the NSP fund for FY17 expenditures pending grant reimbursement.

.

NOTE 7 – Capital Assets

A. Changes in Capital Assets

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

Governmental Activities	Beginning Balance 9/30/2019	Increases	Decreases	Ending Balance 9/30/2020
Capital Assets, Not Being Depreciated:				
Land	$ 16,793,873	$ 195,251	$ (134,186)	**$ 16,854,938**
Construction In Progress	12,947,970	31,439,741	(2,268,613)	**42,119,098**
Total Capital Assets, Not Being Depreciated	29,741,843	31,634,992	(2,402,799)	**58,974,036**
Capital Assets, Being Depreciated:				
Buildings and Improvements	35,894,094		(250,000)	**35,644,094**
Machinery, Equipment and Vehicles	28,096,346	2,031,134	(941,845)	**29,185,635**
Infrastructure	119,441,806	2,268,613	-	**121,710,419**
Total Capital Assets Being Depreciated	183,432,246	4,299,747	(1,191,845)	**186,540,148**
Less Accumulated Depreciation For:				
Buildings and Improvements	(18,371,344)	(950,536)	-	**(19,321,880)**
Machinery and Equipment	(22,026,324)	(1,605,351)	883,929	**(22,747,746)**
Infrastructure	(56,173,570)	(5,221,621)	-	**(61,395,191)**
Total Accumulated Depreciation	(96,571,238)	(7,777,508)	883,929	**(103,464,817)**
Total Capital Assets, Being Depreciated, Net	86,861,008	(3,477,761)	(307,916)	**83,075,331**
Governmental Activities Capital Assets, Net	$ 116,602,851	$ 28,157,231	$ (2,710,715)	**$ 142,049,367**

NOTE 7 – Capital Assets (Continued)

A. Changes in Capital Assets (Continued)

Business-type Activities	Ending Balance 9/30/2019	Increases	Decreases	Ending Balance 9/30/2020
Utility System				
Capital Assets, Not Being Depreciated:				
Land	$ 5,118,403			**$ 5,118,403**
Construction In Progress	8,134,282	5,515,729	(7,081,310)	**6,568,701**
Total Capital Assets, Not Being Depreciated	13,252,685	5,515,729	(7,081,310)	**11,687,104**
Capital Assets, Being Depreciated:				
Buildings and Improvements	2,863,766	22,575	-	**2,886,341**
Water and Sewer System	177,006,986	8,900,986	-	**185,907,972**
Machinery and Equipment	4,551,409	771,153	(249,231)	**5,073,331**
Total Capital Assets Being Depreciated	184,422,161	9,694,714	(249,231)	**193,867,644**
Less Accumulated Depreciation For:				
Buildings and Improvements	(1,457,089)	(69,452)	-	**(1,526,541)**
Water and Sewer System	(72,924,865)	(4,302,497)	-	**(77,227,362)**
Machinery and Equipment	(3,457,839)	(302,400)	249,231	**(3,511,008)**
Total Accumulated Depreciation	(77,839,793)	(4,674,349)	249,231	**(82,264,911)**
Total Capital Assets, Being Depreciated, Net	106,582,368	5,020,365	-	**111,602,733**
Utility System Capital Assets, Net	$ 119,835,053	$ 10,536,094	$ (7,081,310)	**$ 123,289,837**
Stormwater Utility				
Capital Assets, Not Being Depreciated:				
Land	$ 19,802			**$ 19,802**
Construction in Progress	2,631,477	4,058,716	(3,348,209)	**3,341,984**
Total Capital Assets, Not Being Depreciated:	2,651,279	4,058,716	(3,348,209)	**3,361,786**
Capital Assets, Being Depreciated:				
Infrastructure	3,225,439	3,348,209	-	**6,573,648**
Machinery and Equipment	3,235,065	-	-	**3,235,065**
Total Capital Assets Being Depreciated	6,460,504	3,348,209	-	**9,808,713**
Less Accumulated Depreciation For:				
Machinery and Equipment	(1,428,888)	(232,818)	-	**(1,661,706)**
Infrastructure	(79,616)	(103,676)	-	**(183,292)**
Total Accumulated Depreciation	(1,508,504)	(336,494)	-	**(1,844,998)**
Total Capital Assets, Being Depreciated, Net	4,952,000	3,011,715	-	**7,963,715**
Stormwater Utility Capital Assets, Net	$ 7,603,279	$ 7,070,431	$ (3,348,209)	**$ 11,325,501**

NOTE 7 – Capital Assets (Continued)

A. Changes in Capital Assets (Continued)

Business-type Activities	Ending Balance 9/30/2019	Increases	Decreases	Ending Balance 9/30/2020
Building Inspections				
Capital Assets, Being Depreciated:				
Machinery and Equipment	$ 548,497	$ 150,643	$ (74,991)	**$ 624,149**
Less Accumulated Depreciation For:				
Machinery and Equipment	(40,528)	(28,374)	46,461	**(22,441)**
Building Inspections Capital Assets, Net	$ 507,969	$ 122,269	$ (28,530)	**$ 601,708**
Solid Waste				
Capital Assets, Being Depreciated:				
Machinery and Equipment	$ 2,761,770	$ -	$ -	**$ 2,761,770**
Less Accumulated Depreciation For:				
Machinery and Equipment	(2,337,698)	(278,450)	-	**(2,616,148)**
Solid Waste Capital Assets, Net	$ 424,072	$ (278,450)	$ -	**$ 145,622**

NOTE 7 – Capital Assets (Continued)

A. Changes in Capital Assets (Continued)

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

Depreciation Expense By Function	
Governmental Activities:	
General Government	$ 1,124,555
Public Safety	785,846
Physical Environment	492,951
Transportation	4,459,941
Culture/Recreation	914,215
Total Governmental Activities	$ 7,777,508
Business-type Activities:	
Utility System	$ 4,674,349
Building Inspection	28,374
Stormwater	336,494
Solid Waste Fund	278,450
Total Business-type Activities	$ 5,317,667

B. Construction Commitments

Projects	**Spent-to-Date**	**Remaining Commitment**
Public Works		
Road Maintenance Program	$ 4,249,629	$ 2,307,808
GO Bond Road Program	23,069,112	44,853,460
I-95 Interchange	13,381,882	48,591
Utility Improvements		
Waste & Wastewater Rehabilitation Improvements	6,783,153	34,658,785
Total	$ 47,483,776	$ 81,868,644

NOTE 8 - Long Term Debt

A. Schedule of Changes in Long-Term Debt

The following is a schedule of changes in the City's long-term debt for the fiscal year ended September 30, 2020:

Governmental Activities:	Balance 9/30/19	Additions	Reductions	Balance 9/30/20	Due Within One Year	Long-Term Portion
Bonds Payable:						
General Obligation Bonds						
General Obligation Bonds - Series 2019	$ 50,000,000		$ 1,655,000	$ 48,345,000	$ 1,660,000	$ 46,685,000
Add: Unamortized Premium	4,568,370	-	240,441	4,327,929	-	4,327,929
Total General Obligation Bonds Payable	54,568,370	-	1,895,441	52,672,929	1,660,000	51,012,929
Revenue Bonds from Direct Placement & Direct Borrowing:						
Taxable Special Obligation Bonds - Series 2004	462,066	-	59,721	402,345	61,410	340,935
Public Service Tax Revenue Bonds - Series 2010	5,015,000	-	165,000	4,850,000	165,000	4,685,000
Taxable Special Obligation Bonds - Series 2013	50,320,000	-	44,560,000	5,760,000	565,000	5,195,000
Taxable Sales Tax Revenue Bonds - Series 2015	13,790,000	-	550,000	13,240,000	570,000	12,670,000
Taxable Special Obligation Refunding Bonds - Series 2019		51,670,000	-	51,670,000	285,000	51,385,000
Add: Unamortized Premium	443,336	-	26,079	417,257	-	417,257
Total Revenue Bonds Payable	70,030,402	51,670,000	45,360,800	76,339,602	1,646,410	74,693,192
Notes Payable:						
Notes Payable from Direct Placement & Direct Borrowing:						
Bayfront Community Redevelopment Agency Note - Series 2006	1,142,000	-	390,000	752,000	410,000	342,000
Local Option Gas Tax efunding Note - Series 2014	1,238,000	-	614,000	624,000	624,560	(560)
Franchise Fee Revenue Note - Series 2015	3,423,000	-	459,000	2,964,000	469,000	2,495,000
Franchise Fee Revenue Note - Series 2016	3,742,000	-	159,000	3,583,000	174,000	3,409,000
Local Option Gas Tax Note - Series 2018	8,848,000	-	528,000	8,320,000	542,000	7,778,000
Total Notes Payable	18,393,000	-	2,150,000	16,243,000	2,219,560	14,023,440
Other Liabilities:						
Capital Leases	4,231,728	6,419,119	4,737,094	5,913,753	382,131	5,531,622
Net Pension Liability	31,881,751	-	1,380,406	30,501,345	-	30,501,345
Total OPEB Liability	8,979,585	430,213	-	9,409,798	-	9,409,798
Compensated Absences	5,046,601	4,003,036	3,729,201	5,320,436	857,936	4,462,500
Claims Payable	3,609,308	447,993	309,000	3,748,301	1,070,381	2,677,920
Total Other Liabilities	53,748,973	11,300,361	10,155,701	54,893,633	2,310,448	52,583,185
Total Governmental Activities	$ 196,740,745	$ 62,970,361	$ 59,561,942	$ 200,149,164	$ 7,836,418	$ 192,312,746

NOTE 8 - Long Term Debt (Continued)

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

Business-type Activities:	Balance 9/30/19	Additions	Reductions	Balance 9/30/20	Due Within One Year	Long-Term Portion
Utility System						
Bonds Payable:						
Bonds Payable from Direct Placement & Direct Borrowing:						
Utility Capital Improvement Revenue Bonds - Series 2001	$ 5,891,224	$ -	$ 669,082	$ 5,222,142	$ 624,560	$ 4,597,582
Utility Special Assessment Bonds - Series 2003	695,000	-	185,000	510,000	190,000	320,000
Add: Unamortized Discount	(5,339)	-	(1,672)	(3,667)	-	(3,667)
Total Revenue Bonds Payable	6,580,885	-	852,410	5,728,475	814,560	4,913,915
Notes Payable:						
Notes Payable from Direct Placement & Direct Borrowing:						
Utility System Refunding Revenue Note - Series 2014	11,095,000	-	3,750,000	7,345,000	3,635,000	3,710,000
Utility System Refunding Revenue Note - Series 2016	9,580,000	-	1,125,000	8,455,000	1,345,000	7,110,000
Special Assessment Refunding Revenue Note - Series 2016	1,257,000	-	250,000	1,007,000	260,000	747,000
Total Notes Payable	21,932,000	-	5,125,000	16,807,000	5,240,000	11,567,000
Other Liabilities:						
Total OPEB Liability	1,890,439	90,571	-	1,981,010	-	1,981,010
Compensated Absences	728,113	726,043	699,860	754,296	120,687	633,609
Total Other Liabilities:	2,618,552	816,614	699,860	2,735,306	120,687	2,614,619
Total Utility System	$ 31,131,437	$ 816,614	$ 6,677,270	$ 25,270,781	$ 6,175,247	$ 19,095,534
Building Inspection						
Total OPEB Liability	$ 236,305	$ 11,321	$ -	$ 247,626	$ -	$ 247,626
Compensated Abscences	69,623	80,336	73,764	76,195	12,191	64,004
Total Building Inspection	$ 305,928	$ 91,657	$ 73,764	$ 323,821	$ 12,191	$ 311,630
Stormwater Utility						
Total OPEB Liability	$ 590,763	$ 28,303	$ -	$ 619,066	$ -	$ 619,066
Compensated Abscences	186,443	124,860	191,218	120,085	19,214	100,871
Total Stormwater Utility	$ 777,206	$ 153,163	$ 191,218	$ 739,151	$ 19,214	$ 719,937
Solid Waste						
Capital Leases	$ 273,247		$ 273,247	$ -	$ -	$ -
Total OPEB Liability	118,152	5,661		123,813	-	123,813
Compensated Absences	11,625	9,098	17,736	2,987	478	2,509
Total Solid Waste	$ 403,024	$ 14,759	$ 290,983	$ 126,800	$ 478	$ 126,322

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

NOTE 8 - Long Term Debt (Continued)

B. General Obligation Bonds

On November 6, 2018 voters approved a referendum allowing for the issuance of up to $150 million in general obligation bonds by the City to finance roadway improvements. In July 2019, the City issued General Obligation Bonds, Series 2019, in the amount of $50,000,000. The bonds are direct obligations that are backed by the full faith credit, and taxing authority of the City. Principal and interest remaining on the Series 2019 bonds is $67,028,749 with varying interest rates from 3 percent to 5 percent. In the event of default, from a) failure to make legally required payment when due, b) bankruptcy, c) default of any other covenant not cured within 30 days after written notice, any Holder of the Bonds may compel perform all required duties. However, the right to declare principal and interest to be immediately due and payable shall not be an available remedy.

The following schedule represents the future debt principal and interest requirement general obligation bonds outstanding as of September 30, 2020.

Fiscal Year	2019 GO Bonds	
	Principal	Interest
2021	1,660,000	1,867,750
2022	1,740,000	1,784,750
2023	1,830,000	1,697,750
2024	1,920,000	1,606,250
2025	2,015,000	1,510,250
2026-2030	11,705,000	5,933,750
2031-2035	14,360,000	3,285,150
2036-2040	13,114,999	998,100
	48,344,999	18,683,750
Add Premium	4,327,930	-
	$ 52,672,929	$ 18,683,750

C. Bonds Payable

1. Governmental Activities

In September 2004, the City issued $5,376,447 in special obligations bonds secured by pledged state revenue sharing monies, as defined in Chapter 218, Part ll, Florida Statutes, in an amount of up to 50% of the state revenue monies received in the preceding fiscal year. Proceeds from the bonds were used to discharge the unfunded actuarial accrued pension liability of the Palm Bay Police and Firefighters Pension Plan. The bonds are payable solely from the state revenue sharing funds and are payable through 2026. In December 2016, the City partially refunded these bonds, providing $4,013,423 in escrow to redeem principal of $3,945,000 and interest of $68,423 in January 2017. Total principal and interest remaining to be paid on the bonds is $1,210,001. For the current year, principal, and interest of $140,000 was paid. State revenue sharing monies received in 2020 were $4,316,688. The bonds are direct obligations. Resolution No.2004-51 authorized the issuance of the special obligation bonds with provisions that in the event of default, for failure to: a) pay principal and interest; b) pay Bond Issuer; c) maintain eligibility to receive State Revenue Sharing money, d) or e) comply with covenant agreement; if not remedied or begun to remedy in 30 days, and so long as the Bond Issuer shall not be in default in its payment obligations, the Bond Insurer may waive any event of default under this Resolution and shall be deemed to be the Holder of all Bonds so secured.

NOTE 8 - Long Term Debt (Continued)

C. Bonds Payable (Continued)

1. Governmental Activities (Continued)

The City has pledged public services tax revenues to repay $5,485,000 in revenue bonds issued in October 2010. Proceeds from the bonds were used to finance the cost of expansion and improvement of the City Hall. The bonds are payable solely from public service tax revenues and are payable through 2041. Total principal and interest remaining to be paid on the bonds is $8,433,044. Current year principal and interest paid was $464,366. Public services tax revenues were $11,961,794. Resolution No. 92-07 declares each of the following to be an event of default: a) any payment of debt service not made when due, b) the City is incapable of fulfilling its obligations, c) the City admits in writing its inability to pay its debts or files for bankruptcy or consents to the appointment of a receiver or trustee, d) the City is adjudged insolvent or adjudged bankrupt on a petition filed against it, e) the City seeks reorganization under bankruptcy, f) default in performance of any other covenant. Upon the happening and continuance of any event of default, the Holders of not less than 51% of the aggregate principal amount and Accreted Value of the Bonds then outstanding may by written notice, declare the principal and Accreted Value of all the Bonds then outstanding to be due and payable immediately.

The City has pledged certain designated revenues, to repay $50,855,000 in revenue bonds issued November 2013. Proceeds from the bonds were used to a) refund the City's 2008 Series Pension Obligation Bonds and b) pay termination costs in connection with the associated interest rate SWAP agreement. The bonds are payable principally from communication service and public service tax revenues and are payable through 2040. Total principal and interest remaining to be paid on the bonds is $6,494,166 due to a partial refunding of $44,000,000 in December 2019. For the current year, principal, and interest of $2,166,896 was paid. Designated Revenues were $11,961,794. The bonds contain provisions for default resulting from a) payment of interest not made when due, b) payment of principal not made when due, c) default of any other covenants, d) insolvency, e) receipt of written notice from a Credit Bank that following a drawing for the payment of interest on Bonds, the Credit Bank has not been reimbursed, or any other event of default under such reimbursement agreement. If default occurs, the Holders of not less than 25% in aggregate principal amount of Bonds then outstanding may proceed to enforce the rights of the holders, including to sue for and receive any and all amounts then due for principal, interest, or otherwise under any of the provisions, together with interest on overdue payments and all costs and expenses of collection.

The City has pledged sales tax revenues to repay $15,375,000 in bonds issued in October 2015. The proceeds from the bonds were used to defease outstanding 2006 Sales Tax Revenue Bonds procured for the acquisition and construction of capital improvement. The bonds are payable from sales tax revenues and are payable through 2037. Principal and interest remaining on the Series 2015 bonds is $17,633,028. For the current year, principal and interest paid was $1,043,207. Sales tax revenues were $6,599,351. Resolution No. 2006-45 provides that any registered owner of the Bonds may compel performance of all required duties. The City is obligated to pay the principal and interest on the Bonds and to make all reserve and other payments.

In December 2019, the City issued the Taxable Special Obligation Refunding Bonds, Series 2019, in the amount of $51,670,000. The purpose of the 2019 Bonds was to achieve present value savings through a partial refunding of the Taxable Special Obligation Refunding Bonds, Series 2013, and to pay costs of issuance of the bonds. The bonds are payable principally from communication service and public service tax revenues and are payable through 2040. For the current year, no principal on the refunding bonds was paid; however, $453,425 in interest was paid. Principal and interest remaining on the Series 2019 Bonds is $74,158,805. The bonds contain provisions for default resulting from a) payment of interest not made when due, b) payment of principal not made when due, c) default of any other covenants, d) insolvency, e) receipt of written notice from a Credit Bank that, following a drawing for the payment of interest on bonds, the Credit Bank has not been reimbursed, or any other event of default under such reimbursement agreement. If default occurs, the Holders of not less than 25% in aggregate principal amount of bonds then outstanding may proceed to enforce the rights of the Holders, including to sue for and receive any and all amounts then due for principal, interest, or otherwise under any of the provisions, together with interest on overdue payments and all costs and expenses of collection.

NOTE 8 - Long Term Debt (Continued)

C. Bonds Payable (Continued)

1. Governmental Activities (Continued)

A summary of outstanding governmental revenue bonds payable on September 30, 2020 is as follows:

	Purpose of Issue	Amount Issued	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Governmental Activities:					
Revenue Bonds:					
Taxable Special Obligation Bonds Series 2004	Discharging of unfunded actuarial accrued pension fund liability	$ 5,376,447	$ 402,345	5.870-6.040	2026
Public Service Tax Revenue Bonds Series 2010	Finance the cost of expansion and improvement of City Hall	5,485,000	4,850,000	4.253-6.395	2041
Taxable Special Obligation Refunding Bonds Series 2013	Refunding of '08 Pension Bonds and finance termination of SWAP	50,855,000	5,760,000	3.812-4.805	2025
Sales Tax Revenue Refunding Bonds Series 2015	Refunding of '06 Sales Tax Bonds	15,375,000	13,240,000	3.000-4.000	2037
Taxable Special Obligation Refunding Bonds Series 2019	Partial refunding of 2013 Taxable Special Obligation Refunding Bonds	51,670,000	51,670,000	1.978-3.476	2041
Total Governmental Activities			$ 75,922,345		

2. Business-type Activities

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

In July 2001, the City issued $21,311,958 in Capital Improvement Revenue Bonds which were secured by pledged City water and sewer system net operating revenues, including water connection fees. Proceeds from the bonds were used to (1) finance capital improvements to the water portion of the City's Water and Wastewater System (2) pay costs and expenses related to issuance of the Series 2001 Bonds including the municipal bond insurance premium and Reserve Fund Surety Bond premium. The bonds are payable through 2031. Total principal and interest remaining to be paid on the bonds is $21,102,975. Current year principal and interest payments were $1,920,000. The City's net operating water and sewer revenues were $15,101,997. Resolution No. 94-07 provides that each of the following events is an "event of default" if a) any payment of Debt Service is not made when due, b) City becomes incapable of fulfilling its obligations, c) City admits in writing its inability to pay its debts, or files for bankruptcy, or consents to the appointment of a receiver or trustee, d) City is insolvent, or is adjudged bankrupt, e) City seeks reorganization under bankruptcy, f) Default of other covenants. Upon the occurrence and continuance of any event of default, the Holders of not less than 10% in aggregate principal amount and Accreted Value of the Bonds then outstanding may enforce the rights of the Bondholders either for the specific performance of any covenant or agreement contained herein or by any power granted for the enforcement of any proper legal remedy. Upon the happening and continuance of any event of default, Holders of not less than 51% of the aggregate principal amount and Accreted Value of the Bonds then outstanding may declare the principal and Accreted Value of all Bonds then outstanding to be due and payable.

NOTE 8 - Long Term Debt (Continued)

C. Bonds Payable (Continued)

2. Business-type Activities (Continued)

The City has pledged future special assessment revenues to repay $3,535,000 in utility special assessment bonds issued in June 2003. Proceeds from the bonds were used to finance water and sewer system improvements. In July 2017, the City used $620,000 in assessment collections to partially redeem the bonds. This action a) reduced the maturity date of the bonds by two years and they are now payable through 2023 b) reduced cumulative interest expense by $176,358, and c) reduced required debt service fund reserves. The bonds are payable from proceeds derived from special assessments. Total principal and interest remaining to be paid on the bonds is $549,187. Principal and interest paid for the current year was $213,669. During fiscal year ended September 30, 2020, the City collected $185,623 in special assessments leaving $756,404 in assessments receivable, net of allowance for uncollectible accounts, to be collected by the City in future years. It shall be an event of default under Resolution No. 2003-04 directs that if the City shall: 1) fail to deposit with the paying agent on or before any interest payment date sufficient funds to pay the interest becoming due, 2) fail to deposit with the paying agent on or before a principal maturity date sufficient funds to pay the principal becoming due, 3) fail to deposit or pay within 10 days after the due date any other required payment under this resolution, or, 4) fail to comply in any material respect with any other covenant made in this resolution. Any registered owner, credit facility issuer, or trustee acting for registered owners may compel the performance of all duties required.

The following is a summary of business-type activities bonds payable reflected in the City's Utilities Fund as of September 30, 2020:

Business-type Activities:					
Revenue Bonds:					
Utility Capital Improvement Revenue Bonds Series 2001	Capital improvements to water system	$ 21,311,958	$ 5,222,142	5.630-5710	2031
Utility Special Assessment Bonds Series 2003	Financing special assessments for water and sewer improvements	3,535,000	510,000	4.125	2023
Total Business-type Activities			$ 5,732,142		

NOTE 8 - Long Term Debt (Continued)

C. Debt Service Requirements

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

Governmental Activities:

Fiscal Year	Revenue/Refunding Bonds		Capital Leases		Notes Payable		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2021	$ 1,646,410	$ 2,699,542	$ 382,131	$ 137,865	$ 2,219,000	$ 444,568	$ 7,529,516
2022	2,694,899	2,638,402	398,051	130,156	1,570,000	392,598	7,824,106
2023	2,765,888	2,551,321	414,595	122,078	1,267,000	351,861	7,472,743
2024	2,838,286	2,461,967	431,787	113,612	1,312,000	316,997	7,474,649
2025	2,925,221	2,366,590	313,034	104,745	1,350,000	280,861	7,340,451
2026-2030	15,771,641	9,762,648	1,709,429	408,650	6,095,000	813,960	34,561,328
2031-2035	21,000,000	6,676,624	1,663,239	209,055	2,430,000	94,816	32,073,734
2036-2040	21,880,000	2,768,464	601,487	20,576	-	-	25,270,527
2041-2045	4,400,000	81,142	-	-	-	-	4,481,142
Total	$ 75,922,345	$ 32,006,700	$ 5,913,753	$ 1,246,737	$ 16,243,000	$ 2,695,661	$ 134,028,196

BusinessType Activities:

Fiscal Year	Revenue/Refunding Bonds		Notes Payable		
	Principal	Interest	Principal	Interest	Total
2021	$ 814,560	$ 1,316,016	$ 5,240,000	$ 363,211	$ 7,733,787
2022	789,619	1,339,210	5,350,000	252,448	7,731,277
2023	679,046	1,365,904	5,455,000	139,359	7,639,309
2024	521,064	1,396,464	762,000	18,755	2,698,283
2025	492,840	1,425,492	-	-	1,918,332
2026-2030	2,084,805	7,507,142	-	-	9,591,947
2031-2035	350,208	1,569,792	-	-	1,920,000
	$ 5,732,142	$ 15,920,020	$ 16,807,000	$ 773,773	$ 39,232,935

NOTE 8 - Long Term Debt (Continued)

D. Debt Defeasance and Advance Refunding

The City advances, refunds and/or defeases long-term debt primarily to reduce debt service requirements. As of September 30, 2020, the City has no outstanding defeased bonds.

E. Notes Payable

The Bayfront Community Redevelopment Agency ("BCRA") entered a direct borrowing financial arrangement to facilitate a special, limited obligation note with a financial institution for $6,000,000 to fund redevelopment activities of the BCRA. In May 2019, the City used $988,000 in unspent bond proceeds to prepay principal on the 2006 BCRA Note. Principal is due annually on August 1st and interest payments are due semi-annually on August 1st and February 1st of each year. The note is collateralized by a lien upon, and pledge of ad valorem taxes designated for the BCRA. The principal and interest balance outstanding as of September 30, 2020 is $781,976. The note contains provisions that in the event of default resulting from: a) failure by the Agency to make any principal or interest payment within 3 days of the applicable date, b) failure by the Agency to perform any other covenant, c) the making of any material false or misleading representation, d) the filing of a bankruptcy petition against the Agency or the City, e) the filing by the Agency or the City of a voluntary petition in bankruptcy, f) the admission by the Agency or the City of its insolvency or bankruptcy. The Registered Owner may sue to protect and enforce any and all rights, including the right to specific performance.

In April 2014, the City issued a $3,885,000 Local Option Gas Tax Refunding Note. Proceeds from the Note were used to advance refund outstanding Local Option Gas Tax Revenue Bond, Series 2004. The note, which has a maturity date of 2021, bears a fixed interest rate of 1.290% and is due semi-annually on April 1 and October 1. The Note is secured by a pledge of Local Option Gas Tax revenues. Principal and interest remaining on the Note is $628,025. The total principal and interest paid during the current year was $626,010. The note contains provisions for default resulting from: a) failure to make a payment of principal of Amortization Installment, redemption premium or interest when due, b) bankruptcy, c) default of any other covenants. Notwithstanding the foregoing, Issuer shall not be deemed in default if such default can be cured within a reasonable period and if the Issuer in good faith begins curative action and pursues such action until the default has been corrected. Any Holder may compel performance of all duties required to be performed by Issuer

In April 2014, the City issued a $28,800,000 Utility System Refunding Revenue Note, Series 2014. Proceeds from the Note were used to refund outstanding Utility System Refunding Bonds, Series, 2002, partially refund Utility System Refunding Bonds, Series 2003 and advance refund Utility Capital Improvement Bonds, Series 2004. The Note which has a maturity date of 2022 bears a fixed interest rate of 2.060% and is due semi-annually on April 1 and October 1. The Note is secured by pledged revenues from water and sewer connection fees. Principal and interest remaining on the Note is $7,572,733. The total principal and interest paid during the current year was $3,978,557. Resolution 98-54 provides that each of the following qualifies as an event of default if: a) any payment of Debt Service is not made when due, b) City becomes incapable of fulfilling its obligations, c) City admits in writing its inability to pay its debts, or files for bankruptcy, or consents to the appointment of a receiver or trustee, d) City is insolvent, or is adjudged bankrupt, e) City seeks reorganization under bankruptcy, f) Default of other covenants. Upon the occurrence and continuance of any event of default, the Holders of not less than 10% in aggregate principal amount and Accreted Value of the Bonds then outstanding may enforce the rights of the Bondholders either for the specific performance of any covenant or agreement contained herein or by any power granted for the enforcement of any proper legal remedy. Upon the happening and continuance of any event of default, Holders of not less than 51% of the aggregate principal amount and Accreted Value of the Bonds then outstanding may declare the principal and Accreted Value of all Bonds then outstanding to be due and payable.

NOTE 8 - Long Term Debt (Continued)

E. Notes Payable (Continued)

In May 2015, the City issued a $4,744,000 Franchise Fee Revenue Note, Series, 2015. Most of the proceeds of the Note were used to finance mitigation costs relative to the I-95 Interchange Capital Improvement Project. Remaining proceeds shall be used for transportation improvements to include a connector road to the I-95 interchange. The note matures in 2026 and bears a fixed interest rate of 2.100%. Principal and interest remaining on the Note is $3,154,491. The total principal and interest paid during the year was $526,064. A summary follows of Resolution No. 2015-24 list of Events of Default: a) default in the payment of principal of amortization installment, redemption premium, or interest when due, b) default in the payment of fees due any provider of a Reserve Account Insurance Policy, c) bankruptcy, d) default of any other covenant. Any Holder of Bonds may enforce performance provided that acceleration shall not be a remedy unless specifically provided by Supplemental Resolution. Holder(s) of Bonds in an aggregate principal amount of not less than 25% of the Bonds then outstanding may appoint a trustee to represent such Bondholders in any legal proceeding for enforcement of Bondholders rights.

In March 2016, the City issued a $13,190,000 Utility System Revenue Refunding Note, Series 2016, to refund Utility System Capital Improvement Refunding Bonds, Series 2005B. The Note, which has a maturity date of 2024, bears a fixed interest rate of 2.200%, and is due semi-annually on March 6 and September 6. The note is secured by pledged revenues from main line extension fee revenue and water & sewer operating revenues. Principal and interest remaining on the Series 2016 Refunding Note is $8,935,700. Total principal and interest paid on the Refunding Note during the year was $1,335,760. Resolution 98-54 provides that each of the following events is an “event of default” if: a) any payment of Debt Service is not made when due, b) City becomes incapable of fulfilling its obligations, c) City admits in writing its inability to pay its debts, or files for bankruptcy, or consents to the appointment of a receiver or trustee, d) City is insolvent, or is adjudged bankrupt, e) City seeks reorganization under bankruptcy, f) Default of other covenants. Upon the occurrence and continuance of any event of default, the Holders of not less than 10% in aggregate principal amount and Accreted Value of the Bonds then outstanding may enforce the rights of the Bondholders either for the specific performance of any covenant or agreement contained herein or by any power granted for the enforcement of any proper legal remedy. Upon the happening and continuance of any event of default, Holders of not less than 51% of the aggregate principal amount and Accreted Value of the Bonds then outstanding may declare the principal and Accreted Value of all Bonds then outstanding to be due and payable.

In December 2016, the City issued a Utility Special Assessment Revenue Refunding Note, Series 2016, in the par amount of $2,060,000. The proceeds, along with an issuer contribution of $544,523, were used to current refund the Utility Special Assessment Note, Series 2009, and pay for issuance costs. The Note, which has a maturity date of 2024, bears a fixed interest rate of 2.42%, and is payable semi-annually on January 1 and July 1. Principal and interest paid on the Note during the year was $280,419. Principal and interest remaining on the Series 2016 Refunding Note is $1,072,340. Resolution 98-54 provides that each of the following events is an “event of default” if: a) any payment of Debt Service is not made when due, b) City becomes incapable of fulfilling its obligations, c) City admits in writing its inability to pay its debts, or files for bankruptcy, or consents to the appointment of a receiver or trustee, d) City is insolvent, or is adjudged bankrupt, e) City seeks reorganization under bankruptcy, f) Default of other covenants. Upon the occurrence and continuance of any event of default, the Holders of not less than 10% in aggregate principal amount and Accreted Value of the Bonds then outstanding may enforce the rights of the Bondholders either for the specific performance of any covenant or agreement contained herein or by any power granted for the enforcement of any proper legal remedy. Upon the happening and continuance of any event of default, Holders of not less than 51% of the aggregate principal amount and Accreted Value of the Bonds then outstanding may declare the principal and Accreted Value of all Bonds then outstanding to be due and payable.

In December 2016, the City issued $3,983,000 in Taxable Franchise Fee Revenue Refunding Note, Series 2016. The proceeds and City contributions of $81,518.13, were used to current refund a portion of the Taxable Special Obligation Bonds (Pension Obligation), Series 2004, and cover the costs of issuance. The Note, which has a maturity date in fiscal year 2031, bears a fixed interest rate of 4.07%, and is payable semi-annually on April 1 and October 1. Principal and interest paid on the Refunding Note during the year was $308,064.

NOTE 8 - Long Term Debt (Continued)

E. Notes Payable (Continued)

Principal and interest on the Series 2016 Refunding Notes is $4,504,346. Resolution 2015-24 defines each of the following as an "Event of Default": a) default in the payment of the principal of, Amortization Installment, redemption premium or interest when due, b) default in the payment of fees due any provider of a Reserve Account Insurance Policy, c) bankruptcy, d) default of any other covenants, and such default shall continue to a period of 30 days after written notice received from the Holders of not less than 25% of the aggregate principal amount of Bonds outstanding or the Insurer of such amounts of Bonds. Any Holder of Bonds may compel the performance of all duties required.

In February 2018, the City issued Local Option Gas Tax Revenue Note, Series 2018, in the par amount of $9,000,000 for the construction of a connector road from Babcock Street to the new I-95 exchange and to cover costs of issuance. The note matures in October 2032 and bears a fixed interest rate of 2.71%. Principal and interest remaining on the Note totals $9,869,823. Total principal and interest paid during the fiscal year was $760,626. Resolution No. 2014-08 describes Events of Default as a) failure to make payments when due, b) bankruptcy, c) default of any other covenants. Notwithstanding the foregoing, the Issuer shall not be deemed in default if such default can be cured within a reasonable period of time and if the Issuer in good faith begins curative action and pursues such action until the default has been corrected. Any Holder may compel the performance of all duties required. The Holder(s) in an aggregate principal amount of not less than 25% of the obligations then outstanding may appoint a trustee to represent such Holders in any legal proceedings. During the period in which an Event of Default shall have occurred or be continuing, the Series 2018 Note shall bear interest at the "Default Rate", calculated at the greater of (i) the published Federal Reserve Bank Prime Rate plus 3%, (ii) the Federal Funds rate plus 5%, or (iii) 7% per annum; however not to exceed the maximum rate permitted by law.

In July 2020, the City entered into a direct borrowing for Equipment Lease/Purchase Agreement, as lessee, with Banc of America Public Capital Corp, lessor, in the amount of $4,479,235. The purpose of the agreement is to refund Series 2018 Capital Lease which secured equipment to be used for energy savings at City facilities. The lease matures in July 2037 and has a fixed contract rate of 2.55%. The net present value savings is $284,315. Principal and interest remaining on the Lease is $5,366,542. Total principal and interest paid during the fiscal year was $236,805.

In March 2020, The City entered into two direct borrowing for Equipment Lease/Purchase Agreement, as lessee, with Banc of America Public Capital Core, lessor. The first agreement totaled $661,884 and secured Police equipment. The lease matures in 2024 and has a contract rate of 1.85%. Principal and interest remaining on the lease is 546,458. Total principal and interest paid during the fiscal year was 136,614. The second lease agreement secured Fire equipment in the amount of $1,278,000. The lease matures in 2029 and has a contract rate of 1.60%. Principal and interest remaining on the lease is 1,247,490. Total principal and interest paid during the fiscal year was $138,610.

The following is a summary of the City's notes payable as of September 30, 2020:

Governmental Activities:	Purpose of Issue	Amount Issue	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Bayfront Community Redevelopment Agency Note Series 2006	Funding redevelopment activites of the BCRA	$ 6,000,000	$ 752,000	4.100	2022
Local Option Gas Tax Refunding Note Series 2014	Refunding of the Local Option Gas	3,885,000	624,000	1.290	2021
Franchise Fee Revenue Note Series 2015	Financing of I-95 Interchange Mitigation costs	4,744,000	2,964,000	2.100	2026
Franchise Fee Revenue Note Series 2016	Partial Refunding of Special Obligation Bonds, Series 2004	3,983,000	3,583,000	4.070	2031
Local Option Gas Tax Note Series 2018	Financing I-95 connector road project	9,000,000	8,320,000	2.710	2033
Total Governmental Activities			$ 16,243,000		

NOTE 8 - Long Term Debt (Continued)

E. Notes Payable (Continued)

Business-type Activities:	Purpose of Issue	Amount Issue	Amount Outstanding	Remaining Interest Rates (Percent)	Annual Maturity To
Utility System Refunding Revenue Note Series 2014	Refunding of Utility Revenue Bonds Series 2002, 2003 & 2004	$ 28,800,000	$ 7,345,000	2.060	2022
Utility System Refunding Revenue Note Series 2016	Refunding of Utility Revenue Bonds Series 2005B	13,190,000	8,455,000	2.200	2024
Special Assessment Revenue Note Refunding Note, Series 2016	Refunding of special assessments Note, Series 2009	2,060,000	1,007,000	2.420	2024
Total Business -type Activities			$ 16,807,000		

F. Capital Lease Obligations

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

Assets acquired through capital leases are as follows:

	Governmental Activities	Enterprise Activities
Asset:		
Machinery and equipment	$ 4,960,425	$ 2,560,000
Less: Accumulated depreciation	(745,174)	(2,560,000)
	$ 4,215,251	$ -

Future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020 were as follows:

Governmental Activities Fiscal Year	
2021	519,996
2022	528,207
2023	536,673
2024	545,399
2025	417,779
2026-2030	2,118,079
2031-2035	1,872,294
2036-2040	622,063
Total minimum lease payment	7,160,490
Less: amount representing interest	(1,246,737)
Present value of minimum lease payments	$ 5,913,753

NOTE 9 – Employee Retirement Systems

All City of Palm Bay full-time employees participate in one of two retirement plans offered by the City. Full-time employees participate in either the Palm Bay Defined Contribution Retirement Plan or the Palm Bay Defined Benefit Police and Firefighters Retirement System. The City also offers elected officials membership in the Florida Retirement System, which is a cost-sharing, multi-employer defined benefits plan. In addition, the City provides Other Employee Retirement Benefits (OPEB) to retirees. The total expense for all pension plans and OPEB was $1,696,001 for the fiscal year ended September 30, 2020.

A. Defined Contribution Retirement Plan

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

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

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

In fiscal year 2020, employer and employee contributions to the ICMA defined contributions plan were $1,926,954 and $1,250,171, respectively.

B. Defined Benefit Plan Palm Bay Police and Firefighter Plan

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

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

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

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

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

NOTE 9 – Employee Retirement Systems (Continued)

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

Employees Covered – Based on the Actuarial Valuation Report as of October 1, 2019 the following employees were covered by the benefit terms for the Plan:

	Police Officers	Fire Fighters	General Employees
Inactive employees or beneficiaries currently receiving benefits	107	89	2
Inactive employees entitiled to benefits but not receiving them	20	10	-
Active employees	147	109	-
Total members	274	208	2

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

Police officer members:

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

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

Firefighter members:

Tier One members **-** Firefighters hired prior to March 15, 2012.
Normal retirement shall be the earlier of attainment of (1) age 55, (2) completion of 25 years of credited service at 85% of AFC or 28 years regardless of age, or (3) age 52 with 25 years of credited service effective September 30, 2002. Average Final Compensation (AFC) is one and a half times the average of the highest five years of the last ten years of credited service. Payments for used leave are not included in AFC.

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

NOTE 9 – Employee Retirement Systems (Continued)

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

Benefits Provided - Firefighter members (Continued)

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

Tier Two members – Firefighters hired on or after March 12, 2012.
Normal retirement shall be the first day of the month coincident with or next following the completion of 25 years of credited regardless of age. Provided, however that a vested member who terminates prior to attaining 25 years of credited service shall be eligible for normal retirement benefits upon reaching age 55. Average Final Compensation (AFC) is one and a half times the average of the highest five years of the last ten years of credited service. Payments for unused leave are not included in AFC.

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

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

Supplemental Benefits

Police officer members:

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

Firefighter members:

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

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

NOTE 9 – Employee Retirement Systems (Continued)

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

Benefits Provided – Supplementary Benefits (Continued)

Cost of Living Adjustment:

Police officer members:

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

Firefighter members:

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

Tier Two members

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

Contributions - Florida Statutes, Chapters 175 and 185 require members to contribute not less than 0.5% of their annual salary. The Plan, as approved by the City Council, requires member police officers and firefighters to contribute 8.76% of their base annual salary. Funding contributions are determined annually on an actuarial basis as of October 1. The City is required to contribute at an actuarially determined amount necessary to finance current costs and amortized unfunded past service cost as provided by Florida Statute, Chapter 112. The City made contributions of $4,668,806 in fiscal year 2020.

Municipalities that have established pension plans complying with the provisions of Chapters 175 and 185, Florida Statutes, and that have enacted appropriate taxing legislation are eligible to receive revenues generated from excise taxes on gross receipts of certain insurance premiums from policyholders covering property within the City limits. These are the Firefighters' Pension Fund Excise Tax imposed on the gross receipts of property insurance policy premiums and the Police Officers' Pension Fund Excise Tax imposed on the gross receipts of casualty insurance policy premiums. The City recognized as revenues and expenditures on-behalf of payment relating to pension contributions for its public safety employees by the State. These contributions from excise tax totaled $1,421,278.

Net Pension Liability (Asset)

The City's net pension liability(asset) for The Plan is measured as the total pension liability less the pension fiduciary net position. The total pension liability, net pension liability(asset) and certain sensitivity information for each of the Plan classification is measured as of October 1, 2018. The total pension liability was rolled forward from each valuation date to the Plan's fiscal year ending September 30, 2019 using generally accepted actuarial principles. Components of the net pension liability(asset) of the City at September 30, 2020 are as follows:

	2020			
	Police	Fire	General	Total
Total pension liability	$ 134,480,630	$ 114,006,210	$ 16,626	$ 248,503,466
Plan fiduciary net pension ending	(123,917,650)	(94,443,945)	(214,728)	(218,576,323)
City's net pension liability (asset)	$ 10,562,980	$ 19,562,265	$ (198,102)	$ 29,927,143
Plan fiduciary net pension - actuarial as a percentage of the total pension liability (asset)	92.15%	82.84%	1291.52%	87.96%

NOTE 9 – Employee Retirement Systems (Continued)

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

Actuarial Assumptions - The total pension liabilities were determined by an actuarial valuation as of October 1, 2018 updated to September 30, 2020 using the following assumptions:

		Police Officers	Fire Fighters	General Employees
Valuation Date		October 1, 2019	October 1, 2019	October 1, 2019
Measurement Date		September 30, 2020	September 30, 2020	September 30, 2020
Actuarial Cost Method		Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Actuarial Assumptions				
	Discount Rate	7.65%	7.65%	7.75%
	Inflation	2.70%	2.70%	2.70%
	Payroll Growth	0.00%	4.00%	N/A
	Projected Salary Increase	Varies by age	Varies by age	N/A
	Investment Rate of Return	7.65%	7.65%	7.75%
	Mortality	PubS.H-2010	PubS.H-2010	PubS.H-2010
		Improvement Scale MP-2018	Improvement Scale MP-2018	Improvement Scale MP-2018
	Service Retirement	Members will retire at a rate of 5% per year prior to normal retirement		

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

Discount Rate - The long-term expected rate of return on pension plan investments were determined using a building block method which best estimates ranges of expected future real rates of return (expected returns, net of pension investment expenses and inflation) are developed for each major asset. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35%	8.5%
Fixed Income	25%	3.7%
Real Estate	10%	5.0%
International Equity	15%	4.1%
Convertible Security	10%	7.9%
Master Limited Partnership	5%	6.4%
	100%	

NOTE 9 – Employee Retirement Systems (Continued)

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

Actuarial Assumptions (Continued)

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

Changes in the Net Pension Liability (Asset)- The changes in the Net Pension Liability (Asset) for The Plan as of the measurement date of September 30, 2020 are as follows:

	Police Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at September 30, 2018	$ 126,114,991	$ 113,100,885	$ 13,014,106
Changes in the year:			
Service Cost	1,690,596	-	1,690,596
Interest on the total pension liability	9,666,537	-	9,666,537
Change in excess state money	-	-	-
Share Plan Allocation	187,202	-	187,202
Difference between expected and actual	(1,033,005)	-	(1,033,005)
Changes in assumptions	3,966,069	-	3,966,069
Contributions - Employer	-	1,906,845	(1,906,845)
Contributions - State	-	895,138	(895,138)
Contributions - Employee	-	690,308	(690,308)
Contributions - Buyback	40,406	40,406	-
Net investment income	-	13,728,562	(13,728,562)
Benefit payments, including refunds of employee contributions	(6,152,166)	(6,152,166)	-
Administration expense	-	(292,328)	292,328
Net Changes	8,365,639	10,816,765	(2,451,126)
Balance at September 30, 2020	$ 134,480,630	$ 123,917,650	$ 10,562,980

	Fire Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at September 30, 2018	$ 106,266,943	$ 87,715,010	$ 18,551,933
Changes in the year:			
Service Cost	1,725,051	-	1,725,051
Interest on the Total Pension Liability	8,112,876	-	8,112,876
Change in Excess State Money	-	-	-
Share Plan Allocation	-	-	-
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	695,678	-	695,678
Changes in assumptions	3,825,109	-	3,825,109
Contributions - Employer	-	2,699,071	(2,699,071)
Contributions - State	-	526,141	(526,141)
Contributions - Employee	-	555,414	(555,414)
Netlinvestment Income	-	9,801,388	(9,801,388)
Benefit Payments, Including Refunds of Employee Contributions	(6,619,446)	(6,619,446)	-
Administration Expense	-	(233,632)	233,632
Net Changes	7,739,268	6,728,936	1,010,332
Balance at September 30, 2020	$ 114,006,211	$ 94,443,946	$ 19,562,265

NOTE 9 – Employee Retirement Systems (Continued)

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

Changes in Net Pension Liability (Asset) (Continued)

	General Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a)-(b)
Balance at September 30, 2019	$ 18,530	$ 201,166	$ (182,636)
Changes in the year:			
Interest on the total pension liability	1,277	-	1,277
Difference between Expected and Actual Experience	1,871	-	1,871
Changes in Assumptions	(937)	-	(937)
Net Investment Income	-	22,036	(22,036)
Benefit Payments, Including Refunds of Employee Contributions	(4,115)	(4,115)	-
Administration Expense	-	(4,359)	4,359
Net Changes	(1,904)	13,562	(15,466)
Balance at September 30, 2020	16,626	214,728	(198,102)
Total of PBP&PBF Plans	**$ 248,503,467**	**$ 218,576,324**	**$ 29,927,143**

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following chart presents the net pension liability(asset) of the Plan as of September 30, 2020, calculated using the discount rate of 7.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower (6.75%) or 1-percent-point higher (8.75%) than the current rate.

	Discount Rate - 1% 6.65%	Current Discount 7.65%	Discount Rate + 1% 8.65%
Police Officers	$ 28,855,509	$ 10,562,980	$ (4,407,709)
Fire Fighters	$ 34,262,179	$ 19,562,265	$ 7,549,812
General Employees	$ (197,489)	$ (198,102)	$ (198,674)

Pension Plan Fiduciary Net Pension

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

NOTE 9 – Employee Retirement Systems (Continued)

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

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

For the year ended September 30, 2020, the City recognized combined pension expense of $974,635. At September 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Police & Fire and General	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and acutal experience	$ 3,547,838	$ 826,404
Changes in assumptions	6,753,448	-
Net difference between projected and actual earning on plan investments	-	4,585,658
Total	$ 10,301,286	$ 5,412,062

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

Police & Fire and General Employees Year ending September 30:	
2021	$ 1,085,572
2022	1,859,802
2023	1,365,624
2024	(175,238)
2025	753,464
	$ 4,889,224

Payable to the Pension Plan

At September 30, 2020, the City reported a payable of $21,679 for the outstanding contributions to the pension plan for the year ended September 30, 2020.

NOTE 9 – Employee Retirement Systems (Continued)

C. Florida Retirement System

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

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

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

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

Benefits Provided - Benefits under the Pension Plan are computed based on age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service.

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

NOTE 9 – Employee Retirement Systems (Continued)

C. Florida Retirement System (Continued)

Benefits Provided (Continued)

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

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

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

Contributions - Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3.0% percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contributions rates established by the Florida Legislature. These rates are updated as of July 1 each year. The employer contribution rates for elected officials for the periods October 1, 2019 through June 30, 2020 and from July 1, 2019 through September 30, 2020, were 48.70% and 49.18% respectively. These percentages include a 1.66% contribution rate for HIS.

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

The City's contributions recognized during the fiscal year ended September 30, 2020 by FRS and HIS were $26,966 and $1,148 respectively.

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

The City's proportionate share of net pension liability, pension expense related deferrals as of September 30, 2020 are as follows:

	FRS	HIS	Total
Proportionate Share of Net Pension Liability on June 30,2020	$ 351,767	$ 24,333	$ 376,100
City's portion at June 30, 2020	0.000811617	0.0000199291	
City's portion at June 30, 2019	0.000085078	0.0000203012	
Change in proportion during current year	0.000726539	(0.0000003721)	

NOTE 9 – Employee Retirement Systems (Continued)

C. Florida Retirement System (Continued)

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

For the fiscal year ended September 30, 2020, the City recognized pension expense of $63,201. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS		TOTAL	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 13,463	$ -	$ 995	$ 19	$ 14,458	$ 19
Change in assumptions	63,681	-	2,616	1,415	66,297	1,415
Change in proportion and differences between City Pension Plan contributions and proportionate share of contributions	40,371	9,414	6,261	412	46,632	9,826
City Pension Plan contributions subsequent to the measurement date	6,865	-	288	-	7,153	-
Net difference between projected actual earnings on plan investments	20,945	-	19	-	20,964	-
Total	$ 145,325	$ 9,414	$ 10,179	$ 1,846	$ 155,504	$ 11,260

The deferred outflows of resources related to the Pension Plan, totaling $7,153 represents City contributions to the Plan subsequent to the measurement date. This amount is recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2020. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Year ending September 30	FRS	HIS	Net Pension Expense
2021	$ 31,905	$ 2,243	$ 34,148
2022	43,330	2,107	45,437
2023	34,482	1,798	36,280
2024	17,082	1,147	18,229
2025	2,247	478	2,725
Thereafter	-	272	272
	$ 129,046	$ 8,045	$ 137,091

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

NOTE 9 – Employee Retirement Systems (Continued)

C. Florida Retirement System (FRS) (Continued)

Actuarial Assumptions (Continued)

The total pension liability for FRS and HIS on the July 1, 2020 actuarial valuation was determined using the following assumptions:

		FRS	HIS
Valuation Date		July 1, 2020	July 1, 2020
Measurement Date		June 30, 2020	June 30, 2020
Actuarial Cost Method		Individual Entry Age	Individual Entry Age
Actuarial Assumptions			
	Discount Rate	6.80%	2.21%
	Inflation	2.40%	2.40%
	Projected Salary Increase	3.25%	3.25%
	Investment Rate of Return	6.80%	N/A
	Mortality	PUB2010 with Projected Scale MP-2018	Generational PUB-2010 with Projected Scale MP-2018

The actuarial assumptions used in the July 1, 2020 valuation was based on the results of an actuarial experience study for the period July 1, 2013 through June 20, 2018.

The following changes in key actuarial assumptions occurred in 2020:

FRS: The long-term expected rate of return and the discount rate used to determine the total pension liability decreased from 6.90% to 6.80%.

HIS: The municipal bond index rate and the discount rate used to determine the total pension liability decreased from 3.50% to 2.21%.

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

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric Return)
Cash	1.00%	2.20%	2.20%
Fixed Income	19.00%	3.00%	2.90%
Global Equity	54.20%	8.00%	6.70%
Real Estate	10.30%	6.40%	5.80%
Private Equity	11.10%	10.80%	8.10%
Stategic Investments	4.40%	5.50%	5.30%
	100.00%		

NOTE 9 – Employee Retirement Systems (Continued)

C. Florida Retirement System (FRS) (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 6.80%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return. However, because the HIS program uses a pay-as-you-go funding structure, a municipal bond rate of 2.21% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index).

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

The following represents the City's proportionate share of the net pension liability as of June 30, 2020 calculated using the discount rate, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	FRS Net Pension Liability			HIS Net Pension Liability		
	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Employer's proportionate share of the net pension liability	$ 561,712	$ 351,767	$ 176,419	$ 28,128	$ 24,333	$ 21,227

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

Pension Plan	Net Pension Liability	Net Pension Asset	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Palm Bay Police & Fire	$ 30,125,245	$ 198,102	$ 10,301,286	$ 5,412,062	$ 974,635
FRS (Proportionate Share)	351,767	-	145,325	9,413	60,735
HIS (Proportionate Share)	24,333	-	10,179	1,846	2,466
Total	$ 30,501,345	$ 198,102	$ 10,456,790	$ 5,423,321	$ 1,037,836

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

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

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

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

NOTE 9 – Employee Retirement Systems (Continued)

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

Funding Policy - Contribution rates for the Plan are established on an annual basis. Eligible retirees and their covered dependents receiving benefits contribute 100% of their premium costs for medical insurance. While the City does not directly contribute towards the costs of retiree premiums via an explicit subsidy, the ability of retirees to obtain health insurance coverage at a group rate which includes active employees constitutes a significant economic benefit to retirees, or an "implicit" subsidy. This implicit subsidy is an Other Post Employment Benefit (OPEB) obligation of the City and is funded by general assets on a pay-as-you-go basis since there is no Trust Fund or equivalent arrangement into which the City makes contributions. For the year ended September 30, 2020, the City estimated its subsidized contributions towards medical cost on behalf of retirees and their covered dependents to be $298,609.

Employees Covered by Benefit Terms – As of October 1, 2019 the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	46
Active Plan Members	647
Total	693

Total OPEB Liability – The City's total OPEB liability of $12,381,314 was measured as of September 30, 2020 and was determined by an actuarial valuation as of September 30, 2020.

Significant Actuarial Assumptions and other Inputs – The total OPEB Liability determined in the September 30, 2019 actuarial valuation used the following significant actuarial assumptions and other inputs:

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

Retirement Age - 100% at Normal Retirement Eligibility Date

Mortality - Florida Retirement System Mortality Table

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

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

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

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

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

NOTE 9 – Employee Retirement Systems (Continued)

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

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

Changes in Total OPEB Liability

Balances at October 1, 2019	$ 11,815,244
Changes for the year:	
Service Cost (Entry Age Normal Cost) for 1 year	427,206
Interest for 1 year*	437,473
Benefit Payments	(298,609)
Net Changes	566,070
Balances at September 30, 2020	$ 12,381,314

*Discount rate of 3.75% for the fiscal year ended September 30, 2020.

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

	1% Decrease 2.75%	Current Discount Rate 3.75%	1% Increase 4.75%
Total OPEB Liability	$ 10,501,307	$ 12,381,314	$ 14,804,570

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

	1% Decrease 4.0%	Healthcare Costs Trend Rate 5.0%	1% Increase 6.0%
Total OPEB Liability	$ 10,468,626	$ 12,381,314	$ 14,815,524

NOTE 9 – Employee Retirement Systems (Continued)

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

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

OPEB expense for the fiscal year ended September 30, 2020 was $658,165. On September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,243,758	$ -
Change in assumptions	1,070,635	1,275,400
Total	$ 3,314,393	$ 1,275,400

OPEB Outflows/Inflows of Resources Schedule for Future Years:

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

Year ending September 30	
2021	$ 323,342
2022	323,342
2023	323,342
2024	323,342
2025	323,342
2026	422,283
Thereafter	-
	$ 2,038,993

NOTE 10 – Restricted Net Position

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

Governmental Activities		
General Fund:	Restricted pursuant to FDOT Contribution agreement	$ 800,000
Special Revenue Funds:		
Law Enforcement Trust Fund	Forfeited property accounted for and used according to Federal and Florida laws	$ 203,427
Impact Fee Funds	Levied pursuant to Florida Statutes, must be used for allowable improvements	13,536,350
Bayfront Community Redevelopment Agency	Levied pursuant to County and City Ordinance, must be used for activities of the redevelopment agency	905,089
SHIP	Restricted pursuant to grant agreement	498,766
HOME	Restricted pursuant to grant agreement	124,598
Neighborhood Stabilization Program	Restricted pursuant to grant agreement	27,830
		15,296,060
Debt Service Funds:		
Debt Service Funds	Restricted pursuant to bond covenants for payment of principal and interest	3,535,122
Capital Improvement Funds:		
Capital Improvement Funds	Restricted pursuant to covenants on proceeds for capital improvement projects	11,724,641
Internal Service Funds:		
Employee Health Insurance Fund	Restricted pursuant FS 112.08 requiring 60 days reserve for claims as a safe-harbor regarding self-insured health plans	1,800,000
	Total Restricted Net Position - Governmental Activities	$ 33,155,823
Business-type Activities		
Renewal and Replacement	Funds required to be placed in special construction accounts pursuant to Bond Covenants	$ 10,761,586
Building Fund	Funds required to be spent on building code activities pursuant to Section 166.222, Florida Statues	7,031,257
Capital Improvements	Water and sewer connection fees and mainline extension charges pledged for repayment of bond debt incurred for capital expansion and system improvements	12,507,708
	Total Restricred Net Positon - Business-type Activities	$ 30,300,551

NOTE 11 – Risk Management

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

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

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

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

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

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

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

All departments of the City participate in the program. Payments are made by various funds to the Risk Management Fund based on experience and actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of $3,188,000 reported in the Risk Management Fund at September 30, 2020 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The City's claims liability at year end is actuarially determined and includes incurred but not reported losses. Prior years' liabilities are undiscounted. Changes in the fund's claim liability are as follows:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Less Claims Payments	Balance at Fiscal Year End
2018-2019	$ 3,463,000	$ 2,813,879	$ (2,779,879)	$ 3,497,000
2019-2020	3,497,000	1,407,455	(1,716,455)	3,188,000

NOTE 12 – Employee Health Insurance Benefits

The City maintains an Employee Benefit Internal Service Fund to account for the employee health care coverage program. Beginning January 1, 2018, the City transitioned to a self-insured plan. Based on increased employee utilization of benefits, comparative analysis projected substantial cost savings to support the change. Revenues are recognized from employee payroll deductions and city contributions. The plan is evaluated on a quarterly basis by a third-party to ensure viability. As of September 30, 2020, a liability of $560,301 has been recorded, which represents estimated claims due and unpaid, and claims incurred but not reported. Changes in the first-year liability is as follows:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Less Claims Payments	Balance at Fiscal Year End
2018-2019	$ -	$ 107,882	$ 4,426	$ 112,308
2019-2020	-	555,361	4,940	560,301

NOTE 13 – Commitments and Contingencies

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

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

Encumbrance – The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts and other commitments are recorded to reserve the portion of applicable appropriations. Outstanding encumbrances at yearend are recorded as *restricted*, *committed*, or *assigned* fund balances, depending on the classification of the resources to be used to liquidate the encumbrance. Encumbrances outstanding as of September 30, 2020 are as follows:

Major Governmental Funds	
General Fund	$ 1,393,925
GO Bond Road Program Fund	6,550,795
Non-major Governmental Funds	2,924,857
	$ 10,869,577

NOTE 14 – Tax Abatements

The City provides tax abatements through the Economic Development Ad Valorem Tax Exemption Program subject to Statement No. 77, *Tax Abatement Disclosures*. It enters into tax abatement agreements with local businesses as allowed by Article VII, Section 3 of the Florida Constitution, Chapter 196.1995 F.S., and approved by voter referendum in November 1998, August 2008, and again in November 2018, and by Council Resolution No. 98-55, Ordinance No. 2007-82, Ordinance No. 2009-32, and Ordinance 2011-67. Per Florida Statute, municipalities may exempt up to 100 percent of a business' property tax bill for the purpose of attraction or expansion of businesses within its jurisdiction. The abatements may be granted to any new business or expanding existing business that meets the definition in 196.012, F.S. This statute enumerates the following eligibility criteria to be considered: number of net new full-time jobs to be created, the average wage for the new jobs, the capital investment to be made, the type of business or operation, the environmental impact, the extent to which the applicant intends to source its supplies and materials within the jurisdiction, and any other economic-related characteristics deemed necessary by Council. For the fiscal year ended September 30, 2020, the City abated property taxes totaling $554,106 under this program.

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

NOTE 15 – Other Required Disclosures

New Pronouncements

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Management has determined that the impact of the Statement did not have a material effect on the City.

GASB Statement No. 90 – In August 2018, GASB issued Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No.14 and No. 61.* The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Management has determined that the impact of the Statement did not have a material effect on the City.

Future Accounting Pronouncements

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases.* The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement is effective for the City's fiscal year ending September 30, 2022.

GASB Statement No. 89 – In June 20018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* The objectives of the Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement is effective for the fiscal year ending September 30, 2022.

NOTE 15 – Other Required Disclosures (Continued)

Future Accounting Pronouncements (Continued)

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

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020.* The objective this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) The effective date of Statement No. 87, *Leases,* and Implementation Guide No. 2019-3, *Leases*, for interim financial reports; (2) Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit ("OPEB") plan; (3) The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,* as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* as amended, to reporting assets accumulated for postemployment benefits; (4) The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements; (5) Measurement of liabilities (and assets, if any) related to asset retirement obligations ("AROs") in a government acquisition; (6) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; (7) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; (8) Terminology used to refer to derivative instruments. This Statement is effective for fiscal year ending September 30, 2021.

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules:

- General Fund
- Bayfront Community Redevelopment Agency

Schedule of Changes in Net Pension Liability & Related Ratios:

- City of Palm Bay Retirement System

Schedule of Proportionate Share of Net Pension Liability:

- City of Palm Bay Retirement System

Schedule of Pension Contributions:

- City of Palm Bay Retirement System

Schedule of Funding Progress:

- Other Post-Employment Benefits

Schedule of Investment Returns:

- City of Palm Bay Retirement System

Notes to Required Supplementary Information

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
REVENUES/TRANSFERS IN				
Taxes:				
Ad Valorem	$ 33,163,426	$ 33,692,765	$ 33,692,765	$ -
Local Option Fuel	3,872,511	3,872,511	3,706,202	(166,309)
Utility Service	8,921,500	9,013,457	9,347,939	334,482
Communication Service	2,588,443	2,588,443	2,613,856	25,413
Business Tax Receipts	568,000	568,000	553,645	(14,355)
	49,113,880	49,735,176	49,914,407	179,231
Licenses and Permits:				
Franchise Fees	5,680,000	5,723,099	5,691,227	(31,872)
Other Licenses and Permits	14,500	14,500	56,757	42,257
	5,694,500	5,737,599	5,747,984	10,385
Intergovernmental Revenues:				
Federal Grants	84,043	1,710,917	313,456	(1,397,461)
State Grants	-	9,346	541	(8,805)
Local Grants	724,796	776,131	780,432	4,301
State Revenue Sharing	11,987,538	11,987,538	10,987,149	(1,000,389)
Shared Taxes and Licenses	39,500	39,500	45,503	6,003
	12,835,877	14,523,432	12,127,081	(2,396,351)
Charges for Services:				
General Government Charges	486,210	649,640	656,182	6,542
Public Safety Charges	127,200	127,200	99,256	(27,944)
Physical Environment Charges	360,000	473,160	470,081	(3,079)
Transportation Charges	264,388	489,260	463,410	(25,850)
Culture/Recreation Charges	488,200	488,200	164,581	(323,619)
Charges to Other Funds	2,704,362	2,680,350	2,680,350	-
	4,430,360	4,907,810	4,533,860	(373,950)
Fines and Forfeitures:				
Court Fines and Costs	444,300	444,300	399,765	(44,535)
Miscellaneous Revenue:				
Investment income	310,000	466,674	571,051	104,377
Rents	250,000	250,000	240,295	(9,705)
Sales of Surplus	17,000	17,000	22,710	5,710
Contributions	28,200	28,200	19,835	(8,365)
Other Revenue	118,000	118,000	30,163	(87,837)
	723,200	879,874	884,054	4,180
Other Sources:				
Proceeds from Sale of Capital Assets	-	134,185	134,185	-
Capital Leases	-	1,939,884	1,939,884	-
		2,074,069	2,074,069	-
Transfers In:				
BCRA Fund	-	566,525	566,525	-
Capital Improvement Fund	-	146,086	146,086	-
Fleet Service Fund	444,313	444,313	444,313	-
Utilities Operating Fund	1,866,232	1,866,232	1,866,232	-
Risk Management Fund	110,166	1,490,939	1,490,939	-
	2,420,711	4,514,095	4,514,095	-
Total Revenues and Transfers In	75,662,828	82,816,355	80,195,315	(2,621,040)

Continued on the next page

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
For Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
EXPENDITURES/TRANSFERS OUT				
General Government:				
Legislative:				
Personal Services	**621,070**	**591,570**	**590,035**	**1,535**
Operating	**222,135**	**226,085**	**214,865**	**11,220**
Contributions	**-**	**9**	**9**	**-**
	843,205	**817,664**	**804,909**	**12,755**
City Manager:				
Personal Services	**987,626**	**955,258**	**864,763**	**90,495**
Operating	**178,472**	**166,085**	**104,807**	**61,278**
Contributions	**-**	**8,000**	**-**	**8,000**
	1,166,098	**1,129,343**	**969,570**	**159,773**
City Attorney:				
Personal Services	**283,171**	**277,765**	**208,965**	**68,800**
Operating	**302,300**	**302,300**	**140,757**	**161,543**
	585,471	**580,065**	**349,722**	**230,343**
Procurement:				
Personal Services	**571,563**	**541,912**	**510,912**	**31,000**
Operating	**10,960**	**11,856**	**7,357**	**4,499**
	582,523	**553,768**	**518,269**	**35,499**
Finance:				
Personal Services	**1,533,547**	**1,530,393**	**1,514,154**	**16,239**
Operating	**120,074**	**131,074**	**113,677**	**17,397**
	1,653,621	**1,661,467**	**1,627,831**	**33,636**
Information and Innovation:				
Personal Services	**1,260,699**	**1,190,714**	**1,073,105**	**117,609**
Operating	**1,481,288**	**2,160,860**	**1,945,558**	**215,302**
Capital Outlay	**-**	**428,300**	**251,259**	**177,041**
	2,741,987	**3,779,874**	**3,269,922**	**509,952**
Human Resources:				
Personal Services	**647,533**	**617,955**	**518,873**	**99,082**
Operating	**186,298**	**187,915**	**120,604**	**67,311**
	833,831	**805,870**	**639,477**	**166,393**
Growth Management:				
Personal Services	**1,617,577**	**1,524,075**	**1,332,724**	**191,351**
Operating	**202,915**	**210,842**	**95,531**	**115,311**
Capital Outlay	**-**	**-**	**28,530**	**(28,530)**
	1,820,492	**1,734,917**	**1,456,785**	**278,132**
Community & Economic Dev:				
Personal Services	**226,280**	**227,078**	**226,336**	**742**
Operating	**237,466**	**198,269**	**127,332**	**70,937**
	463,746	**425,347**	**353,668**	**71,679**
Facility Maintenance				
Personal Services	**1,260,331**	**1,199,366**	**1,108,211**	**91,155**
Operating	**1,561,062**	**1,625,301**	**1,430,388**	**194,913**
Capital Outlay	**-**	**38,900**	**13,723**	**25,177**
	2,821,393	**2,863,567**	**2,552,322**	**311,245**
Non-Departmental:				
Personal Services	**-**	**-**	**3,302**	**(3,302)**
Operating	**5,401,371**	**8,505,369**	**5,146,107**	**3,359,262**
Debt Service	**128,140**	**256,281**	**1,927**	**254,354**
	5,529,511	**8,761,650**	**5,151,336**	**3,610,314**
Total General Government	**19,041,878**	**23,113,532**	**17,693,811**	**5,419,721**

Continued on the next page

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
For Fiscal Year Ended September 30, 2020

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
Public Safety:				
Police:				
Personal Services	21,307,403	20,844,796	19,772,188	1,072,608
Operating	1,031,717	1,109,539	965,099	144,440
Contributions	-	17,490	17,240	250
	22,339,120	21,971,825	20,754,527	1,217,298
Fire:				
Personal Services	15,718,338	14,686,097	14,689,231	(3,134)
Operating	475,288	549,806	500,710	49,096
Capital Outlay	82,112	884,968	335,649	549,319
	16,275,738	16,120,871	15,525,590	595,281
Total Public Safety	38,614,858	38,092,696	36,280,117	1,812,579
Transportation:				
Public Works - Transportation				
Personal Services	4,371,665	4,165,423	3,864,865	300,558
Operating	1,252,010	2,516,512	1,571,150	945,362
Capital Outlay	-	139,492	133,165	6,327
Total Transportation	5,623,675	6,821,427	5,569,180	1,252,247
Culture/Recreation:				
Parks & Recreation				
Personal Services	3,487,248	3,312,548	3,115,398	197,150
Operating	1,154,524	882,706	792,175	90,531
Capital Outlay	-	1,463,278	862,859	600,419
Total Culture / Recreation	4,641,772	5,658,532	4,770,432	888,100
Transfers Out:				
Debt Service Fund	6,219,487	5,958,390	5,675,503	282,887
Stormwater Fund	309,666	309,666	309,666	-
Fleet Services Fund	288,036	3,150,111	3,150,111	-
Road Maintenance CIP	833,684	967,869	967,869	-
Environment Fee Fund	50,000	50,000	50,000	-
Utility Operating Fund	39,772	39,772	39,772	-
Community Investment Grant	-	224,473	224,473	-
Building Fund	-	51,670	23,140	28,530
Total Transfers Out	7,740,645	10,751,951	10,440,534	311,417
Total Expenditures and Transfers Out	75,662,828	84,438,138	74,754,074	9,684,064
Excess (Deficiency) of Revenues and Transfers In Over (Under) Expenditures and Transfers Out	$ -	$ (1,621,783)	$ 5,441,241	$ 7,063,024
Fund Balance - Beginning of Year			19,098,786	
Fund Balance - End of Year			$ 24,540,027	

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – BAYFRONT COMMUNITY REDEVELOPMENT AGENCY
For Fiscal Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	$ 1,403,970	$ 1,403,970	$ -
Investment Income	6,400	8,922	2,522
Miscellaneous Revenue	-	2,280	2,280
Total Revenues	1,410,370	1,415,172	4,802
EXPENDITURES			
Current:			
Economic Environment	471,090	344,605	126,485
Capital Outlay	413,950	7,205	406,745
Debt Service:			
Principal Retirement	393,391	390,000	3,391
Interest and Fiscal Charges	39,144	39,474	(330)
Total Expenditures	1,317,575	781,284	536,291
Excess (Deficiency) of Revenues Over (Under) Expenditures	92,795	633,888	541,093
OTHER FINANCING SOURCES			
Transfers In	1,016	1,016	-
Transfers Out	(566,525)	(566,525)	-
Total Other Financing Sources	(565,509)	(565,509)	-
Net Change in Fund Balance	$ (472,714)	$ 68,379	$ 541,093
Fund Balance - Beginning		836,710	
Fund Balance - Ending		$ 905,089	

CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
September 30, 2020

	Police						
Total Pension Liability	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Service Cost	$ 1,690,596	$ 1,563,897	$ 1,590,256	$ 1,571,207	$ 1,641,528	$ 1,627,434	$ 1,682,546
Interest	9,666,537	9,100,104	8,659,017	8,317,177	8,013,990	7,846,279	7,499,442
Change in Excess State Money	-	-	(82,053)	(468,527)	82,053	97,949	84,152
Shared Plan Allocation	187,202	160,785	136,496	186,426	-	-	-
Difference between expected & actual experience	-	2,401,146	1,385,775	61,339	(1,049,607)	(2,269,835)	-
Change in assumptions about future economic or demographic factors or other inputs	3,966,069						
Changes in assumptions	(1,033,005)	-	-	-	3,811,157	-	-
Contributions Buy Back	40,406	60,141	17,077	45,396	15,167	5,777	-
Benefit payments, including refunds of member contributions	(6,152,166)	(6,055,760)	(6,085,882)	(5,329,528)	(5,107,223)	(5,147,483)	(4,435,345)
Net Change in Total Pension Liability	**8,365,639**	**7,230,313**	**5,620,686**	**4,383,490**	**7,407,065**	**2,160,121**	**4,830,795**
Total Pension Liability - Beginning	**126,114,991**	**118,884,678**	**113,263,992**	**108,880,502**	**101,473,437**	**99,313,316**	**94,482,521**
Total Pension Liability - Ending (a)	**134,480,630**	**126,114,991**	**118,884,678**	**113,263,992**	**108,880,502**	**101,473,437**	**99,313,316**
Plan Fiduciary Net Position							
Contributions - Employer	1,906,845	1,920,794	1,697,726	1,116,672	1,651,022	1,811,984	1,698,539
Contributions - State	895,138	842,305	793,726	716,530	684,840	618,683	604,886
Contributions - Employee	690,308	670,948	638,421	621,675	589,865	605,581	599,342
Contributions - Buy Back	40,406	60,141	17,077	45,396	15,167	5,777	-
Net Investment (loss) income	13,728,562	4,905,418	9,688,752	10,734,486	8,778,963	(435,284)	9,243,488
Benefit payments, including refunds of contributions	(6,152,166)	(6,055,760)	(6,085,882)	(5,329,528)	(5,107,223)	(5,147,483)	(4,435,345)
Administrative Expenses	(292,328)	(299,073)	(306,350)	(309,245)	(279,039)	(252,632)	(245,600)
Net Change in Plan Fiduciary Net Pension	**10,816,765**	**2,044,773**	**6,443,470**	**7,595,986**	**6,333,595**	**(2,793,374)**	**7,465,310**
Plan Fiduciary Net Position - Beginning	**113,100,885**	**111,056,112**	**104,612,642**	**97,016,656**	**90,683,061**	**93,476,435**	**86,011,125**
Plan Fiduciary Net Position - Ending (b)	**123,917,650**	**113,100,885**	**111,056,112**	**104,612,642**	**97,016,656**	**90,683,061**	**93,476,435**
Net Pension Liability - Ending (a) - (b)	**$ 10,562,980**	**$ 13,014,106**	**$ 7,828,566**	**$ 8,651,350**	**$ 11,863,846**	**$ 10,790,376**	**$ 5,836,881**
Plan fiduciary net position as a percentage of the total pension liability	92.15%	89.68%	93.41%	92.36%	89.10%	89.37%	94.12%
Covered Payroll	$ 7,648,804	N/A	N/A	N/A	N/A	$ 6,841,804	$ 6,877,781
Net pension liability as a percentage of covered payroll	138.10%	N/A	N/A	N/A	N/A	157.71%	84.87%

Notes to Schedule:

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

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

CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
September 30, 2020

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

Notes to Schedule:

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

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

CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
September 30, 2020

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

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

CITY OF PALM BAY FLORIDA RETIREMENT SYSTEM (FRS)
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
September 30, 2020

	2020	2019	2018	2017	2016
City's proportion of the net pension liability (asset)	0.000811617%	0.000850780%	0.000840355%	0.000620674%	3.14544E-06
City's proportionate share of the net pension liability (asset)	$ 351,767	$ 292,997	$ 253,119	$ 183,591	$ 79,423
City's covered payroll	$ 80,542	$ 79,251	$ 74,676	$ 58,992	$ 30,877
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	436.75%	369.71%	338.96%	311.21%	257.22%
Plan fiduciary net position as a percentage of the total pension liability	78.85%	82.61%	84.26%	83.89%	84.88%

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

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

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

CITY OF PALM BAY HEALTH INSURANCE SUBSIDY (HIS)
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
September 30, 2020

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

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

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

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

CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
September 30, 2020

	Police					
	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	$ 2,677,671	$ 2,493,163	$ 2,356,572	$ 2,195,741	$ 2,171,756	$ 2,332,718
From Excess State Money Reserve	-	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	(2,665,487)	(2,556,052)	(2,354,956)	(2,115,304)	(2,253,809)	(2,332,718)
Contribution deficiency (excess)	$ 12,184	$ (62,889)	$ 1,616	$ -	$ -	$ -
Actuarially computed - covered payroll	$ 7,874,027	$ 7,648,804	N/A	N/A	$ 6,841,804	$ 6,877,781
Contributions as a percentage of covered payroll	33.85%	33.42%	N/A	N/A	31.74%	33.92%

Notes to Schedule

Valuation Date	10/1/2019
Actuarially determined contributions rates are calculated as of October 1, two years prior to the the end of the fiscal year in which contributions are reported.	
Methods and assumptions used to determine contribution rate:	
Actuarial cost method	Frozen Entry Age Cost Method
Amortization method	
Remaining amortization period	30 years
Asset valuation method	
Inflation	2.70%
Salary Increase	Varies by age
Investment Rate of Return	7.65%
Retirement age	52-55
Mortality - Healthy Active & Retiree	PubS.H-2010
- Beneficiary	PubG.H-2010
	Improvement Scale MP-2018

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

The mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The rates are outlined in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees.

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

CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
September 30, 2020

	Fire					
	2020	2019	2018	2017	2016	2015
Actuarially determined contributions	$ 3,225,212	$ 3,049,270	$ 2,970,532	$ 2,852,731	$ 2,625,745	$ 2,566,532
Contribution from Reserve	-	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	(3,225,212)	(3,033,164)	(2,986,638)	(2,852,731)	(2,625,745)	(2,566,532)
Contribution deficiency (excess)	$ -	$ 16,106	$ (16,106)	$ -	$ -	$ -
Actuarially computed - covered payroll	$ 6,338,780	$ 6,093,853	N/A	N/A	$ 4,871,735	$ 4,871,735
Contributions as a percentage of covered payroll	50.88%	49.77%	N/A	N/A	N/A	52.68%

Notes to Schedule

Valuation Date	10/1/2019
Actuarially determined contributions rates are calculated as of October 1, two years prior to the the end of the fiscal year in which contributions are reported.	
Methods and assumptions used to determine contribution rate:	
Actuarial cost method	Entry age normal cost method
Amortization method	
Remaining amortization period	30 years
Asset valuation method	
Inflation	2.70%
Salary Increase	Varies by age
Investment Rate of Return	7.65%
Retirement age	52-55
Mortality - Healthy Active & Retiree	PubS.H-2010
- Beneficiary	PubG.H-2010
	Improvement Scale MP-2018

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

The mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The rates are outlined in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees.

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

CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
September 30, 2020

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

Notes to Schedule

Valuation Date	10/1/2019
Actuarially determined contributions rates are calculated as of October 1, two years prior to the	
the end of the fiscal year in which contributions are reported.	
Methods and assumptions used to determine contribution rate:	
Actuarial cost method	Aggregate Actuarial Cost Method.
Amortization method	
Asset valuation method	
Inflation	2.70%
Investment Rate of Return	7.65%
Mortality	PubG.H-2010
	Imporvement Scale MP-2018

The mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The rates are outlined in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees.

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

CITY OF PALM BAY FLORIDA RETIREMENT SYSTEM (FRS)
SCHEDULE OF CONTRIBUTIONS
September 30, 2020

FRS

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

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

CITY OF PALM BAY HEALTH INSURANCE SUBSIDY (HIS)
SCHEDULE OF CONTRIBUTIONS
September 30, 2020

HIS

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

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

CITY OF PALM BAY POLICE AND FIRE RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RETURNS
September 30, 2020

Annual money-weighted rate of return, net of investment expense		Police	Fire	General
	2020	12.29%	11.37%	11.19%
	2019	4.47%	4.03%	5.39%
	2018	9.41%	8.38%	10.06%
	2017	11.25%	11.25%	11.76%
	2016	9.81%	8.44%	10.02%
	2015	-0.47%	-0.34%	1.02%

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

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

September 30, 2020

Reporting Period Ending	9/30/2020	9/30/2019	9/30/2018
Measurement Date	10/1/2019	10/1/2018	10/1/2017
Total OPEB Liability			
Service Cost	$ 427,206	$ 496,906	$ 256,771
Interest for 1 years	437,473	662,485	300,970
Differences Between Expected & Actual Experiences	-	2,179,786	-
Changes of Assumptions	-	1,198,439	274,884
Benefits Payments	(298,609)	(556,419)	(233,756)
Net Change in Total OPEB Liability	566,070	3,981,197	598,869
Total OPEB Liability - Beginning	11,815,244	7,834,047	7,559,163
Total OPEB Liability - Ending	$ 12,381,314	$ 11,815,244	$ 8,158,032
Covered-Employee Payroll	$ 31,948,733	$ 31,948,733	$ 33,060,253
Total OPEB Liability as a Percentage of Covered-Employee Payroll	38.75%	36.98%	24.68%

Notes to Schedule:

The following are the discount rates used in each period:

FY2020	3.75%
FY2019	3.75%
FY2018	3.90%

The difference between the ending balance at 10/30/17 of $8,158,032 and the beginning balance of $7,834,047 at 10/01/2018 is due to the change in mortality recognized as of 10/01/17

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 – BUDGETARY REQUIREMENTS

A. Budgetary Information

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

1) No later than August 10th of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1.

2) Public hearings are held to obtain taxpayer comments.

3) Prior to October 1, the budget is legally enacted through the passage of an ordinance.

4) Budgets are legally adopted, and formal budgetary integration is employed as a management control device during the year for the general fund, all special revenue funds (except for the miscellaneous donations fund), all capital projects fund, and all debt service funds. The budgets adopted for the enterprise fund and internal service funds are for managerial control purposes.

5) Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

6) The City Manager is authorized to transfer part or all unencumbered appropriation balance between activities of a department within a fund; however, any revisions that alter the total appropriations of any department or fund must be approved by the City Council. The classification detail at which expenditures may not legally exceed appropriations is at the fund level. During the fiscal year ended, various appropriations were approved in accordance with this policy. Budgeted amounts shown in the financial statements are as originally adopted and as further amended.

7) Appropriations lapse at the close of the fiscal year.



THIS PAGE INTENTIONALLY LEFT BLANK.

OTHER SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule:

- GO Road Program Fund
- Debt Service Fund

Nonmajor Governmental Funds:

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

Nonmajor Enterprise Funds:

Combining Financial Statements for All Nonmajor Enterprise Funds

Nonmajor Enterprise Funds:

Combining Financial Statements for All Nonmajor Enterprise Funds

Fiduciary Funds:

Combining Statements for Fiduciary Funds

THIS PAGE INTENTIONALLY LEFT BLANK

BUDGET AND ACTUAL
GO ROAD PROGRAM FUND
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Investment Income	$ 302,541	$ 597,884	$ 295,343
Total Revenues	302,541	597,884	295,343
EXPENDITURES			
Current:			
Physical Environment			
Transportation	2,400	2,334	66
Capital Outlay	67,922,572	25,824,254	42,098,318
Total Expenditures	67,924,972	25,826,588	42,098,384
Excess of Revenues Over Expenditures	(67,622,431)	(25,228,704)	42,393,727
OTHER FINANCING SOURCES (USES)			
Transfer (Out)	(6,248)	(6,248)	-
Total Other Financing Sources	(6,248)	(6,248)	-
Net Change in Fund Balance	$ (67,628,679)	(25,234,952)	$ 42,393,727
Fund Balance - Beginning		54,245,052	
Fund Balance - Ending		$ 29,010,100	

BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	$ 3,529,602	$ 3,572,072	$ 42,470
Investment Income	59,380	57,121	(2,259)
Miscellaneous Revenues	133,210	125,980	(7,230)
Total Revenues	3,722,192	3,755,173	32,981
EXPENDITURES			
Current:			
General Government	1,055	1,028	27
Debt Service:			
Principal Retirement	5,255,088	5,255,088	-
Interest and Fiscal Charges	5,671,201	5,657,640	13,561
Total Expenditures	10,927,344	10,913,756	13,588
Deficiency of Revenues Under Expenditures	(7,205,152)	(7,158,583)	46,569
OTHER FINANCING SOURCES			
Transfers In	8,262,160	7,958,979	(303,181)
Transfers Out	(670,722)	(670,722)	-
Issuance of Refunding Debt	51,557,801	51,670,000	(112,199)
Capital Lease	4,479,235	4,479,235	-
Payment to Refunded Bond Escrow Agent	(56,318,053)	(56,430,252)	112,199
Total Other Financing Sources	7,310,421	7,007,240	(303,181)
Net Change in Fund Balance	$ 105,269	(151,343)	$ (256,612)
Fund Balance - Beginning		5,790,267	
Fund Balance - Ending		$ 5,638,924	

THIS PAGE INTENTIONALLY LEFT BLANK.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

Impact Fee Trust – This fund is used to account for proceeds provided for the acquisition and/or improvement of urban district park facilities, police capital facilities, fire capital facilities, and the expansion of the City's major road network system.

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

THIS PAGE INTENTIONALLY LEFT BLANK.

.

CAPITAL PROJECTS FUNDS

Community Investment 06 Bond CIP Fund – This fund is used to account for the proceeds of the 2006 Sales Tax Bond earmarked for community related capital improvement projects.

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

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

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

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

THIS PAGE INTENTIONALLY LEFT BLANK.

COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS
September 30, 2020

	Special Revenue Funds									
	Law Enforcement Trust	PB Municipal Foundation Fund	Code Nuisance Fund	SHIP Program	Community Development Block Grant	HOME Grant	Neighborhood Stabilization Program	Coronavirus Relief	Misc. Donations	Impact Fee Trust
ASSETS										
Cash and Cash Equivalents	$ 34,464	$ 26,636	$ 304,792	$ 1,108,871	$ -	$ -	$ 29,372	$ 300,834	$ 82,151	$ 8,614,340
Investments	257,813	-	254,953	-	-	-	-	-	-	6,120,755
Restricted Cash and Equivalents	-	-	-	-	-	182,994	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-	-	1,130
Due from Other Governments	-	-	-	-	52,167	-	184,243	-	-	-
Due from Other Funds	-	-	-	184,243	-	-	-	-	-	-
Land Held for Resale	-	4,000	-	-	-	-	-	-	-	-
Prepaid Items	-	-	-	-	-	-	-	2,772	-	-
Total Assets	$ 292,277	$ 30,636	$ 559,745	$ 1,293,114	$ 52,167	$ 182,994	$ 213,615	$ 303,606	$ 82,151	$ 14,736,225
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	$ 4,671	$ -	$ 13,251	$ 142,350	$ 27,243	$ 4	$ 479	$ 52,810	$ 75	$ 1,201,775
Accrued Liabilities	-	-	-	674	2,589	306	1,063	-	-	-
Due to Other Funds	-	-	-	-	390,051	-	184,243	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	84,179	-	-	651,324	-	58,086	-	250,796	-	-
Total Liabilities	88,850	-	13,251	794,348	419,883	58,396	185,785	303,606	75	1,201,775
Fund Balances:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	203,427	-	-	498,766	-	124,598	27,830	-	-	13,534,450
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	30,636	546,494	-	-	-	-	-	82,076	-
Unassigned (Deficit)	-	-	-	-	(367,716)	-	-	-	-	-
Total Fund Balances (Deficit)	203,427	30,636	546,494	498,766	(367,716)	124,598	27,830	-	82,076	13,534,450
Total Liabilities and Fund Balances	$ 292,277	$ 30,636	$ 559,745	$ 1,293,114	$ 52,167	$ 182,994	$ 213,615	$ 303,606	$ 82,151	$ 14,736,225

COMBINING BALANCE SHEET
ALL NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
September 30, 2020

	Special Revenue Funds	Capital Project Funds				
	Environmental Fee Fund	Community Investment Fund	I-95 Interchange Fund	Road Maintenance Fund	Connector Road I-95 Fund	Total Nonmajor Governmental Funds
ASSETS						
Cash and Cash Equivalents	$ 114,700	$ 194,500	$ 305,628	$ 85,725	$ 30,056	$ 11,232,069
Investments	-	141,284	-	3,106,807	1,153,787	11,035,399
Restricted Cash and Equivalents	-	-	-	-	-	182,994
Accounts Receivable	-	-	-	-	-	1,130
Due from Other Governments	-	629,677	-	-	-	866,087
Due from Other Funds	-	-	-	-	-	184,243
Land Held for Resale	-	-	-	-	-	4,000
Prepaid Items	-	-	-	-	-	2,772
Total Assets	$ 114,700	$ 965,461	$ 305,628	$ 3,192,532	$ 1,183,843	$ 23,508,694
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	$ 13,485	$ 182,572	$ 90,219	$ 106,538	$ 992,579	$ 2,828,051
Accrued Liabilities	-	-	-	-	-	4,632
Due to Other Funds	-	-	-	-	-	574,294
Advances from Other Funds	523,802	-	-	-	-	523,802
Due to Other Governments	52,537	-	-	-	-	52,537
Unearned Revenue	-	-	-	-	-	1,044,385
Total Liabilities	589,824	182,572	90,219	106,538	992,579	5,027,701
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	215,409	-	191,264	14,795,744
Committed	-	7,648	-	3,085,994	-	3,093,642
Assigned	-	775,241	-	-	-	1,434,447
Unassigned (Deficit)	(475,124)	-	-	-	-	(842,840)
Total Fund Balances (Deficit)	(475,124)	782,889	215,409	3,085,994	191,264	18,480,993
Total Liabilities and Fund Balances	$ 114,700	$ 965,461	$ 305,628	$ 3,192,532	$ 1,183,843	$ 23,508,694

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	Special Revenue Funds					
	Law Enforcement Trust	PB Municipal Foundation Fund	Code Nuisance Fund	SHIP Program	Community Development Block Grant	HOME Grant
REVENUES						
Taxes	$ -		$ -	$ -	$ -	$ -
Impact Fees	-	-	-	-	-	-
Intergovernmental Revenues	-	-	-	634,675	210,696	-
Charges for Services	-	-	182,516	72,638	885	-
Fines and Forfeitures	109,766	-	-	-	-	-
Investment Income	3,125	-	3,698	4,956	-	-
Miscellaneous Revenues	4,103	26,820	-	-	-	-
Total Revenues	116,994	26,820	186,214	712,269	211,581	-
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	52,420	24,285	71,719	-	-	-
Economic Environment	-	-	-	761,046	162,483	8,811
Culture/Recreation	-	-	-	-	-	-
Debt Service:						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Capital Outlay	51,062	-	-	-	411,469	-
Total Expenditures	103,482	24,285	71,719	761,046	573,952	8,811
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,512	2,535	114,495	(48,777)	(362,371)	(8,811)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	460	1,476	241
Transfers Out	-	-	-	-	-	-
Capital Leases	-		-	-	-	-
Capital Contributions	-		-	-	-	-
Proceeds of Refunding Debt	-	-	-	-	-	-
Issuance of Debt	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	460	1,476	241
Special Item	-		-	-	-	-
Net Change in Fund Balances	13,512	2,535	114,495	(48,317)	(360,895)	(8,570)
Fund Balances (Deficit) - Beginning	189,915	28,101	431,999	547,083	(6,821)	133,168
Fund Balances (Deficit) - Ending	$ 203,427	$ 30,636	$ 546,494	$ 498,766	$ (367,716)	$ 124,598

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For the Year Ended September 30, 2020

	Special Revenue Funds				
	Neighborhood Stabilization Program	Coronavirus Relief Fund	Misc. Donations	Impact Fee Trust	Environmental Fee Fund
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Impact Fees	-	-	-	7,880,081	-
Intergovernmental Revenues	-	91,458	-	-	-
Charges for Services	40,000	-	-	-	55,334
Fines and Forfeitures	-	-	-	-	-
Investment Income	-	-	-	89,051	-
Miscellaneous Revenues	-	-	18,596	-	-
Total Revenues	40,000	91,458	18,596	7,969,132	55,334
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	20,156	4,593	-
Transportation	-	-	-	1,977	-
Economic Environment	40,052	91,458	-	-	13,485
Culture/Recreation	-	-	-	1,043	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	-	-	-	1,191,035	-
Total Expenditures	40,052	91,458	20,156	1,198,648	13,485
Excess (Deficiency) of Revenues Over (Under) Expenditures	(52)	-	(1,560)	6,770,484	41,849
OTHER FINANCING SOURCES (USES)					
Transfers In	926	-	-	491,339	50,000
Transfers Out	-	-	-	(2,123,865)	-
Total Other Financing Sources (Uses)	926	-	-	(1,632,526)	50,000
Net Change in Fund Balances	874	-	(1,560)	5,137,958	91,849
Fund Balances (Deficit) - Beginning	26,956	-	83,636	8,396,492	(566,973)
Fund Balances (Deficit) - Ending	$ 27,830	$ -	$ 82,076	$ 13,534,450	$ (475,124)

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For the Year Ended September 30, 2020

	Capital Project Funds				
	Community Investment Fund	I-95 Interchange Fund	Road Maintenance Fund	Connector Road I-95 Fund	Total Nonmajor Governmental Funds
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Impact Fees	-	-	-	-	7,880,081
Intergovernmental Revenues	950,180	-	-	-	1,887,009
Charges for Services	-	-	-	-	351,373
Fines and Forfeitures	-	-	-	-	109,766
Investment Income	2,294	497	21,431	23,354	148,406
Miscellaneous Revenues	-	-	-	-	49,519
Total Revenues	952,474	497	21,431	23,354	10,426,154
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	173,173
Transportation	38	53	36,782	9	38,859
Economic Environment	-	-	-	-	1,077,335
Culture/Recreation	-	-	-	-	1,043
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Capital Outlay	508,992	260,605	110,464	2,887,109	5,420,736
Total Expenditures	509,030	260,658	147,246	2,887,118	6,711,146
Excess (Deficiency) of Revenues Over (Under) Expenditures	443,444	(260,161)	(125,815)	(2,863,764)	3,715,008
OTHER FINANCING SOURCES (USES)					
Transfers In	224,473	-	967,869	-	1,736,784
Transfers Out	(146,086)	-	-	-	(2,269,951)
Issuance of Refunding Debt	-	-	-	-	112,199
Issuance of Debt	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	(112,199)
Total Other Financing Sources (Uses)	78,387	-	967,869	-	(533,167)
Net Change in Fund Balances	521,831	(260,161)	842,054	(2,863,764)	3,181,841
Fund Balances (Deficit) - Beginning	261,058	475,570	2,243,940	3,055,028	15,299,152
Fund Balances (Deficit) - Ending	$ 782,889	$ 215,409	$ 3,085,994	$ 191,264	$ 18,480,993

THIS PAGE INTENTIONALLY LEFT BLANK.

BUDGETARY COMPARISON SCHEDULE
LAW ENFORCEMENT TRUST
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Fines and Forfeitures	$ 5,000	$ 109,766	$ 104,766
Investment Income	-	3,125	3,125
Miscellaneous Revenues	-	4,103	4,103
Total Revenues	5,000	116,994	111,994
EXPENDITURES			
Current:			
Public Safety	72,687	52,420	20,267
Capital Outlay	97,313	51,062	46,251
Total Expenditures	170,000	103,482	66,518
Excess (Deficiency) of Revenues Over (Under) Expenditures	(165,000)	13,512	178,512
Net Change in Fund Balance	$ (165,000)	13,512	$ 178,512
Fund Balance - Beginning		189,915	
Fund Balance - Ending		$ 203,427	

BUDGETARY COMPARISON SCHEDULE
PALM BAY MUNICIPAL FOUNDATION
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Miscellaneous Revenues	$ 31,000	$ 26,820	$ (4,180)
Total Revenues	31,000	26,820	(4,180)
EXPENDITURES			
Current:			
Public Safety	30,800	24,285	6,515
Total Expenditures	30,800	24,285	6,515
Excess (Deficiency) of Revenues Over (Under) Expenditures	200	2,535	2,335
Net Change in Fund Balance	$ 200	2,535	$ 2,335
Fund Balance - Beginning		28,101	
Fund Balance - Ending		$ 30,636	

BUDGETARY COMPARISON SCHEDULE
CODE NUISANCE FUND
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Charges for Services	$ 155,000	$ 182,516	$ 27,516
Investment Income	3,600	3,698	98
Total Revenues	158,600	186,214	27,614
EXPENDITURES			
Current:			
Public Safety	98,031	71,719	26,312
Total Expenditures	98,031	71,719	26,312
Excess of Revenues Over Expenditures	60,569	114,495	53,926
Net Change in Fund Balance	$ 60,569	114,495	$ 53,926
Fund Balance - Beginning		431,999	
Fund Balance - Ending		$ 546,494	

BUDGETARY COMPARISON SCHEDULE
SHIP PROGRAM
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	$ 837,055	$ 634,675	$ (202,380)
Charges for Services	15,000	72,638	57,638
Investment Income	3,500	4,956	1,456
Total Revenues	855,555	712,269	(143,286)
EXPENDITURES			
Current:			
Economic Environment	1,402,544	761,046	641,498
Culture and Recreation			-
Capital Outlay	335,058	-	335,058
Total Expenditures	1,737,602	761,046	976,556
Excess (Deficiency) of Revenues Over (Under) Expenditures	(882,047)	(48,777)	833,270
OTHER FINANCING USES			
Transfers In	460	460	-
Total Other Financing Sources	460	460	-
Net Change in Fund Balance	$ (881,587)	(48,317)	$ 833,270
Fund Balance - Beginning		547,083	
Fund Balance - Ending		$ 498,766	

BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	$ 1,484,234	$ 210,696	$ (1,273,538)
Charges for Services	900	885	(15)
Total Revenues	1,485,134	211,581	(1,273,553)
EXPENDITURES			
Current:			
Economic Environment	325,230	162,483	162,747
Capital Outlay	1,077,795	411,469	666,326
Total Expenditures	1,403,025	573,952	829,073
Excess (Deficiency) of Revenues Over (Under) Expenditures	82,109	(362,371)	(444,480)
OTHER FINANCING SOURCES			
Transfers In	1,476	1,476	-
Net Change in Fund Balance	$ 83,585	(360,895)	$ (444,480)
Fund Balance (Deficit) - Beginning		(6,821)	
Fund Balance (Deficit) - Ending		$ (367,716)	

BUDGETARY COMPARISON SCHEDULE
HOME GRANT
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	$ 488,098	$ -	$ (488,098)
Charges for Services	58,086	-	(58,086)
Total Revenues	546,184	-	(546,184)
EXPENDITURES			
Current:			
Economic Environment	155,071	8,811	146,260
Capital Outlay	325,922	-	325,922
Total Expenditures	480,993	8,811	472,182
Excess (Deficiency) of Revenues Over (Under) Expenditures	65,191	(8,811)	(74,002)
OTHER FINANCING SOURCES			
Transfers In	241	241	-
Total Other Financing Sources	241	241	-
Net Change in Fund Balance	$ 65,432	(8,570)	$ (74,002)
Fund Balance - Beginning		133,168	
Fund Balance - Ending		$ 124,598	

BUDGETARY COMPARISON SCHEDULE
NEIGHBORHOOD STABILIZATION PROGRAM
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	$ 791,793	$ -	$ (791,793)
Charges for Services	40,000	40,000	-
Total Revenues	831,793	40,000	(791,793)
EXPENDITURES			
Current:			
Economic Environment	82,282	40,052	42,230
Capital Outlay	801,683	-	801,683
Total Expenditures	883,965	40,052	843,913
Excess of Revenues Over Expenditures	(52,172)	(52)	52,120
OTHER FINANCING SOURCES			
Transfers	926	926	-
Total Other Financing Sources	926	926	-
Net Change in Fund Balance	$ (51,246)	874	$ 52,120
Fund Balance - Beginning		26,956	
Fund Balance - Ending		$ 27,830	

BUDGETARY COMPARISON SCHEDULE
CORONAVIRUS RELIEF
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	**$ 342,255**	**$ 91,458**	**$ (250,797)**
Total Revenues	**342,255**	**91,458**	**(250,797)**
EXPENDITURES			
Current:			
Economic Environment	**342,255**	**91,458**	**250,797**
Capital Outlay	**-**	**-**	**-**
Total Expenditures	**342,255**	**91,458**	**250,797**
Excess of Revenues Over Expenditures	**-**	**-**	**-**
Net Change in Fund Balance	**$ -**	**-**	**$ -**
Fund Balance - Beginning		**-**	
Fund Balance - Ending		**$ -**	

BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS DONATIONS
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Miscellaneous Revenues	$ 15,303	$ 18,596	$ 3,293
Total Revenues	15,303	18,596	3,293
EXPENDITURES			
Public Safety	20,437	20,156	281
Total Expenditures	20,437	20,156	281
Excess of Revenues Over Expenditures	(5,134)	(1,560)	3,574
Net Change in Fund Balance	$ (5,134)	(1,560)	$ 3,574
Fund Balance - Beginning		83,636	
Fund Balance - Ending		$ 82,076	

BUDGETARY COMPARISON SCHEDULE
IMPACT FEE TRUST
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Impact Fees	$ 3,802,000	$ 7,880,081	$ 4,078,081
Investment Income	64,610	89,051	24,441
Total Revenues	3,866,610	7,969,132	4,102,522
EXPENDITURES			
Current:			
Culture/Recreation	18,488	1,043	17,445
Public Safety	8,250	4,593	3,657
Physical Environment	-	-	-
Transportation	2,250	1,977	273
Capital Outlay	2,246,788	1,191,035	1,055,753
Total Expenditures	2,275,776	1,198,648	1,077,128
Excess of Revenues Over Expenditures	1,590,834	6,770,484	5,179,650
OTHER FINANCING SOURCES (USES)			
Transfers In	491,339	491,339	-
Transfers (Out)	(2,144,158)	(2,123,865)	20,293
Total Other Financing Sources (Uses)	(1,652,819)	(1,632,526)	20,293
Net Change in Fund Balance	$ (61,985)	5,137,958	$ 5,199,943
Fund Balance - Beginning		8,396,492	
Fund Balance - Ending		$ 13,534,450	

BUDGETARY COMPARISON SCHEDULE
ENVIRONMENTAL FEE
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Charges for Services	$ 22,000	$ 55,334	$ 33,334
Total Revenues	22,000	55,334	33,334
EXPENDITURES			
Current:			
Physical Environment	18,113	13,485	4,628
Total Expenditures	18,113	13,485	4,628
Excess of Revenues Over Expenditures	3,887	41,849	28,706
OTHER FINANCING (USES)			
Transfers In	50,000	50,000	-
Total Other Financing Sources	50,000	50,000	-
Net Change in Fund Balance	$ 53,887	91,849	$ 28,706
Fund Balance (Deficit) - Beginning		(566,973)	
Fund Balance (Deficit) - Ending		$ (475,124)	

BUDGETARY COMPARISON SCHEDULE
COMMUNITY INVESTMENT FUND
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Intergovernmental Revenues	$ 8,247,178	$ 950,180	$ (7,296,998)
Charges for Services			-
Investment Income	5,000	2,294	(2,706)
Total Revenues	8,252,178	952,474	(7,299,704)
EXPENDITURES			
Current:			
Transportation	160,000	38	159,962
Capital Outlay	4,405,778	508,992	3,896,786
Total Expenditures	4,565,778	509,030	4,056,748
Excess of Revenues Over Expenditures	3,686,400	443,444	(3,242,956)
OTHER FINANCING SOURCES (USES)			
Transfers In	224,473	224,473	-
Transfers Out	(146,086)	(146,086)	-
Total Other Financing Sources (Uses)	78,387	78,387	-
Net Change in Fund Balance	$ 3,764,787	521,831	$ (3,242,956)
Fund Balance - Beginning		261,058	
Fund Balance - Ending		$ 782,889	

BUDDGETARY COMPARISON SCHEDULE
I-95 INTERCHANGE FUND
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Investment Income	$ 7,000	$ 497	$ (6,503)
Total Revenues	7,000	497	(6,503)
EXPENDITURES			
Current:			
Transportation	100	53	47
Capital Outlay	505,750	260,605	245,145
Total Expenditures	505,850	260,658	245,192
Excess of Revenues Over Expenditures	(498,850)	(260,161)	238,689
Net Change in Fund Balance	$ (498,850)	(260,161)	$ 238,689
Fund Balance - Beginning		475,570	
Fund Balance - Ending		$ 215,409	

BUDGETARY COMPARISON SCHEDULE
ROAD MAINTENANCE CIP FUND
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Investment Income	$ 25,000	$ 21,431	$ (3,569)
Total Revenues	25,000	21,431	(3,569)
EXPENDITURES			
Current:			
Transportation	113,296	36,782	76,514
Capital Outlay	432,552	110,464	322,088
Total Expenditures	545,848	147,246	398,602
(Deficiency) of Revenues (Under) Expenditures	(545,848)	(125,815)	395,033
OTHER FINANCING SOURCES (USES)			
Transfers In	967,869	967,869	-
Total Other Financing Sources (Uses)	967,869	967,869	-
Net Change in Fund Balance	$ 422,021	842,054	$ 395,033
Fund Balance - Beginning		2,243,940	
Fund Balance - Ending		$ 3,085,994	

BUDGETARY COMPARISON SCHEDULE
CONNECTOR ROAD I-95 CIP FUND
For the Year Ended September 30, 2020

	Budget	Actual Amounts	Variance with Budget - Positive (Negative)
REVENUES			
Investment Income	$ 110,000	$ 23,354	$ (86,646)
Total Revenues	110,000	23,354	(86,646)
EXPENDITURES			
Current:			
Physical Environment			
Transportation	50	9	41
Capital Outlay	3,354,948	2,887,109	467,839
Total Expenditures	3,354,998	2,887,118	467,880
Excess of Revenues Over Expenditures	(3,244,998)	(2,863,764)	381,234
Net Change in Fund Balance	$ (3,244,998)	(2,863,764)	$ 381,234
Fund Balance - Beginning		3,055,028	
Fund Balance - Ending		$ 191,264	

THIS PAGE INTENTIONALLY LEFT BLANK

NONMAJOR ENTERPRISE FUNDS

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

The City maintains the following Nonmajor Enterprise Funds:

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

Solid Waste Fund – This fund is used to account for residential solid waste collection services administered by the City in partnership with Waste Management.

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
September 30, 2020

	Nonmajor Enterprise Funds		
	Building Inspection Fund	Solid Waste Fund	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 1,885,561	$ 605,899	$ 2,491,460
Investments	5,108,057	1,837,697	6,945,754
Restricted Cash and Cash Equivalents	-	350,950	350,950
Accounts Receivable - (Net)	-	448,427	448,427
Advances to Other Funds	127,171	-	127,171
Inventory	-	10,013	10,013
Prepaid Items	326	-	326
Total Current Assets	7,121,115	3,252,986	10,374,101
Noncurrent Assets:			
Advances to Other Funds	523,802	-	523,802
Capital Assets:			
Machinery, Equipment and Vehicles	624,149	2,761,770	3,385,919
Less: Accumulated Depreciation	(22,441)	(2,616,148)	(2,638,589)
Total Capital Assets (Net)	601,708	145,622	747,330
Total Noncurrent Assets	1,125,510	145,622	1,271,132
Total Assets	8,246,625	3,398,608	11,645,233
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to OPEB	66,287	33,144	99,431
Total Deferred Outflows of Resources	66,287	33,144	99,431
LIABILITIES			
Current Liabilities:			
Accounts Payable	183,934	871,578	1,055,512
Accrued Liabilities	61,077	3,442	64,519
Unearned Revenues	85,608	448,000	533,608
Compensated Absences	12,191	478	12,669
Current Liabilities Payable from Restricted Assets:			
Customer Deposits	-	350,950	350,950
Total Current Liabilities	342,810	1,674,448	2,017,258
Noncurrent Liabilities:			
Total OPEB Liability	247,626	123,813	371,439
Compensated Absences	64,004	2,509	66,513
Total Noncurrent Liabilities	311,630	126,322	437,952
Total Liabilities	654,440	1,800,770	2,455,210
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to OPEB	25,507	12,754	38,261
Total Deferred Outflows of Resources	25,507	12,754	38,261
NET POSITION			
Net Investment in Capital Assets	601,708	145,622	747,330
Restricted:			
Building Fund	7,031,257	-	7,031,257
Unrestricted	-	1,472,606	1,472,606
Total Net Position	$ 7,632,965	$ 1,618,228	$ 9,251,193

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For Fiscal Year Ended September 30, 2020

	Nonmajor Enterprise Funds		
	Building Inspection Fund	Solid Waste Fund	Total Nonmajor Enterprise Funds
Operating Revenues:			
Charges for Services:			
Solid Waste	$ -	$ 6,209,924	$ 6,209,924
User Fees	211,727	-	211,727
Licenses and Permits	3,943,077	-	3,943,077
Miscellaneous Income	74,397	16,103	90,500
Total Operating Revenues	4,229,201	6,226,027	10,455,228
Operating Expenses:			
Personal Services	1,502,155	265,511	1,767,666
Material, Supplies, and Operating expenses	1,082,095	5,659,005	6,741,100
Depreciation	28,374	278,450	306,824
Total Operating Expenses	2,612,624	6,202,966	8,815,590
Operating Income (Loss)	1,616,577	23,061	1,639,638
Nonoperating Revenues (Expenses):			
Interest Income	51,921	28,975	80,896
Interest Expense and Fiscal Charges	-	(4,757)	(4,757)
Total Nonoperating Revenues	51,921	24,218	76,139
Income Before Contributions and Transfers	1,668,498	47,279	1,715,777
Transfers In	69,425	11,760	81,185
Transfers Out	-	(8,194)	(8,194)
Change in Net Position	1,737,923	50,845	1,788,768
Total Net Position - Beginning	5,895,042	1,567,383	7,462,425
Total Net Position - Ending	$ 7,632,965	$ 1,618,228	$ 9,251,193

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For Fiscal Year Ended September 30, 2020

	NonMajor Enterprise Funds		
	Building Inspection Fund	Solid Waste Fund	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities			
Receipts from Customers and Users	$ 4,229,201	$ 6,297,331	$ 10,526,532
Payments to Suppliers	(1,075,522)	(5,931,890)	(7,007,412)
Payments to Employees	(1,320,805)	(265,256)	(1,586,061)
Net Cash Provided (Used) by Operating Activities	1,832,874	100,185	1,933,059
Cash Flows from Noncapital Financing Activities			
Interfund Advances	316,764	-	316,764
Transfers to Other Funds	-	(8,194)	(8,194)
Transfers from Other Funds	69,425	11,760	81,185
Net Cash Provided (Used) by Noncapital Financing Activities	386,189	3,566	389,755
Cash Flows from Capital and Related Financing Activities			
Acquisition/Construction of Capital Assets	(122,113)	-	(122,113)
Principal Paid on Capital Debt	-	-	-
Interest Paid on Capital Debt	-	(4,757)	(4,757)
Net Cash Provided (Used) by Capital and Related Financing Activities	(122,113)	(4,757)	(126,870)
Cash Flows from Investing Activities			
Invest Purchases	(3,379,868)	339,000	(3,040,868)
Interest Income on Investments	51,921	28,975	80,896
Net Cash Used by Investing Activities	(3,327,947)	367,975	(2,959,972)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,230,997)	466,969	(764,028)
Cash and Cash Equivalents at Beginning of Year	3,116,558	489,880	3,606,438
Cash and Cash Equivalents at End of Year	$ 1,885,561	$ 956,849	$ 2,842,410
Cash and Cash Equivalents Classified As:			
Current Assets	$ 1,885,561	$ 605,899	$ 2,491,460
Restricted Assets	-	350,950	350,950
Total Cash and Cash Equivalents	$ 1,885,561	$ 956,849	$ 2,842,410

Continued on the next page

STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
For Fiscal Year Ended September 30, 2020

	NonMajor Enterprise Funds		
	Building Inspection Fund	Solid Waste Fund	Total Nonmajor Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ 1,616,577	$ 23,061	$ 1,639,638
Depreciation	28,374	278,450	306,824
Change in Assets and Liabilities:			
Decrease in Accounts Receivable	-	55,976	55,976
Decrease in Deferred Outflows - OPEB	11,568	5,784	17,352
Decrease in Inventories	-	12,375	12,375
Increase (Decrease) in Accounts Payable	60,239	(6,223)	54,016
Increase (Decrease) in Accrued Liabilities	17,716	(5,986)	11,730
(Decrease) in Capital Lease Payable	-	(273,247)	(273,247)
Increase in Customer Deposits	-	19,193	19,193
Increase in Total OPEB Liability	11,321	5,661	16,982
Increase (Decrease) in Compensated Absences	6,573	(8,639)	(2,066)
Increase (Decrease) Unearned Revenue	85,608	(3,669)	81,939
(Decrease) Deferred Inflow - OPEB	(5,102)	(2,551)	(7,653)
Total Adjustments	216,297	77,124	293,421
Net Cash Provided (Used) by Operating Activities	$ 1,832,874	$ 100,185	$ 1,933,059

THIS PAGE INTENTIONALLY LEFT BLANK

INTERNAL SERVICE FUNDS

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

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

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

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

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2020

	Risk Management	Employee Benefit	Fleet Services	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 139,497	$ 2,544,423	$ 1,556,873	$ 4,240,793
Investments	5,829,655	6,074,040	1,967,616	13,871,311
Accounts Receivable (Net)	5,132	104,704	12,291	122,127
Inventory	-	-	216,397	216,397
Prepaid Items	240,175	35,101	140	275,416
Total Current Assets	6,214,459	8,758,268	3,753,317	18,726,044
Capital Assets:				
Machinery, Equipment and Vehicles	-	-	10,762,010	10,762,010
Less Accumulated Depreciation	-	-	(8,606,380)	(8,606,380)
Total Capital Assets (Net)	-	-	2,155,630	2,155,630
Total Assets	6,214,459	8,758,268	5,908,947	20,881,674
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to OPEB	-	-	66,287	66,287
Total Deferred Outflows of Resources	-	-	66,287	66,287
LIABILITIES				
Current Liabilities:				
Accounts Payable	90,692	142,657	193,534	426,883
Accrued Liabilities	46,578	84,836	49,437	180,851
Compensated Absences	-	-	15,024	15,024
Claims Payable	510,080	560,301	-	1,070,381
Total Current Liabilities	647,350	787,794	257,995	1,693,139
Noncurrent Liabilities:				
Total OPEB Liability	-	-	247,626	247,626
Compensated Absences	-	-	78,877	78,877
Claims Payable	2,677,920	-	-	2,677,920
Total Noncurrent Liabilities	2,677,920	-	326,503	3,004,423
Total Liabilities	3,325,270	787,794	584,498	4,697,562
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows related to OPEB	-	-	25,507	25,507
Total Deferred Outflows of Resources	-	-	25,507	25,507
NET POSITION				
Net Investment in Capital Assets	-	-	2,155,630	2,155,630
Restricted:				
Employee Benefits	-	1,800,000	-	1,800,000
Unrestricted	2,889,189	6,170,474	3,209,599	12,269,262
Total Net Position	$ 2,889,189	$ 7,970,474	$ 5,365,229	$ 16,224,892

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For Fiscal Year Ended September 30, 2020

	Risk Management	Employee Benefit	Fleet Services	Total
Operating Revenues:				
Charges for Services	$ 4,473,598	$ 15,716,259	$ 4,091,034	$ 24,280,891
Miscellaneous Income	979	6,046	16,777	23,802
Total Operating Revenues	4,474,577	15,722,305	4,107,811	24,304,693
Operating Expenses:				
Personal Services	1,109,387	2,056,763	1,122,457	4,288,607
Contracted Services	61,438	1,757,731	-	1,819,169
Supplies and Materials	7,335	1,137	1,364,972	1,373,444
Repairs and Maintenance	-	-	357,452	357,452
Other Services and Charges	119,264	27,761	45,841	192,866
Claims/Premium Expense	1,185,823	10,868,674	-	12,054,497
Depreciation	-	-	617,124	617,124
Total Operating Expenses	2,483,247	14,712,066	3,507,846	20,703,159
Operating Income (Loss)	1,991,330	1,010,239	599,965	3,601,534
Nonoperating Revenues (Expenses)				
Interest Income	125,394	74,230	8,406	208,030
Interest Expense and Fiscal Charges	-	-	(28,625)	(28,625)
Intergovernmental Revenues	-	-	82,660	82,660
Gain on Sale of Capital Assets	-	-	10,272	10,272
Gain (Loss) on Disposal of Capital Assets	-	-	(11,455)	(11,455)
Total Nonoperating Revenues (Expenses)	125,394	74,230	61,258	260,882
Income (Loss) Before Transfers	2,116,724	1,084,469	661,223	3,862,416
Transfers In	-	7,314	3,202,801	3,210,115
Transfers Out	(2,126,197)	-	(444,313)	(2,570,510)
Change in Net Position	(9,473)	1,091,783	3,419,711	4,502,021
Total Net Position - Beginning	2,898,662	6,878,691	1,945,518	11,722,871
Total Net Position - Ending	$ 2,889,189	$ 7,970,474	$ 5,365,229	$ 16,224,892

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For Fiscal Year Ended September 30, 2020

	Risk Management	Employee Benefit	Fleet Services	Total
Cash Flows from Operating Activities				
Receipts from Customers and Users	$ 4,688,042	$ 15,726,175	$ 4,106,564	$ 24,520,781
Payments to Suppliers	(1,331,631)	(12,599,642)	(1,705,225)	(15,636,498)
Payments to Employees	(1,418,387)	(1,608,770)	(1,118,217)	(4,145,374)
Net Cash Provided (Used) by Operating Activities	1,938,024	1,517,763	1,283,122	4,738,909
Cash Flows from Noncapital Financing Activities				
Interfund Advances	-	-	(944,202)	(944,202)
Intergovernmental Revenues	-	-	82,660	82,660
Transfers from Other Funds	-	7,314	2,758,488	2,765,802
Transfers to Other Funds	(2,126,197)	-	-	(2,126,197)
Net Cash Provided (Used) by Noncapital Financing Activities	(2,126,197)	7,314	1,896,946	(221,937)
Cash Flows from Capital and Related Financing Activities				
Acquisition/Construction of Capital Assets	-	-	(633,645)	(633,645)
Interest Paid on Capital Debt	-	-	(28,625)	(28,625)
Proceeds from Sales of Capital Assets	-	-	(1,183)	(1,183)
Net Cash Used by Capital and Related Financing Activities	-	-	(663,453)	(663,453)
Cash Flows from Investing Activities				
Investment purchases	(617,272)	(1,617,747)	(1,505,651)	(3,740,670)
Interest Income on Investments	125,394	74,230	8,406	208,030
Net Cash Provided (Used) by Investing Activities	(491,878)	(1,543,517)	(1,497,245)	(3,532,640)
Net Increase (Decrease) in Cash and Cash Equivalents	(680,051)	(18,440)	1,019,370	320,879
Cash and Cash Equivalents at Beginning of Year	819,548	2,562,863	537,503	3,919,914
Cash and Cash Equivalents at End of Year	$ 139,497	$ 2,544,423	$ 1,556,873	$ 4,240,793

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
For Fiscal Year Ended September 30, 2020

	Risk Management	Employee Benefit	Fleet Services	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	**$ 1,991,330**	**$ 1,010,239**	**$ 599,965**	**$ 3,601,534**
Depreciation	**-**	**-**	**617,124**	**617,124**
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	**217,865**	**3,870**	**(1,247)**	**220,488**
(Increase) in Deferred Outflows - OPEB	**-**	**-**	**11,568**	**11,568**
Decrease in Inventory	**-**	**-**	**6,993**	**6,993**
(Increase) in Prepaid Expenses	**3,225**	**-**	**-**	**3,225**
(Decrease) in Accounts Payable	**23,936**	**3,210**	**31,142**	**58,288**
Increase in Accrued Liabilities	**10,668**	**52,451**	**13,337**	**76,456**
Increase in Total OPEB Liability	**-**	**-**	**11,321**	**11,321**
Increase in Compensated Absences	**-**	**-**	**(1,979)**	**(1,979)**
Increase in Claims Payable	**(309,000)**	**447,993**	**-**	**138,993**
(Decrease) in Deferred Inflows - OPEB	**-**	**-**	**(5,102)**	**(5,102)**
Total Adjustments	**(53,306)**	**507,524**	**683,157**	**1,137,375**
Net Cash Provided by (Used) in Operating Activities	**$ 1,938,024**	**$ 1,517,763**	**$ 1,283,122**	**$ 4,738,909**

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

PENSION TRUST FUNDS

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

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

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

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

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
September 30, 2020

ASSETS	Police Officers	Fire Fighters	General Employees	Total
Cash and Cash Equivalents	$ 6,291,103	$ 3,584,356	$ 14,495	$ 9,889,954
Investments, at fair value:				
Common Stock	39,381,313	24,557,340	-	63,938,653
Domestic Equity Funds	10,926,463	8,334,805	130,689	19,391,957
U.S. Government securities	14,584,724	9,711,069	-	24,295,793
Corporate Bonds	10,878,228	7,593,939	-	18,472,167
Bond Funds	-	-	70,836	70,836
International Equity Funds	16,732,975	16,343,649	-	33,076,624
Real Estate Funds	11,472,118	11,472,118	-	22,944,236
Convertible Securities	11,380,913	11,151,199	-	22,532,112
Master Limited Partnership	3,001,606	2,792,067	-	5,793,673
Total investments	118,358,340	91,956,186	201,525	210,516,051
Receivables:				
Accrued Interest and Dividends	195,758	151,589	-	347,347
Due from Broker	290,351	190,976	-	481,327
Other	776	25,271	-	26,047
Due to/from Other Funds	1,233	73	(1,306)	-
Total Receivables	488,118	367,909	(1,306)	854,721
Other assets:	16,593	12,934	67	29,594
Total Assets	125,154,154	95,921,385	214,781	221,290,320
LIABILITIES				
Accounts Payable	190,339	154,396	53	344,788
Deferred Retirement Option Benefits due and currently payable	388,428	878,223	-	1,266,651
Defered City Contributions	50,705	-	-	50,705
Due to broker	607,032	444,821	-	1,051,853
Total Liabilities	1,236,504	1,477,440	53	2,713,997
NET POSITION				
Restricted for Pension Benefits	$ 123,917,650	$ 94,443,945	$ 214,728	$ 218,576,323

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For Fiscal Year Ended September 30, 2020

	Police Officers	Fire Fighters	General Employees	Total
ADDITIONS				
Contributions:				
Employer	$ 1,969,735	$ 2,699,071	$ -	$ 4,668,806
Employee	690,308	555,414	-	1,245,722
State	895,137	526,141	-	1,421,278
Employee Buybacks	40,406	-	-	40,406
Total Contributions	3,595,586	3,780,626	-	7,376,212
Investment Earnings:				
Net Appreciation in Fair Value of Investments	11,917,779	8,262,553	17,849	20,198,181
Interest and Dividends	2,389,272	1,993,742	4,446	4,387,460
Miscellaneous	2,315	1,783	4	4,102
Total Investment Earnings	14,309,366	10,258,078	22,299	24,589,743
Less: Investment Expenses	580,804	456,690	263	1,037,757
Net investment Income	13,728,562	9,801,388	22,036	23,551,986
Total Additions	17,324,148	13,582,014	22,036	30,928,198
DEDUCTIONS				
Benefits	6,083,919	6,558,175	4,115	12,646,209
Refunds	68,247	61,271	-	129,518
Administrative Expense	292,327	233,634	4,358	530,319
Total Deductions	6,444,493	6,853,080	8,473	13,306,046
Change in Net Position	10,879,655	6,728,934	13,563	17,622,152
Net Position - Beginning of Year	113,037,995	87,715,011	201,165	200,954,171
Net Position - End of Year	$ 123,917,650	$ 94,443,945	$ 214,728	$ 218,576,323

THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

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

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

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

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

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

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

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

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

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

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

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

Ratios of General Bonded Debt Outstanding
Legal Debt Margin Information

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

THIS PAGE INTENTIONALLY LEFT BLANK

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	**2020**
Governmental Activities										
Net Investment in Capital Assets	$ 64,944,616	$ 62,197,018	$ 66,933,138	$ 71,988,153	$ 70,258,921	$ 84,756,657	$ 78,676,964	$ 87,256,566	$ 84,229,260	**$ 83,302,221**
Restricted	8,965,925	7,900,735	7,587,515	5,964,416	5,746,759	5,763,641	7,966,761	11,792,213	19,981,407	**33,155,823**
Unrestricted	(4,638,406)	47,211	(3,145,670)	(6,747,290)	(53,586,502)	(57,691,625)	(55,471,045)	(64,588,210)	(59,297,467)	**(56,506,834)**
Total Governmental Activities Net Position	$ 69,272,135	$ 70,144,964	$ 71,374,983	$ 71,205,279	$ 22,419,178	$ 32,828,673	$ 31,172,680	$ 34,460,569	$ 44,913,200	**$ 59,951,210**
Business-Type Activities										
Net Investment in Capital Assets	$ 48,685,483	$ 60,343,032	$ 62,299,381	$ 61,749,179	$ 58,896,518	$ 67,665,318	$ 74,985,257	$ 83,110,556	$ 99,514,931	**$ 113,663,888**
Restricted	14,989,123	14,318,054	14,614,847	16,204,682	17,373,682	17,669,639	19,153,725	20,540,196	26,023,818	**30,300,551**
Unrestricted	20,437,168	9,337,659	8,798,590	8,693,892	13,934,194	11,060,046	9,705,692	14,962,808	15,738,652	**18,967,116**
Total Business-Type Activities Net Position	$ 84,111,774	$ 83,998,745	$ 85,712,818	$ 86,647,753	$ 90,204,394	$ 96,395,003	$ 103,844,674	$ 118,613,560	$ 141,277,401	**$ 162,931,555**
Primary Government										
Net Investment in Capital Assets	$ 113,630,099	$ 122,540,050	$ 129,232,519	$ 133,737,332	$ 129,155,439	$ 152,421,975	$ 153,662,221	$ 170,367,122	$ 183,744,191	**$ 196,966,109**
Restricted	23,955,048	22,218,789	22,202,362	22,169,098	23,120,441	23,433,280	27,120,486	32,332,409	46,005,225	**63,456,374**
Unrestricted	15,798,762	9,384,870	5,652,920	1,946,602	(39,652,308)	(46,631,579)	(45,765,353)	(49,625,402)	(43,558,815)	**(37,539,718)**
Total Primary Government Net Position	$ 153,383,909	$ 154,143,709	$ 157,087,801	$ 157,853,032	$ 112,623,572	$ 129,223,676	$ 135,017,354	$ 153,074,129	$ 186,190,601	**$ 222,882,765**

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

Source: City of Palm Bay Finance Department

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	**2020**
Expenses										
Governmental Activities:										
General Government	$ 9,660,449	$ 7,838,165	$ 15,899,479	$ 11,320,574	$ 12,492,364	$ 18,278,547	$ 18,030,253	$ 18,031,358	$ 24,380,488	**$ 18,919,703**
Public Safety	37,294,661	33,687,869	33,939,602	34,103,180	32,769,687	31,933,038	33,513,185	30,947,636	34,160,050	**34,253,417**
Physical Environment	490,105	872,935	769,669	677,359	585,508	570,447	536,267	545,462	510,564	**492,951**
Transportation	13,676,102	12,984,446	9,036,843	8,442,089	8,363,210	9,065,890	10,938,430	11,737,057	9,226,210	**9,611,992**
Economic Environment	2,360,314	1,576,831	2,337,960	1,154,870	1,313,271	1,181,876	1,406,369	1,751,250	748,663	**1,421,940**
Culture/Recreation	8,992,328	3,890,650	3,899,965	4,098,455	4,873,978	3,988,802	5,392,682	4,804,488	4,865,004	**5,293,102**
Interest on Long-Term Debt	4,449,497	3,441,661	3,149,007	5,263,276	5,017,788	5,102,968	4,321,154	5,208,624	1,916,027	**5,998,985**
Total Governmental Activities Expenses	76,923,456	64,292,557	69,032,525	65,059,803	65,415,806	70,121,568	74,138,340	73,025,875	75,807,006	**75,992,090**
Business-Type Activities:										
Water and Wastewater	24,178,305	23,238,071	22,726,306	22,780,534	22,319,745	21,842,674	22,352,343	23,474,356	23,687,045	**23,662,920**
Building Inspections & Permitting	892,279	712,026	703,220	694,894	761,991	948,470	1,203,472	1,723,865	2,059,136	**2,612,624**
Stormwater Utility	3,564,481	3,164,194	3,408,174	3,547,693	3,684,940	3,635,942	4,087,303	5,562,055	5,744,908	**5,814,390**
Solid Waste	-	-	5,050,744	5,107,458	5,332,128	5,367,656	5,378,107	5,042,519	5,919,240	**6,207,723**
Total Business-Type Activities Expenses	28,635,065	27,114,291	31,888,444	32,130,579	32,098,804	31,794,742	33,021,225	35,802,795	37,410,329	**38,297,657**
Total Primary Government Expenses	$ 105,558,521	$ 91,406,848	$ 100,920,969	$ 97,190,382	$ 97,514,610	$ 101,916,310	$ 107,159,565	$ 108,828,670	$ 113,217,335	**$ 114,289,747**
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	$ 2,739,313	$ 2,902,743	$ 2,927,501	$ 3,196,240	$ 3,014,113	$ 3,024,578	$ 3,107,163	$ 3,510,018	$ 4,074,433	**$ 4,376,161**
Public Safety	1,453,430	1,383,344	1,269,430	2,050,531	764,000	824,263	1,015,504	1,074,778	1,050,036	**1,649,367**
Physical Environment	4,979,119	5,136,773	223,441	226,297	232,242	281,573	314,000	421,054	434,255	**525,415**
Transportation	1,884,626	1,055,081	952,387	597,809	1,710,317	1,871,355	2,511,864	3,420,947	4,575,752	**5,839,498**
Economic Environment	45,299	27,433	72,764	139,089	103,081	109,255	299,757	272,945	57,055	**158,824**
Culture/Recreation	5,674,661	259,619	336,261	383,348	460,205	870,841	1,776,798	1,746,744	1,733,944	**2,194,690**
Operating Grants and Contributions	6,585,450	3,139,324	1,938,613	1,095,233	780,996	1,713,078	1,797,091	3,238,810	3,586,892	**1,285,813**
Capital Grants and Contributions	469,643	610,535	10,132,184	6,137,400	3,187,506	14,539,432	156,824	383,046	132,180	**950,180**
Total Governmental Activities Program Revenues	23,831,541	14,514,852	17,852,581	13,825,947	10,252,460	23,234,375	10,979,001	14,068,342	15,644,547	**16,979,948**
Business-Type Activities:										
Charges for Services	27,765,064	26,861,196	33,812,755	34,289,146	35,731,792	37,513,330	39,583,404	49,570,994	50,058,912	**51,886,498**
Operating Grant and Contributions	-	54,425	-	19,965	-	-	264,422	924,986	177,515	**384,333**
Capital Grants and Contributions	3,078,516	921,157	259,698	562,976	1,211,678	1,690,644	2,072,222	2,679,813	10,365,135	**7,592,339**
Total Business-Type Activities Program Revenues	30,843,580	27,836,778	34,072,453	34,872,087	36,943,470	39,203,974	41,920,048	53,175,793	60,601,562	**59,863,170**
Total Primary Government Program Revenues	$ 54,675,121	$ 42,351,630	$ 51,925,034	$ 48,698,034	$ 47,195,930	$ 62,438,349	$ 52,899,049	$ 67,244,135	$ 76,246,109	**$ 76,843,118**
Net (Expense)/Revenue										
Governmental Activities	$ (53,091,915)	$ (49,777,705)	$ (51,179,944)	$ (51,233,856)	$ (55,163,346)	$ (46,887,193)	$ (63,159,339)	$ (58,957,533)	$ (60,162,459)	**$ (59,012,142)**
Business-Type Activities	2,208,515	722,487	2,184,009	2,741,508	4,844,666	7,409,232	8,898,823	17,372,998	23,191,233	**21,565,513**
Total Primary Government Net Expense	$ (50,883,400)	$ (49,055,218)	$ (48,995,935)	$ (48,492,348)	$ (50,318,680)	$ (39,477,961)	$ (54,260,516)	$ (41,584,535)	$ (36,971,226)	**$ (37,446,629)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	**2020**
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	$ 24,606,678	$ 22,759,737	$ 22,247,692	$ 22,257,795	$ 23,657,324	$ 24,728,117	$ 27,050,557	$ 29,893,290	$ 33,081,759	**$ 38,668,807**
Franchise Fees	5,281,867	4,935,960	4,958,135	5,330,303	5,414,637	5,367,504	5,440,630	5,588,373	5,811,170	**5,691,227**
Utility Service Taxes	6,732,890	6,865,192	7,304,617	7,883,592	7,978,611	8,288,194	8,529,879	8,878,776	9,111,670	**9,347,939**
Communication Service Taxes	3,521,956	3,446,340	3,313,753	3,014,756	2,953,713	2,756,084	2,569,293	2,638,032	2,540,717	**2,613,856**
Gas Tax	2,390,212	3,105,994	3,284,506	3,287,172	3,490,076	3,854,156	4,089,629	3,744,098	4,147,267	**3,706,202**
State Revenue Sharing	7,221,568	7,633,919	8,282,875	8,848,921	9,691,968	10,074,949	10,910,021	11,579,482	11,702,036	**10,987,149**
Investment Earnings	122,491	90,002	33,628	72,435	108,870	129,394	283,435	675,851	1,311,729	**1,591,414**
Miscellaneous	637,595	486,691	1,146,588	783,037	560,143	548,241	840,762	653,012	1,117,075	**547,059**
Transfers	2,480,899	1,326,699	903,994	1,170,069	1,607,411	1,549,049	1,789,140	2,087,287	1,791,667	**896,499**
Total Governmental Activities	52,996,156	50,650,534	51,475,788	52,648,080	55,462,754	57,295,688	61,503,346	65,738,201	70,615,090	**74,050,152**
Business-Type Activities:										
Investment Earnings	649,777	473,724	399,973	246,593	287,353	318,936	316,365	454,585	-	**956,975**
Miscelleneous	26,007	17,459	34,085	21,271	32,033	11,490	23,623	31,314	-	**28,165**
Transfers	(2,480,899)	(1,326,699)	(903,994)	(1,170,069)	(1,607,411)	(1,549,049)	(1,789,140)	(2,087,287)	-	**(896,499)**
Total Business-Type Activities	(1,805,115)	(835,516)	(469,936)	(902,205)	(1,288,025)	(1,218,623)	(1,449,152)	(1,601,388)	-	**88,641**
Total Primary Government	$ 51,191,041	$ 49,815,018	$ 51,005,852	$ 51,745,875	$ 54,174,729	$ 56,077,065	$ 60,054,194	$ 64,136,813	$ 70,615,090	**$ 74,138,793**
Special Item	$ 4,025,658	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**
Change in Net Position										
Governmental Activities	$ 3,929,999	$ 872,829	$ 295,844	$ 1,414,224	$ 299,407	$ 10,409,495	$ (1,655,993)	$ 6,780,668	$ 10,452,631	**$ 15,038,010**
Business-Type Activities	403,400	(113,029)	1,714,073	1,839,303	3,556,641	6,190,609	7,449,671	15,771,610	23,191,233	**21,654,154**
Total Primary Government	$ 4,333,399	$ 759,800	$ 2,009,917	$ 3,253,527	$ 3,856,048	$ 16,600,104	$ 5,793,678	$ 22,552,278	$ 33,643,864	**$ 36,692,164**

Source: City of Palm Bay Finance Department

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	**2020**
General Fund										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	7,836	5,743	1,647,185	61,938	46,334	39,002	21,112	32,134	92,969	**81,503**
Restricted	-	-	-	-	-	-			800,000	**800,000**
Committed	-	-	-	227,109	184,176	184,628	193,358	3,032,788	255,356	**2,793,774**
Assigned	1,539,853	1,525,044	525,456	82,644	152,211	50,883	149,855	154,098	302,040	**342,873**
Unassigned	4,530,160	7,069,823	9,833,161	9,668,623	7,899,629	8,900,069	8,267,662	11,753,606	17,648,421	**20,521,877**
Total General Fund	$ 6,077,849	$ 8,600,610	$ 12,005,802	$ 10,040,314	$ 8,282,350	$ 9,174,582	$ 8,631,987	$ 14,972,626	$ 19,098,786	**$ 24,540,027**
All Other Governmental Funds										
Reserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:	-	-	-	-	-	-			-	**-**
Special Revenue Funds	-	-	-	-	-	-	-	-	-	**-**
Debt Service Funds	-	-	-	-	-	-	-	-	-	**-**
Capital Projects Funds	-	-	-	-	-	-	-	-	-	**-**
Nonspendable	-	-	-	1,048,796	15,980	17,289	870	4,979	3,595	**-**
Restricted	16,747,649	12,669,953	10,664,652	9,875,846	14,941,367	9,604,137	11,745,717	13,495,777	73,692,646	**44,710,933**
Committed	11,126	11,126	-	22,320	2,717,649	2,991,029	3,193,172	11,568,282	2,251,588	**3,093,642**
Assigned	201,780	391,769	-	82,497	144,627	647,747	692,699	659,468	797,146	**1,434,447**
Unassigned	(917,839)	(1,945,502)	(1,849,913)	(883,982)	(1,109,237)	(831,310)	(639,711)	(640,598)	(573,794)	**(842,840)**
Total All Other Governmental Funds	$ 16,042,716	$ 11,127,346	$ 8,814,739	$ 10,145,477	$ 16,710,386	$ 12,428,892	$ 14,992,747	$ 25,087,908	$ 76,171,181	**$ 48,396,182**

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

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	**2020**
Revenues										
Taxes	$ 37,925,252	$ 36,710,391	$ 36,679,583	$ 36,976,223	$ 38,618,035	$ 40,176,777	$ 42,789,546	$ 45,720,435	$ 49,444,711	**$ 54,890,449**
Impact Fees	1,027,028	372,457	720,155	639,943	1,877,655	2,176,573	2,963,444	3,849,450	5,261,719	**7,880,081**
Licenses and Permits	5,304,766	4,955,478	4,970,086	5,335,605	5,423,766	5,376,631	5,449,708	5,605,873	5,829,324	**5,747,984**
Intergovernmental Revenues	18,295,184	11,413,620	20,481,781	16,274,115	13,756,149	14,579,032	13,694,884	15,871,102	16,138,666	**14,014,090**
Charges for Services	8,684,082	9,237,360	3,975,672	3,555,264	3,060,208	3,381,246	3,897,960	4,613,847	4,651,704	**4,885,233**
Fines and Forfeitures	1,020,034	1,011,608	791,871	1,553,992	527,797	553,825	580,173	604,150	574,090	**509,531**
Investment Income	121,702	88,203	32,488	72,233	105,157	120,831	240,902	597,276	1,081,119	**1,383,384**
Contributions	1,281,897	-	-	-	-	-	-	-	-	**-**
Miscellaneous Revenues	994,753	745,030	1,213,985	1,050,804	674,725	669,186	970,787	700,513	969,610	**490,782**
Total Revenues	74,654,698	64,534,147	68,865,621	65,458,179	64,043,492	67,034,101	70,587,404	77,562,646	83,950,943	**89,801,534**
Expenditures										
General Government	9,337,427	7,526,638	7,753,501	10,628,283	10,823,743	14,493,101	15,234,453	18,191,610	20,061,644	**17,694,839**
Public Safety	34,586,291	32,154,990	33,402,862	33,218,144	32,918,077	31,307,440	32,606,478	33,194,023	35,878,114	**36,453,290**
Physical Environment	211,012	92,382	990	12,711	-	-	-	-	-	**-**
Transportation	9,642,321	9,429,373	5,282,387	4,580,076	4,624,274	4,599,336	6,509,086	7,901,067	5,100,262	**5,610,373**
Economic Environment	1,733,091	1,574,094	1,096,703	988,309	1,001,717	691,830	491,654	802,224	748,663	**1,421,940**
Culture/Recreation	7,714,253	3,392,219	3,510,980	3,791,612	4,550,190	3,610,577	4,519,649	4,293,661	4,235,530	**4,771,475**
Debt Service:										
Principal Retirement	16,351,987	2,221,789	2,217,335	2,460,197	1,967,805	2,344,046	2,564,622	2,506,898	4,398,095	**5,645,088**
Interest and Fiscal Charges	4,518,073	3,339,325	3,219,159	3,959,193	4,505,412	4,431,182	4,387,618	4,261,115	5,451,823	**5,697,114**
Bond Issue Costs	133,096	-	-	-	-	-	-	-	-	**-**
Capital Outlay	14,314,045	6,696,831	14,120,928	8,360,630	4,788,835	11,238,697	3,175,468	4,361,160	9,263,528	**31,252,195**
Total Expenditures	98,541,596	66,427,641	70,604,845	67,999,155	65,180,053	72,716,209	69,489,028	75,511,758	85,137,659	**108,546,314**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,886,898)	(1,893,494)	(1,739,224)	(2,540,976)	(1,136,561)	(5,682,108)	1,098,376	2,050,888	(1,186,816)	**(18,744,780)**
Other Financing Sources (Uses)										
Transfers In	9,474,108	7,048,290	9,253,219	11,746,077	10,416,938	11,192,306	10,210,916	10,230,312	12,616,664	**14,210,874**
Transfers Out	(8,117,209)	(7,547,405)	(7,915,475)	(10,484,089)	(9,217,429)	(10,262,545)	(9,669,517)	(9,753,116)	(11,742,301)	**(13,953,980)**
Proceeds From Sale of Capital Assets	-	-	-	-	-	409,500	330,390	566,866	713,075	**134,185**
Issuance of Debt	5,485,000	-	-	-	4,744,000	-	-	9,000,000	50,000,000	-
Bond Premium	-	-	-	-	-	-	-	-	4,808,811	-
Bond Discount	-	-	-	-	-	-	-	(22,500)	-	-
Issuance of Refunding Debt	-	-	2,268,000	54,740,000	-	15,922,652	3,983,000	-	-	51,670,000
Proceeds From Capital Leases	-	-	506,890	-	-	754,000	-	4,363,350	-	6,419,119
Payment to Refunded Bond Escrow Agent	-	-	(2,215,000)	(54,095,765)	-	(15,723,067)	(3,931,905)	-		(56,430,252)
Total Other Financing Sources (Uses)	6,841,899	(499,115)	1,897,634	1,906,223	5,943,509	2,292,846	922,884	14,384,912	56,396,249	**2,049,946**
Special Item	(2,424,693)	-	-	-	-	-	-	-	-	**-**
Net Change in Fund Balances	$ (19,469,692)	$ (2,392,609)	$ 158,410	$ (634,753)	$ 4,806,948	$ (3,389,262)	$ 2,021,260	$ 16,435,800	$ 55,209,433	**$ (16,694,834)**
Debt Service as a Percentage of Noncapital Expenditures	24.33%	9.36%	9.73%	10.79%	10.76%	11.08%	10.61%	9.82%	13.61%	**13.72%**

.

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

Source: City of Palm Bay Finance Department

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

Fiscal Year Ended September 30	Centrally Assessed	Real Property	Personal Property	Total Estimated Actual Value	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2020	**$ 4,432,723**	**$ 8,101,501,430**	**$ 319,025,182**	**$ 8,424,959,335**	**$ 4,039,242,345**	**$ 4,385,716,990**	**8.9675**
2019	4,439,296	7,351,414,300	307,274,133	7,663,127,729	3,675,352,667	3,987,775,062	8.4500
2018	4,286,855	6,557,914,630	292,093,163	6,854,294,648	3,257,123,697	3,597,170,951	8.4500
2017	4,043,730	5,826,201,100	302,075,674	6,132,320,504	2,864,512,704	3,267,807,800	8.4500
2016	3,680,327	5,004,843,870	285,414,593	5,293,938,790	2,325,206,127	2,968,732,663	8.5000
2015	2,770,508	4,482,050,210	305,316,609	4,790,137,327	1,994,187,604	2,794,652,213	8.6326
2014	2,339,055	3,974,742,930	302,825,423	4,279,907,408	1,640,796,077	2,639,111,331	8.6326
2013	2,845,608	3,742,718,710	299,963,912	4,045,528,230	1,531,359,937	2,514,168,293	9.0000
2012	3,045,632	3,881,723,920	267,824,965	4,152,594,517	1,565,788,444	2,586,806,073	9.0000
2011	2,922,219	4,807,504,670	312,268,802	5,122,695,691	1,787,027,471	3,335,668,220	7.5000

Source: Brevard County Property Appraiser

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

	City of Palm Bay Direct Rates			Overlapping Rates Brevard County			Total
Fiscal Year	Operating Millage	Debt Service Millage	Total Direct Rates	Operating Millage	School District	Special Districts	Direct and Overlapping Rates
2020	**8.1379**	**0.8296**	**8.9675**	**5.1891**	**6.0860**	**0.3565**	**20.5991**
2019	8.4500	-	8.4500	5.3540	6.2990	0.3759	20.4789
2018	8.4500	-	8.4500	5.6025	6.5680	0.3981	21.0186
2017	8.4500	-	8.4500	5.8548	6.9160	0.4212	21.6420
2016	8.5000	-	8.5000	6.0692	7.2750	0.4412	22.2854
2015	8.6326	-	8.6326	6.2310	7.3390	0.4633	22.6659
2014	8.6326	-	8.6326	6.3979	7.6060	0.4752	23.1117
2013	9.0000	-	9.0000	6.5199	8.0960	0.4782	24.0941
2012	9.0000	-	9.0000	6.5199	8.1120	0.4782	24.1101
2011	7.5000	-	7.5000	5.8249	7.6530	0.5627	21.5406

Source: Brevard County Tax Collector

PRINCIPAL PROPERTY TAXPAYERS
September 30, 2020

Taxpayers	2020 Taxes Assessed	2020 Rank	2020 Percentage of Total Taxes Levied	2011 Taxes Assessed	2011 Rank	2011 Percentage of Total Taxes Levied
Harris Corporation	**$ 349,018**	**1**	**1.0%**	$ 284,030	1	1.1%
WE Lighthouse Pointe Owner LLC	**148,924**	**2**	**0.4%**	58,500	11	0.2%
WRH Madalyn Landing LLLP	**144,855**	**3**	**0.4%**	**-**	**-**	**-**
Renesas Electronics America Inc	**144,009**	**4**	**0.4%**	120,000	2	0.5%
The Pavilions at Monterey LLC	**138,344**	**5**	**0.4%**	**-**	**-**	**-**
CAPE, LLC	**135,680**	**6**	**0.4%**	**-**	**-**	**-**
AMFP IV Vinings LLC	**134,275**	**7**	**0.4%**	84,375	6	0.3%
WSL Glenbrooke Investors V LLC	**118,000**	**8**	**0.3%**	115,584	3	0.5%
Palm Bay Shopping Plaza LLC	**105,700**	**9**	**0.3%**	93,750	4	0.4%
Wal-Mart Stores East LP	**95,514**	**10**	**0.3%**	85,896	5	0.3%
Rivera Terrace Properties LLC	**92,935**	**11**	**0.3%**	53,175	17	0.2%
H F Partnership LLP	**89,360**	**12**	**0.3%**	57,007	15	0.2%
Jaws Palm Bay LLC	**82,110**	**13**	**0.2%**	-	**-**	0.0%
Palm Bay Improvements LLC	**71,581**	**14**	**0.2%**	60,000	10	0.2%
Palm Bay Storage 18 (FL) LLC	**69,182**	**15**	**0.2%**	**-**	**-**	**-**
Villas at Palm Bay LLC	**68,928**	**16**	**0.2%**	54,750	16	0.2%
Bayside Lakes LLP	**67,813**	**17**	**0.2%**	-	**-**	0.0%
Southern Malabar Cove	**66,243**	**18**	**0.2%**	**-**	**-**	**-**
Palm Bay Partners LLC	**60,980**	**19**	**0.2%**	57,750	14	0.2%
Lowes Home Centers Inc	**56,531**	**20**	**0.2%**	60,254	9	0.2%
Portfolio Real Estate Palm Bay	**-**	**-**	**-**	52,185	18	0.2%
PB/ES LLC	**-**	**-**	**-**	58,065	12	0.2%
Federal National Mortgage Assoc	**-**	**-**	**-**	57,312	13	0.2%
2501 LLC	**-**	**-**	**-**	51,975	19	0.2%
KEW LLC	**-**			49,641	20	0.2%
Malabar Associated, Ltd	**-**			66,160	8	0.3%

Source: Brevard County Tax Collector

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2020	**$ 39,385,383**	**$ 38,517,192**	**97.8%**	**$ 151,615**	**$ 38,668,807**	**98.2%**
2019	33,696,699	32,987,945	97.9%	93,814	33,081,759	98.2%
2018	30,396,095	29,713,617	97.8%	179,673	29,893,290	98.3%
2017	27,612,976	26,938,819	97.6%	111,738	27,050,557	98.0%
2016	25,234,228	24,629,466	97.6%	99,651	24,729,117	98.0%
2015	24,125,115	23,528,650	97.5%	128,673	23,657,323	98.1%
2014	22,782,392	22,130,096	97.1%	127,699	22,257,795	97.7%
2013	22,627,515	21,817,153	96.4%	430,539	22,247,692	98.3%
2012	23,281,255	22,608,173	97.1%	151,563	22,759,737	97.8%
2011	25,017,512	24,376,725	97.4%	229,953	24,606,678	98.4%

Source: City of Palm Bay Finance Department

RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

	Governmental Activities								Activities									
Fiscal Year	Municipal Service Tax Bonds	Local Option Gas Tax Bonds	Taxable Special Obligation Bonds	Sales Tax Revenue Bonds	2013 TSO Refunding Bonds	Sales Tax Refunding Bonds*	General Obligation Bonds**	Capital Leases	BCRA Notes Payable	PST Loan Payable	FMLC Comm Paper Notes	LOGT Refunding Notes	2015 Franchise Fee Revenue Notes	2016 Franchise Fee Revenue Notes	2019 TSO Refunding Bonds	Utility Revenue Bonds	Utility Notes	Capital Leases	Total Primary Government	% of Personal Income
2019	**$ 4,850,000**	**$ -**	**$ 402,345**	**$ -**	**$ 5,760,000**	**$ 13,657,257**	**$ 52,672,929**	**$ 5,913,753**	**$ 752,000**	**$ -**	**$ -**	**$ 10,086,000**	**$ 3,423,000**	**$ 3,742,000**	**$ 51,670,000**	**$ 5,728,475**	**$ 21,932,000**	**$ -**	**$ 180,589,759**	**6.08%**
2019	5,015,000	-	462,065	-	50,320,000	14,233,336	54,568,370	4,231,728	1,142,000	-	-	10,086,000	3,423,000	3,742,000	-	6,580,885	21,932,000	273,247	176,009,631	6.47%
2018	5,175,000	-	519,121	-	50,855,000	14,789,415	-	4,624,767	2,505,000	-	-	10,846,000	3,873,000	3,892,000	-	7,459,667	26,957,000	561,614	132,057,584	5.32%
2017	5,330,000	-	573,305	-	50,855,000	15,330,494	-	793,941	2,865,000	-	-	2,446,000	4,313,000	3,983,000	-	8,373,342	31,935,000	840,174	127,638,256	5.51%
2016	5,485,000	-	4,652,695	-	50,855,000	15,896,573	-	1,382,836	3,210,000	-	-	3,041,000	4,744,000	-	-	9,953,729	37,200,000	1,109,260	137,530,093	6.04%
2015	5,485,000	-	4,784,387	15,853,121	50,855,000	-	-	965,385	3,545,000	761,000	-	3,625,000	4,744,000	-	-	26,940,143	28,000,000	1,369,194	146,927,230	6.46%
2014	5,485,000	-	4,917,880	15,890,000	50,855,000	-	-	379,686	3,865,000	1,519,000	-	3,885,000	-	-	-	29,197,731	31,590,000	1,620,288	149,204,585	7.03%
2013	5,485,000	4,455,000	42,999,258	16,285,000	-	-	-	606,146	4,170,000	2,268,000	-	-	-	-	-	63,561,079	-	-	139,829,483	6.56%
2012	8,370,000	4,905,000	43,226,447	16,665,000	-	-	-	2,436,369	4,465,000	-	-	-	-	-	-	68,586,012	-	-	148,653,828	7.37%
2011	9,015,000	5,340,000	43,351,447	17,030,000	-	-	-	2,827,874	4,750,000	-	-	-	-	-	-	73,234,911	-	-	155,549,232	7.59%

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

*Includes unamortized premium
**Includes unamortized premium/discount

Source: City of Palm Bay Finance Department

DIRECT AND OVERLAPPING BONDED DEBT – GENERAL OBLIGATION BONDS
September 30, 2020

Taxing District	Assessed Valuation	Net Debt Outstanding	Overlapping	City's Share of Debt
Brevard County	$ 43,808,791,135	$ 30,652,180	10.01%	$ 3,068,603
City of Palm Bay Governmental Activities Direct Debt				
Bonds Payable		$ 129,012,531		
Notes Payable		16,243,000		
Capital Leases		5,913,753		151,169,284
Total Direct and Overlapping Governmental Activities Debt				$ 154,237,887

Notes: Based on 2020 estimated taxable assessed valuation.
The percentage of overlapping debt is estimated using taxable property values.
The calculation was derived by dividing the City's total taxable value by the total Outstanding debt for Brevard County

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

PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

Fiscal Year	Water and Sewer System Revenue Bonds					
	Operating Revenue (1)	Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2020	**$ 31,768,978**	**$ 16,616,785**	**$ 15,152,193**	**$ 5,544,082**	**$ 1,750,593**	**2.08**
2019	29,993,764	16,310,408	13,683,356	5,485,672	1,750,593	1.89
2018	28,248,280	15,678,734	12,569,546	5,420,748	1,809,119	1.74
2017	28,099,716	14,188,214	13,911,502	5,367,565	1,862,622	1.92
2016	26,930,542	13,565,725	13,364,817	4,622,371	2,072,108	2.00
2015	25,606,702	13,713,299	11,893,403	5,365,152	2,282,307	1.56
2014	24,556,798	13,261,955	11,294,843	4,608,347	2,937,545	1.50
2013	23,869,662	12,972,795	10,896,867	4,874,933	3,679,346	1.27
2012	23,351,079	12,772,311	10,578,768	4,503,899	3,396,741	1.34
2011	23,092,830	11,926,644	11,166,186	4,728,192	3,894,598	1.29

Notes:

(1) Operating Revenue includes interest income.

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

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

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

Source: City of Palm Bay Finance Department

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Years

Year	Population	Personal Income (thousands)	Per Capita Income	Median Age	Education Level in Years of Schooling	School Enrollment	Unemployment Rate
2020	**119,530**	**$ 2,968,746**	**$ 24,954**	**41.2**	**14.3**	**14,595**	**5.7%**
2019	115,322	$ 2,718,947	$ 23,577	41.2	14.1	14,587	3.1%
2018	112,703	2,483,072	22,032	40.8	14.1	14,587	3.1%
2017	110,623	2,316,335	20,939	43.0	14.1	14,711	3.8%
2016	109,162	2,277,447	20,863	40.7	14.1	14,661	5.4%
2015	107,481	2,276,018	21,176	40.6	14.0	14,896	5.9%
2014	105,815	2,121,273	20,047	40.3	14.0	14,618	6.5%
2013	104,693	2,130,607	20,351	39.9	14.0	14,386	7.4%
2012	103,681	2,017,529	19,459	38.7	14.1	14,422	9.4%
2011	103,504	2,048,448	19,791	38.9	14.1	13,386	10.3%

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

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

	2020			2011		
Employer	**Number of Employees**	**Rank**	**% of Total Employment**	Number of Employees	Rank	% Total Employment
3LHarris Corporation	**3,450**	**1**	**6.60%**	5,613	1	12.23%
Brevard County School Board	**1,443**	**2**	**2.76%**	1,486	2	3.24%
City of Palm Bay	**816**	**3**	**1.56%**	804	3	1.75%
Palm Bay Hospital	**610**	**4**	**1.17%**	575	5	1.25%
Publix (3 of 3 locations reported)	**524**	**5**	**1.00%**	390	8	0.85%
Wal*Mart	**400**	**6**	**0.77%**	400	7	0.87%
Renesas (Formerly Intersil)	**370**	**7**	**0.71%**	556	6	1.21%
Eastern Florida State College	**221**	**8**	**0.42%**	237	9	0.52%
Winn Dixie (2 locations)	**200**	**9**	**0.38%**	200	10	0.44%
Home Depot	**150**	**10**	**0.29%**			0.00%
Lowes	**0**	**11**	**0.00%**			0.00%
AAR Corp	**0**	**12**	**0.00%**			0.00%
Bass Pro Shop	**0**	**13**	**0.00%**			0.00%
MC Assembly	**0**		**0.00%**	678	4	1.48%
Totals	**8,184**		**15.66%**	10,939		23.84%

Note:
Number of employees listed is employed within the City of Palm Bay

Sources:
US Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics
City of Palm Bay Growth Management Department
City of Palm Bay Budget Division

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

						Fiscal Year				
Function/Program	**2020**	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
Legislative	**4**	4	4	4	4	4	4	4	4	4
Management	**9**	5	5	5	5	6	6	7	7	10
Finance	**19**	16	16	16	22	20	19	18	36	35
Procurement	**7**	7	6	6						
Community Planning	**2**	2	2	2	2	2	2	2	2	2
Other	**57**	61	61	59	58	38	36	32	29	31
Public Safety										
Police	**251**	243	236	236	243	249	249	251	250	261
Fire	**132**	137	137	136	136	134	133	133	138	130
Code Enforcement	**11**	11	9	9						
Building	**38**	33	30	23	17	15	14	13	14	17
Physical Environment										
Utilities	**149**	145	141	132	135	135	134	133	118	120
Economic Environment										
Economic /Neighborhood Development	**5**	7	7	8	7	4	4	5	6	9
Transportation										
Public Works	**131**	132	128	128	126	120	120	121	117	127
Culture/Recreation										
Parks	**55**	54	54	55	52	52	50	50	54	58
Total	**870**	857	836	819	807	768	771	769	775	804

Source: City of Palm Bay Budget Division

CAPITAL ASSETS STATISTICS
Last Ten Fiscal Years

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police										
Stations	**2**	2	2	2	2	2	2	2	2	2
Patrol Units	**123**	122	118	125	125	125	127	127	127	127
Policemen and Officers	**172**	166	160	159	160	160	160	152	160	166
Fire										
Stations	**6**	6	6	6	6	6	6	5	5	5
Firefighters and Officers	**112**	122	122	125	123	135	123	122	122	127
Public Works										
Streets (miles)	**863.31**	865.37	865.37	865	865	865	865	862	862	862
Street lights	**5109**	5108	5108	5108	5108	3968	3960	3960	3960	3960
Parks and Recreation										
Community Centers	**3**	3	3	2	2	1	1	1	1	1
Developed Parks	**32**	32	32	32	32	31	31	31	31	25
Acreage of developed parks	**515**	515	515	515	515	315	314	314	314	241
Acreage of all park land	**2225**	2225	2225	2225	2225	2025	2025	2025	2025	1674
Water System										
Water mains (miles)	**623**	622	618	619	617	614	614	604	603	596
Fire hydrants	**2978**	2960	2908	2913	2899	2888	2888	2886	2886	2833
Treatment plants	**3**	3	3	3	3	3	3	3	3	3
Service connections	**36262**	35158	34439	33840	33221	32812	32495	32232	31811	31630
Capacity (mgd)	**15.5**	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5
Wastewater System										
Sanitary sewer lines (miles)	**300**	300	296	307	301	295	295	295	290	290
Treatment plants	**2**	2	2	2	2	2	2	2	2	2
Service connections - sewer	**17841**	17377	17075	16858	16484	16221	16023	15323	15031	14909
Service connections - reclaimed water	**486**	455	427	427	427	425	425	424	421	420
Treatment capacity (mgd)	**5.2**	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.2

Source: Various City Department

OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police										
Physical Arrests	**2,278**	2,799	3,273	3,770	2,530	3,076	3,612	3,295	3,504	4,655
Parking Violations	-	-	-	1	**-**	11	11	5	10	257
Traffic Tickets	**3,541**	4,520	4,577	4,185	3,842	4,847	5,765	6,361	6,626	9,998
Total Traffic Stops	**15,280**	17,493	17,760	14,524	11,075	10,568	12,731	12,009	22,117	22,424
Calls for Service	**93,335**	95,862	100,309	98,155	87,635	143,882	159,576	148,938	229,903	243,417
Fire										
Number of calls for service	**15,138**	15,066	14,713	14,761	14,443	13,408	12,285	11,683	11,317	11,115
Number of fires extinguished	**301**	472	430	465	405	280	275	275	251	450
Public Works										
Refuse Collection (pounds) (2)	-	-	-	-	-	-	-	-	**-**	61,540
Canal Clearing (3)	**1,458,312**	1,081,080	986,836	498,088	716,105	16,888	4,820	34,071	67,238	N/A
New Street (1)	**1**	-	-	-	-	-	1	-	**-**	**-**
Potholes repaired	**1,164**	1,329	1,245	1,294	1,275	1,441	1,286	1,108	888	620
Parks and Recreation (4)										
Community Center Attendance	**4,264**	23,191	19,000	17,340	12,989	18,690	20,341	18,827	15,614	20,545
Camp Programs	**78**	1,404	960	877	1,160	790	566	457	405	87
Program Membership	**2,027**	24,565	6,000	5,157	6,764	4,363	4,344	2,031	928	1,341
Water System										
New Connections	**1,104**	719	668	559	409	317	263	421	181	485
Water main breaks	**6**	5	4	-	**-**	1	1	1	1	8
Average daily consumption (millions of gallons)	**7**	7	7	7	7	6	6	6	6	6
Active accounts	**36,262**	35,158	34,439	33,840	33,221	32,812	32,495	32,232	31,811	31,630
Wastewater System										
Average daily sewage treatment (millions of gallons)	**4**	4	4	3	3	3	3	3	3	3
Active Accounts	**17,841**	17,377	17,075	16,858	16,484	16,221	16,023	15,323	15,031	14,949
Building										
Total Inspections	**24,068**	22,077	26,035	16,455	12,874	10,461	9,783	8,006	7,990	8,497
Permits Issued	**10,845**	9,320	11,415	7,696	6,328	5,468	4,823	4,131	3,980	4,332

Source: Various City Departments
(1) Information could not be retrieved for years prior to 2020
(2) No longer being tracked
(3) Started tracking in 2012 - decrease in 2014 due to concentration on drainage cleaning.
In 2016, canal clearning transitioned to a more accurate GIS information tracking system.
This accounts for the large varience.

Source: Various City Departments

IMPACT FEE COLLECTIONS AND BALANCES
Last Ten Fiscal Years

Collections

Fiscal Year	Police Impact Fees	Fire Impact Fees	Parks Impact Fees	Transportation Impact Fees	Total Collections
2020	**$ 360,552**	**$ 684,556**	**$ 1,474,498**	**$ 5,449,526**	**$ 7,969,132**
2019	44,516	295,657	661,635	4,402,272	5,404,080
2018	30,022	217,586	508,618	3,147,058	3,903,284
2017	28,369	193,301	437,373	2,326,002	2,985,045
2016	21,970	145,907	325,258	1,688,950	2,182,085
2015	19,636	121,065	189,269	1,574,917	1,904,887
2014	10,714	61,972	119,130	454,802	646,618
2013	7,621	54,444	128,377	529,713	720,155
2012	2,396	15,885	42,650	311,526	372,457
2011	6,417	40,492	105,915	1,105,388	1,258,212

Balances

Type	Balance at beginning of Fiscal Year	Collections	Uses	Balance at end of Fiscal Year
Police Impact Fees	$ 99,831	$ 360,552	$ 26,170	$ 434,213
Fire Impact Fees	638,451	684,556	315,348	1,007,659
Parks Impact Fees	1,389,012	1,474,498	25,587	2,837,923
Transportation Impact Fees	6,269,198	5,451,426	2,465,969	9,254,655
Totals	$ 8,396,492	$ 7,971,032	$ 2,833,074	$ 13,534,450

Significant Usage

Fire Dispatch Upgrade	54,554
Fire Station 5 Rebuild	256,351
Parks Wake Forest Basketball Court	22,461
Transportation Culver St	451,128
Transportation Land Acquisition Malabar Rd Widening	21,640
Transportation So. I-95 Interchange/Parkway	301,699
Transportation Transfers to Debt Service for 2018 LOGT Note	758,042
Transportation Transfers to Debt Service for 2015 Sales Tax Bond	224,565
Transportation Transfers to Debt Service for 2014 LOGT Gas Tax Note	623,899

Note: Collections include interest earnings

Sources: City of Palm Bay Finance Department

UTILITIES DEBT SERVICE APPLICABLE TO TRANSPORTATION PROJECTS
Last Ten Fiscal Years

Fiscal Year	Debt Service: Refunding Bonds Series 2005B	Debt Service: Refunding Notes Series 2016	Debt Service: Special Assessment Bonds Series 2003	Portion Related To Road Improvements
2020	**$ -**	**$ 1,335,760**	**$ 214,351**	**$ 664,404**
2019	-	1,285,000	271,068	666,399
2018	-	1,275,000	302,178	675,165
2017	-	1,363,250	870,250	951,703
2016	3,182,706	476,211	246,850	1,677,011
2015	1,777,681		248,250	868,668
2014	1,774,082		248,365	867,169
2013	1,818,251		248,053	886,030
2012	1,465,189		247,403	733,941
2011	1,774,308		246,393	866,437
2010	1,648,158		250,043	813,726

Note:
Portion of project costs related to roadway restoration and drainage improvements:
43% for 1998 Utility Revenue Bonds
42% for 2003 Utility Assessment Bonds

Portion of principal for Special Assessment Bonds was prepaid in fiscal year 2006.

Source: City of Palm Bay Utilities

Last Ten Fiscal Years

Fiscal Year	Electricity	Communication Services	Gas	Water	Total
2020	**$ 7,702,572**	**$ 2,613,855**	**$ 113,410**	**$ 1,531,957**	**$ 11,961,794**
2019	7,570,916	2,540,717	124,903	1,415,851	11,652,387
2018	7,356,613	2,638,032	128,314	1,393,850	11,516,809
2017	7,050,646	2,569,292	112,092	1,367,141	11,099,171
2016	6,862,108	2,756,084	97,281	1,328,805	11,044,278
2015	6,597,099	2,953,713	100,256	1,281,256	10,932,324
2014	6,533,657	3,014,756	115,725	1,234,210	10,898,348
2013	5,994,198	3,313,753	91,033	1,219,386	10,618,370
2012	5,538,018	3,446,340	120,661	1,206,514	10,311,533
2011	5,523,218	3,637,601	80,387	1,129,285	10,370,491

Last Ten Fiscal Years

Fiscal Year	Sales Tax Revenue	Max Annual Debt Service 2015 Bonds	Debt Service Coverage
2020	**$ 6,599,351**	**$ 1,054,406**	**6.26**
2019	6,751,673	1,054,406	6.40
2018	6,822,769	1,054,406	6.47
2017	6,311,425	1,054,406	5.99
2016	5,900,650	1,054,406	5.60
2015	5,627,552	1,162,250	4.84
2014	5,245,081	1,162,250	4.51
2013	5,012,444	1,162,250	4.31
2012	4,790,989	1,162,250	4.12
2011	4,555,098	1,162,250	3.92

Historical Pledged State Revenue Sharing Funds

Last Ten Fiscal Years

Fiscal Year	State Revenue Sharing
2020	**$ 4,316,688**
2019	4,885,364
2018	4,690,878
2017	4,525,840
2016	4,109,953
2015	3,997,325
2014	3,603,840
2013	3,270,431
2012	2,842,930

Source: City of Palm Bay Finance Department

CERTIFIED GALLONS OF TAXABLE FUEL SOLD IN BREVARD COUNTY, FLORIDA AND LOCAL OPTION GAS TAX REVENUE
Last Ten Fiscal Years

Fiscal Year	Motor Fuel	Diesel Fuel	Total	Annual Local Option Gas Tax Revenue
2020	**$ 250,055,588**	**$ 194,640,059**	**$ 444,695,647**	**$ 3,706,201**
2019	269,240,363	179,364,276	448,604,639	4,147,267
2018	263,674,585	136,285,660	399,960,245	3,744,098
2017	259,014,856	149,535,894	408,550,750	3,854,156
2016	251,459,738	149,535,894	400,995,632	3,854,156
2015	235,247,029	127,886,050	363,133,079	3,490,076
2014	132,380,145	19,992,183	152,372,328	3,287,172
2013	234,444,633	115,596,498	350,041,132	3,284,506
2012	236,330,147	106,207,434	342,537,581	3,105,994
2011	239,919,288	37,011,535	276,930,822	2,390,212

Sources:
Florida Department of Revenue
City of Palm Bay Finance Department

DISTRIBUTION OF BREVARD COUNTY LOCAL OPTION GAS TAX REVENUES
Fiscal Year Ended September 30, 2020

Jurisdiction	Percent Share Total	Percent Share Municipalities	2020 Revenue Share
Brevard County	47.14	0.000%	$ 9,561,172
Cape Canaveral	1.51	2.833%	303,788
Cocoa	2.44	4.620%	495,303
Cocoa Beach	1.41	2.668%	286,070
Grant-Valkaria	0.64	1.219%	130,666
Indialantic	0.56	1.060%	113,667
Indian Harbor Beach	1.43	2.699%	289,372
Malabar	0.47	0.877%	94,048
Melbourne	14.39	27.225%	2,918,911
Melbourne Beach	0.38	0.718%	76,983
Melbourne Village	0.07	0.139%	14,937
Palm Bay	**15.83**	**29.955%**	**3,211,572**
Palm Shores	0.11	0.210%	22,547
Rockledge	3.65	6.905%	740,255
Satellite Beach	1.90	3.596%	385,397
Titusville	4.73	8.952%	959,794
West Melbourne	3.34	6.324%	678,004
Total	100.00	100.000%	$ 20,282,486

Source: Brevard County Board of County Commissioners

UTILITIES DEBT SERVICE COVERAGE
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Revenues	$ 22,511,829	$ 22,931,067	$ 23,488,824	$ 24,336,022	$ 25,381,193	$ 26,654,593	$ 27,831,857	$ 27,927,138	$ 29,143,681	$ 31,049,923
Interest Income	581,001	420,012	380,838	220,776	225,509	275,950	267,859	321,142	850,083	668,859
Operating Expenses (excl. depreciation/amortization)	(11,926,644)	(12,772,311)	(12,972,795)	(13,261,955)	(13,713,299)	(13,565,725)	(14,188,214)	(15,678,734)	(16,310,408)	(16,616,785)
Net Revenues	$ 11,166,186	$ 10,578,768	$ 10,896,867	$ 11,294,843	$ 11,893,403	$ 13,364,818	$ 13,911,502	$ 12,569,546	$ 13,683,356	$ 15,101,997
Restricted MLE Account Balance	1,683,700	1,683,700	1,683,700	1,683,700	1,771,681	1,768,801	1,363,250	1,364,490	1,345,180	1,335,760
MLE Portion Attributable to MLE Expansion %	1,089,046	1,465,189	1,773,251	1,774,082	1,777,681	818,917	1,363,250	1,364,490	1,345,180	1,335,760
Connection Fees Available for Debt Service	4,080,322	3,666,511	3,665,453	3,662,264	3,133,651	3,372,758	3,363,377	3,363,207	3,171,095	3,175,938
Parity Debt Service	$ 7,937,528	$ 7,900,640	$ 8,205,614	$ 7,545,892	$ 7,647,459	$ 6,694,479	$ 7,230,189	$ 7,229,866	$ 7,236,265	$ 7,234,317
2001 Revenue Bonds	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	1,920,000	1,917,135	1,917,675	1,916,926	1,920,000
2002 Refunding Bonds	528,238	534,863	535,175	72,658	-	-	-	-	-	-
2003 Refunding Bonds	3,787,900	3,787,900	3,784,500	3,298,600	-	-	-	-	-	-
2004 Revenue Bonds	192,488	192,688	192,688	28,744	-	-	-	-	-	-
2005 A Revenue Bonds	419,856	-	-	-	-	-	-	-	-	-
2005 B Refunding Bonds	1,089,046	1,465,189	1,773,251	1,774,082	1,777,681	342,706	-	-	-	-
2014 Refunding Note	-	-	-	451,808	3,949,778	3,955,562	3,949,801	3,947,701	3,974,159	3,978,557
2016 Refunding Note	-	-	-	-	-	476,211	1,363,250	1,364,490	1,345,180	1,335,760
Total Debt Service	**7,937,528**	**7,900,640**	**8,205,614**	**7,545,892**	**7,647,459**	6,694,479	7,230,186	**7,229,866**	**7,236,265**	**7,234,317**
DEBT SERVICE COVERAGE										
PART A: Parity Debt Service										
Test 1										
Net Revenues	11,166,186	10,578,768	10,896,867	11,294,843	11,893,403	13,364,818	13,911,502	12,569,546	13,683,356	15,101,997
Parity Debt Service Less Portion Attributable to MLE Expansion %	6,848,482	6,435,451	6,432,363	5,771,810	5,869,778	5,875,562	5,866,936	5,865,376	5,891,085	5,898,557
Actual	**1.63**	**1.64**	**1.69**	**1.96**	**2.03**	2.27	2.37	**2.14**	**2.32**	**2.56**
Required	**1.10**	**1.10**	**1.10**	**1.10**	**1.10**	1.10	1.10	**1.10**	**1.10**	**1.10**
and										
Test 2										
Net Revenues	$ 11,166,186	$ 10,578,768	$ 10,896,867	$ 11,294,843	$ 11,893,403	$ 13,364,818	$ 13,911,502	$ 12,569,546	$ 13,683,356	$ 15,101,997
Restricted MLE Account Balance	1,683,700	1,683,700	1,683,700	1,683,700	1,771,681	1,768,801	1,363,250	1,364,490	1,345,180	1,335,760
Total	$ 12,849,886	$ 12,262,468	$ 12,580,567	$ 12,978,543	$ 13,665,084	$ 15,133,619	$ 15,274,752	$ 13,934,036	$ 15,028,536	$ 16,437,757
Parity Debt Service	7,937,528	7,900,640	8,205,614	7,545,892	7,647,459	6,694,479	7,230,186	7,229,866	7,236,265	7,234,317
Actual	**1.62**	**1.55**	**1.53**	**1.72**	**1.79**	2.26	2.11	**1.93**	**2.08**	**2.27**
Required	**1.10**	**1.10**	**1.10**	**1.10**	**1.10**	1.10	1.10	**1.10**	**1.10**	**1.10**
or										
PART B: Parity Debt Service										
Test 1										
Net Revenues	$ 11,166,186	$ 10,578,768	$ 10,896,867	$ 11,294,843	$ 11,893,403	$ 13,364,818	$ 13,911,502	$ 12,569,546	$ 13,683,356	$ 15,101,997
Connection Fees Available for Debt Service	4,080,322	3,666,511	3,665,453	3,662,264	3,133,651	3,372,758	3,363,377	3,363,207	3,171,095	3,175,938
Total	$ 15,246,508	$ 14,245,279	$ 14,562,320	$ 14,957,107	$ 15,027,054	$ 16,737,576	$ 17,274,879	$ 15,932,753	$ 16,854,451	$ 18,277,935
Parity Debt Service Less Portion Attributable to MLE Expansion %	6,848,482	6,435,451	6,432,363	5,771,810	5,869,778	5,875,562	5,866,936	5,865,376	5,891,085	5,898,557
Actual	**2.23**	**2.21**	**2.26**	**2.59**	**2.56**	2.85	2.94	**2.72**	**2.86**	**3.10**
Required	**1.20**	**1.20**	**1.20**	**1.20**	**1.20**	1.20	1.20	**1.20**	**1.20**	**1.20**
and										
Test 2										
Net Revenues	$ 11,166,186	$ 10,578,768	$ 10,896,867	$ 11,294,843	$ 11,893,403	$ 13,364,818	$ 13,911,502	$ 12,569,546	$ 13,683,356	$ 15,101,997
Connection Fees Available for Debt Service	4,080,322	3,666,511	3,665,453	3,662,264	3,133,651	3,372,758	3,363,377	3,363,207	3,171,095	3,175,938
Restricted MLE Account Balance	1,683,700	1,683,700	1,683,700	1,683,700	1,771,681	1,768,801	1,363,250	1,364,490	1,345,180	1,335,760
Total	$ 16,930,208	$ 15,928,979	$ 16,246,020	$ 16,640,807	$ 16,798,735	$ 18,506,377	$ 18,638,129	$ 17,297,243	$ 18,199,631	$ 19,613,695
Parity Debt Service	7,937,528	7,900,640	8,205,614	7,545,892	7,647,459	6,694,479	7,230,186	7,229,866	7,236,265	7,234,317
Actual	**2.13**	**2.02**	**1.98**	**2.21**	**2.20**	2.76	2.58	**2.39**	**2.52**	**2.71**
Required	**1.20**	**1.20**	**1.20**	**1.20**	**1.20**	1.20	1.20	**1.20**	**1.20**	**1.20**
and										
Proviso										
Net Revenues	11,166,186	10,578,768	10,896,867	11,294,843	11,893,403	13,364,818	13,911,502	12,569,546	13,683,356	15,101,997
Parity Debt Service	$ 7,937,528	$ 7,900,640	$ 8,205,614	$ 7,545,892	$ 7,647,459	$ 6,694,479	$ 7,230,186	$ 7,229,866	$ 7,236,265	$ 7,234,317
Actual	**1.41**	**1.34**	**1.33**	**1.50**	**1.56**	2.00	1.92	**1.74**	**1.89**	**2.09**
Required	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	1.00	1.00	**1.00**	**1.00**	**1.00**

Note: The calculation of Net Revenue only includes utility water and sewer fund activities

Source: City of Palm Bay Billing & Collections Division

UTILITY RATE COMPARISON WITH NEIGHBORING UTILITIES
September 30, 2020

Neighboring Utilities	Water	Wastewater
City of West Melbourne	$ 45.63	$ 39.10
City of Daytona Beach	39.21	52.41
City of Port St. Lucie	32.67	56.43
City of Palm Bay	**33.63**	**52.14**
City of Melbourne	30.85	46.08
City of Cocoa	33.54	53.54
City of Edgewater	41.94	59.95
City of Holly Hill	40.18	46.24
Brevard County	27.95	45.55
Indian River County	20.49	29.90
City of Vero Beach	17.75	37.84
City of New Smyrna Bch	16.92	38.96
City of Ormond Beach	25.12	32.58
City of Port Orange	24.50	33.45
Average of Neighboring Utilities	$ 30.52	$ 44.00

Note:
Amounts shown are for 5,000 gallons monthly service and reflect standard residential single-family rates effective October 1, 2017 and are exclusive of taxes.

Source: City of Palm Bay Billing & Collections Division

TEN LARGEST WATER AND WASTEWATER SYSTEM CUSTOMERS
September 30, 2020

Water Customers	12-Month Usage (1)	Percent of Total	Revenue Generated	Percent of Total
3LHarris Corporation	31,040	1.49%	$ 252,047	1.57%
Woodlake Village Apartments	22,252	1.07%	157,750	0.98%
School Board of Brevard County	17,384	0.84%	121,158	0.75%
Palm Bay Community Hospital	17,381	0.84%	133,777	0.83%
WE Lighthouse Point Owner LLC	16,333	0.78%	111,860	0.70%
AMFP IV Vinings LLC	12,528	0.60%	76,912	0.48%
The Park at Palm Bay	11,662	0.56%	68,904	0.43%
WRH Madalyn Landing	11,484	0.55%	67,830	0.42%
Creative Choice Homes	8,828	0.42%	61,275	0.38%
Palm City Investment FH, LLC	8,537	0.41%	67,079	0.42%
Total	157,429	7.56%	$ 1,118,592	6.97%

Wastewater Customers	12-Month Usage (1)	Percent of Total	Revenue Generated	Percent of Total
3LHarris Corporation	31,040	2.94%	$ 221,801	1.90%
Woodlake Village Apartments	22,252	2.11%	156,848	1.34%
School Board of Brevard County	16,436	1.56%	144,782	1.24%
WE Lighthouse Point Owner LLC	16,333	1.55%	117,573	1.01%
AMFP IV Vinings LLC	12,528	1.19%	110,772	0.95%
The Park at Palm Bay	11,662	1.11%	91,485	0.78%
WRH Madalyn Landing	11,484	1.09%	90,545	0.78%
Palm Bay Community Hospital	10,026	0.95%	68,960	0.59%
Creative Choice Homes	8,828	0.84%	63,318	0.54%
The Pines Apartment of Palm Bay LLC	8,107	0.77%	55,668	0.48%

(1) In thousands of gallons

Source: City of Palm Bay



THIS PAGE INTENTIONALLY LEFT BLANK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
For the year ended September 30, 2020

FEDERAL AWARDS Federal Grantor/Pass-Through Grantor Program Title	CFDA Number	Grantor Number / Pass Through Grantor's Number	Federal Expenditures	Pass Through to Subrecipients
U.S. Department of Housing & Urban Development				
Community Development Block Grant / Entitilement Grant	14.218	B-14-MC-12-0032	$ 369,084	$ -
Community Development Block Grant / Entitilement Grant	14.218	B-15-MC-12-0032	46,315	-
Community Development Block Grant / Entitilement Grant	14.218	B-16-MC-12-0032	15,362	
Community Development Block Grant / Entitilement Grant	14.218	B-19-MC-12-0032	143,192	87,171
Total Community Development Block Grant Cluster			573,953	87,171
Neighborhood Stabilization Program - NSP 1	14.256	B-08-MN-12-0021	40,051	-
Passed through Brevard County:				
HOME Grant	14.239	M-16-DC-12-0200	8,811	-
Total Passed through Brevard County:			48,862	-
Total Department of Housing & Urban Development			**622,815**	**87,171**
U.S. Department of Justice				
Passed through the Florida Office of the Attorney General:				
Coronavirus Emergency Supplemental Funding	16.034	2020-VD-BX-1710	122,776	-
Victim Crime Assistance	16.575	D-00262	42,513	-
2017 Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0605	37,790	-
2018 Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0817	37,575	-
Total Passed through the Florida Office of the Attorney General:			240,654	-
Equitable Sharing Program	16.922	FL0051200	46,757	-
Total U.S. Department of Justice			**287,411**	-
U.S. Department of the Tresaury				
Passed through the Florida Housing :				
Coronavirus Relief Fund	21.019	133-2020	91,458	-
Total Passed through Florida Housing:			91,458	-
Total U.S. Department of Treasury			**91,458**	-
U.S. Department of Transportation				
Passed through Florida Department of Transportation:				
Safe Routes to School - Port Malabar Elementary	20.205	G1I6I	255,216	-
Safe Routes to School - Columbia Elementary	20.205	G1I62	248,186	-
Safe Routes to School - Christa McAuliffe Elementary	20.205	G1i63	1,822	-
Safe Routes to School - Discovery Elementary	20.205	G1i64	1,483	-
Safe Routes to School - Jupiter Elementary	20.205	G1i65	2,285	-
Total Passed through Florida Department of Transportation			508,992	
Total U.S. Department of Transportation			**508,992**	-
U.S. Department of Homeland Security - FEMA				
Passed through Florida Division of Emergency Management				
Hazard Mitigation Grant - Cimarron Circle - Acquisition and Demolition	97.036	HO555	51,249	-
Disaster Grants - Public Assistance (Presidentially Declared Disaster) - Hurricane Irma	97.036	FEMA-4337-DR-FL	33,877	-
Assistance to Firefighters Grant - Fire Exhaust System	97.044	EMW-2018-FO-01311	106,487	
Total U.S. Department of Homeland Security			**191,613**	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 1,702,289**	**$ 87,171**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)
For the year ended September 30, 2020

STATE AWARDS Agency/Program	CSFA Number	Grantor Number	State Expenditure	Pass Through to Subrecipients
Florida Department of Environmental Protection				
Wastewater Treatment Facility Construction	37.077	WW050720	27,047	-
Total Florida Department of Economic Opportunity			**27,047**	-
Florida Housing Finance Agency				
State Housing Initatives Partnership Program	40.901	N/A	761,047	-
Total Florida Housing Finance Agency			**761,047**	-
TOTAL STATE EXPENDITURES			**$ 788,094**	**$ -**
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE			**$ 2,490,383**	**$ 87,171**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND FINANCIAL STATE ASSISTANCE
For Fiscal Year Ended September 30, 2020

NOTE 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented using the modified basis of accounting for grants accounted for in governmental funds and the accrual basis of accounting for grants accounted for in proprietary funds.

NOTE 2 - Indirect Cost Rate

The Uniform Guidance allows a City to elect a 10% de minimus indirest cost rate. For the year ended September 30, 2020, the City elected not to use this rate.

NOTE 3 - Non-cash Awards

The City did not receive any non-cash federal awards.



THIS PAGE INTENTIONALLY LEFT BLANK.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Palm Bay, Florida, (the "City") as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 28, 2021. Our report includes a reference to other auditors who audited the financial statements of the Police and Firefighters' Retirement System, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that were reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City in a separate letter dated May 28, 2021.

Purpose of this Report

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

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 28, 2021

MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

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

Report on Compliance for Each Major Federal Program and State Project

We have audited the compliance of the City of Palm Bay, Florida (the "City") with the types of compliance requirements described in the OMB *Compliance Supplement* and the requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and state projects for the fiscal year ended September 30, 2020. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs and state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the fiscal year ended September 30, 2020.

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

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to in the first paragraph of this section. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items IC-2020-001 and IC-2019-001, that we consider to be a material weakness and a significant deficiency, respectively.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*

We have audited the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon May 28, 2021, which contained unmodified opinions on those financial statements. Our report on the basic financial statements also contained references to the reports of other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

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

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General (Continued)*

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis, as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting, and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
June 11, 2021, except for our report on the Schedule of
Expenditures of Federal Awards and State Financial
Assistance, for which the date is May 28, 2021

CITY OF PALM BAY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2020

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

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

Federal Awards and State Financial Assistance

Internal control over major programs:		
• Material weakness(es) identified?	_X_ Yes	____ No
• Significant deficiency(ies) identified?	_X_ Yes	____ None reported
Type of report issued on compliance for major federal programs:	**Unmodified Opinion**	
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance or Chapter 10.557, *Rules of the Auditor General?*	_X_ Yes	___ No

Identification of Major Federal Program and Major State Projects:

CFDA Number(s)	Name of Federal Program(s)
14.218	Community Development Block Grant/Entitlement Grant
20.205	Highway Planning and Construction
CFDA Number(s)	**Name of State Project(s)**
40.901	State Housing Initiatives Partnership Program

Dollar threshold used to distinguish between Type A and Type B programs: Federal	$750,000	
State	$750,000	
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	_____ Yes	_X_ No

CITY OF PALM BAY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

For the Year Ended September 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS SECTION

IC 2019-001 - Payroll Documentation - CFDA 14.218 CDBG
Significant Deficiency in Internal Control over Compliance

CFDA 14.218 Community Development Block Grant/Entitlement Grant
B-17-MC-12-0032, B-18-MC-12-0032, and B-19-MC-12-0032
Federal Agency: Department of Housing and Urban Development

Criteria: The City should document review and approval of time sheet allocations of payroll expenses to the grant program, including the date of the employee certification and supervisor review, to provide evidence that the internal control procedure was performed timely.

Condition: We noted during the fiscal year 2019 testing that time sheets for the employees charging payroll expense to grants did not include the date of the employee's certification and supervisor's review of the grant allocation.

Cause: The City did not require employees to document the date of employee certification or supervisor review of payroll grant allocations on employee timesheets.

Effect: Untimely reviews of payroll allocations could result in a misstatement of grant expenditures.

Perspective: Payroll expenses charged to the CDBG, SHIP, HOME, and NSP grants.

Recommendation: We recommend that the City's documentation of payroll grant allocations include the date of the employee certification and supervisor review to ensure timely review has occurred.

Questioned Costs: None

Management's Response: In FY 2020, the City Finance Department created a timecard spreadsheet for Housing staff to utilize, which is intended to justify the payroll allocations being requested from state and federal grants. City Management also implemented timecard submittal deadlines for staff to provide the Director with signed and dated timecard spreadsheets on the Friday in which pay periods close. These approved timecard spreadsheets also coincide with time and attendance information signed by the employee and the supervisor in the City's Executime (timekeeping system) for the same period.

IC 2020-001 - Payroll Allocation - CFDA 14.218 CDBG
Material Weakness in Internal Control over Compliance

CFDA 14.218 Community Development Block Grant/Entitlement Grant
B-19-MC-12-0032
Federal Agency: Department of Housing and Urban Development

Criteria: The City should track and document employees' time for each pay period that an employee works directly on a grant.

Condition: We noted during the fiscal year 2020 testing that payroll allocations for CDBG grants were based on budgeted allocations rather than actual time per pay period.

Cause: The City did not require employees to document time per pay period by grant projects.

Effect: Grants could have an over or understatement of payroll expenses.

Perspective: Payroll expenses charged to the CDBG program.

Recommendation: We recommend that the City require employees that work on grants to track their hours by grant project.

Questioned Costs: $65,852

Management's Response: In March 2020, during preparations for the FY 2021 budget development, staff requested and received approval from City Management to have all Housing positions placed within the City's General Fund. After compiling timesheets and supporting information from Housing for accuracy for claims, the City will seek reimbursement from the applicable grants, for expenses that have been accurately identified. These expenses will be transferred from the General Fund and to the appropriate grants when the funding is received. This will allow the city to be transparent with the request reimbursements for the grants.

CITY OF PALM BAY, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*

For the Year Ended September 30, 2020

SECTION IV - PRIOR-YEAR AUDIT FINDINGS

IC 2019-001 Payroll Documentation

Status: Repeated in the current year

CORRECTIVE ACTION PLAN

June 11, 2021

The City of Palm Bay, Florida respectfully submits the following corrective action plan for the year ended September 30, 2020.

Name and address of independent public accounting firm:
MSL, P.A.
255 S. Orange Ave, Suite 600
Orlando, FL 32801

Audit Period:
Fiscal Year October 1, 2019 – September 30, 2020

IC 2019-001 - Payroll Documentation - CFDA 14.218 CDBG

Recommendation: We recommend that the City's documentation of payroll grant allocations include the date of the employee certification and supervisor review to ensure timely review has occurred.

Management's Response: In FY 2020, the City Finance Department created a timecard spreadsheet for the Housing staff to utilize, which is intended to justify the payroll allocations being requested from state and federal grants. City Management also implemented timecard submittal deadlines for staff to provide the Director with signed and dated timecard spreadsheets on the Friday in which pay periods close. These approved timecard spreadsheets also coincide with time and attendance information signed by the employee and the supervisor in the City's Executime (timekeeping system) for the same period.

IC 2020-001 - Payroll Allocation - CFDA 14.218 CDBG

Recommendation: We recommend that the city require employees that work on grants to track their hours by grant project.

Management's Response: In March 2020, during preparations for the FY 2021 budget development, staff requested and received approval from City Management to have all Housing positions placed within the City's General Fund. After compiling timesheets and supporting information from Housing for accuracy for claims, the city will seek reimbursement from the applicable grants, for expenses that have been accurately identified. These expenses will be transferred from the General Fund and to the appropriate grants when the funding is received. This will allow the city to be transparent with the request reimbursements for the grants.

MSL
Certified Public Accountants

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the basic financial statements of the City of Palm Bay, Florida (the "City") as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated May 28, 2021.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.550, *Rules of the Auditor General.*

Other Reporting Requirements

We have also issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance*;* Schedule of Findings and Questioned Costs; and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards,* AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General.* Disclosures in those reports and schedule should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial report. Corrective actions have been taken to address the findings and recommendations made in the preceding annual financial audit as noted on the following page.

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

Tabulation of Uncorrected Audit Findings

Current Year Finding #	2018-19 Fiscal Year Finding #	2017-18 Fiscal Year Finding #
IC 2019-001	IC 2019-001	-
Cleared, no longer a finding	MLC 2019-001	-

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General,* requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General,* requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General,* requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Mayor, City Council, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
May 28, 2021, except for the Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance for which the date is June 11, 2021

MSL
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the City of Palm Bay, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2020. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City is in accordance with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2020.

MSL, P.A.
Certified Public Accountants

Orlando, Florida
May 28, 2021

The City of Palm Bay Florida
www.palmbayflorida.org

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Larry Wojciechowski, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of the City of Palm Bay which is a local governmental entity of the State of Florida.

2. City of Palm Bay adopted (Ordinance No. 89-03) implementing an impact fee; and

3. City of Palm Bay has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Finance Director

STATE OF FLORIDA
COUNTY OF BREVARD

SWORN TO AND SUBSCRIBED before me this 29 day of June, 2021.

SALLY R. COTTO
Notary Public - State of Florida
Commission # GG 967448
My Comm. Expires Apr 20, 2024
Bonded through National Notary Assn.

NOTARY PUBLIC
Print Name SALLY R. COTTO

Personally known ✓ or produced identification _____

Type of identification produced: _____

My Commission Expires:

April 20, 2024