

CITY OF OCALA, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended
September 30, 2023

Prepared by:

Finance Department

Emory Roberts Jr., CIA, CISA, CGAP

Director of Finance and Customer Service



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

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	i-viii
CITY OF OCALA ORGANIZATIONAL CHART	ix
LIST OF OFFICIALS AND FINANCE STAFF	x
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	xi

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	1-4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5-19
BASIC FINANCIAL STATEMENTS:	
Statement of Net Position	21
Statement of Activities	22-23
Balance Sheet – All Governmental Funds	24
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	27
Statement of Net Position – Proprietary Funds	28-29
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds	30
Statement of Cash Flows - Proprietary Funds	31-32
Statement of Fiduciary Net Position	33
Statement of Changes in Fiduciary Net Position	34
Notes to Financial Statements	35-103

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

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION - CONTINUED

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	105
Schedule of Changes in Net Pension Liability and Related Ratios-General Employees' Retirement System	106-107
Schedule of Contributions-General Employees' Retirement System	108-109
Schedule of Investment Returns-General Employees' Retirement System	110
Schedule of Changes in Net Pension Liability and Related Ratios-Police Officers' Retirement System	112-113
Schedule of Contributions-Police Officers' Retirement System.....	114-115
Schedule of Investment Returns-Police Officers' Retirement System.....	116
Schedule of Changes in Net Pension Liability and Related Ratios-Firefighters' Retirement System	118-119
Schedule of Contributions-Firefighters' Retirement System.....	120-121
Schedule of Investment Returns-Firefighters' Retirement System.....	122
Schedule of Changes in the City's Total OPEB Liability and Related Ratios.....	123
Schedule of Contributions-OPEB Plan.....	124
Notes to the Required Supplementary Information.....	125-129

SUPPLEMENTAL INFORMATION:

List of Nonmajor Governmental Funds	131
Combining Balance Sheet – Nonmajor Governmental Funds.....	132
Combining Statement of Revenues, Expenses and Changes in Fund Balances – Nonmajor Governmental Funds	133
Nonmajor Governmental Funds - Special Revenue Funds:	
Combining Balance Sheet.....	134-135
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	136-137
Schedules of Revenues and Expenditures - Budget and Actual:	
Downtown Development Fund.....	138
Local Gasoline Tax Fund.....	139
Community Redevelopment Agency (CRA) Fund	140
Stormwater Utility Fund.....	141
SHIP Local Housing Assistance Fund	142
Infrastructure Sales Surtax Fund.....	143

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

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION – CONTINUED

SUPPLEMENTAL INFORMATION - CONTINUED

Nonmajor Governmental Funds - Debt Service Funds:

Combining Balance Sheet	144
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	145
Schedules of Revenues and Expenditures - Budget and Actual:	
2007A/2015 Improvement Certificates Fund	146
2012 Improvement Certificates Fund	147
2022 Bank Loan Fund	148

Nonmajor Business-Type Funds:

List of Nonmajor Business-Type Funds	149
Combining Balance Sheet	150
Combining Statement of Revenues, Expenses and Changes in Net Position	151
Combining Statement of Cash Flows	152-153

Internal Service Funds:

List of Internal Service Funds	154
Combining Balance Sheet	155
Combining Statement of Revenues, Expenses and Changes in Net Position	156
Combining Statement of Cash Flows	157-158

STATISTICAL SECTION

Description of Schedules	159
Net Position by Component - Last Ten Fiscal Years	160-161
Changes in Net Position by Component - Last Ten Fiscal Years	162-165
Fund Balances of Governmental Funds - Last Ten Fiscal Years	166-167
Changes in Fund Balances of Governmental Funds- Last Ten Fiscal Years	168-169
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	170-171
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	172
Principal Property Taxpayers - Current and Nine Years Ago	173
Property Tax Levies and Collections - Last Ten Fiscal Years	174
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	176-177

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

TABLE OF CONTENTS (CONTINUED)

STATISTICAL SECTION - CONTINUED

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	178
Direct and Overlapping Governmental Activities Debt	179
Legal Debt Margin Information	180-181
Pledged Revenue Coverage - Last Ten Fiscal Years	182-183
Demographic and Economic Statistics - Last Ten Fiscal Years	184
Principal Employers - Current and Nine Years Ago	185
Full-Time Equivalent City Government Employees by Function – Last Ten Fiscal Years	186-187
Schedule of Airport Subsidy Cash Flow Analysis	188-189
Operating Indicators by Function – Last Ten Fiscal Years	190-191
Capital Assets and Other Statistics by Function – Last Ten Fiscal Years	192-193

COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards and State Projects	195-196
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 <i>Government Auditing Standards</i>	197-198
Independent Auditor's Report on Compliance for each Major Federal Program and State Project and on Internal Control over Compliance required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General	199-201
Schedule of Findings and Questioned Costs – Federal Award Programs and State Projects	202-203
Independent Accountant's Report	204
Management Letter	205-207
Impact Fee Affidavit	208



FINANCE DEPARTMENT
201 SE 3rd STREET
OCALA, FLORIDA 34471

April 29, 2024

To the Honorable Mayor, Members of the City Council and
Citizens of the City of Ocala, Florida,

It is our pleasure to submit this *Annual Comprehensive Financial Report* for the City of Ocala, Florida for the fiscal year ended September 30, 2023. The report fulfills the requirements set forth in the *Florida Statutes*, Chapter 166.241 and the *Rules of the Florida Auditor General*, Chapter 10.550. The organization, form, and content of this report together with accompanying financial statements and statistical tables are formulated in accordance with the principles prescribed by the Governmental Accounting Standards Board, the American Institute of Certified Public Accountants, the State of Florida, and the Government Finance Officers Association.

This report consists of management's representations concerning the finances of the City of Ocala. 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 City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Since the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls have 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.

Purvis, Gray and Company, a firm of licensed certified public accountants, has audited the City of Ocala's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements for the year ended September 30, 2023, are free of material misstatement. The independent 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 upon the audit, there was a reasonable basis for rendering an unmodified

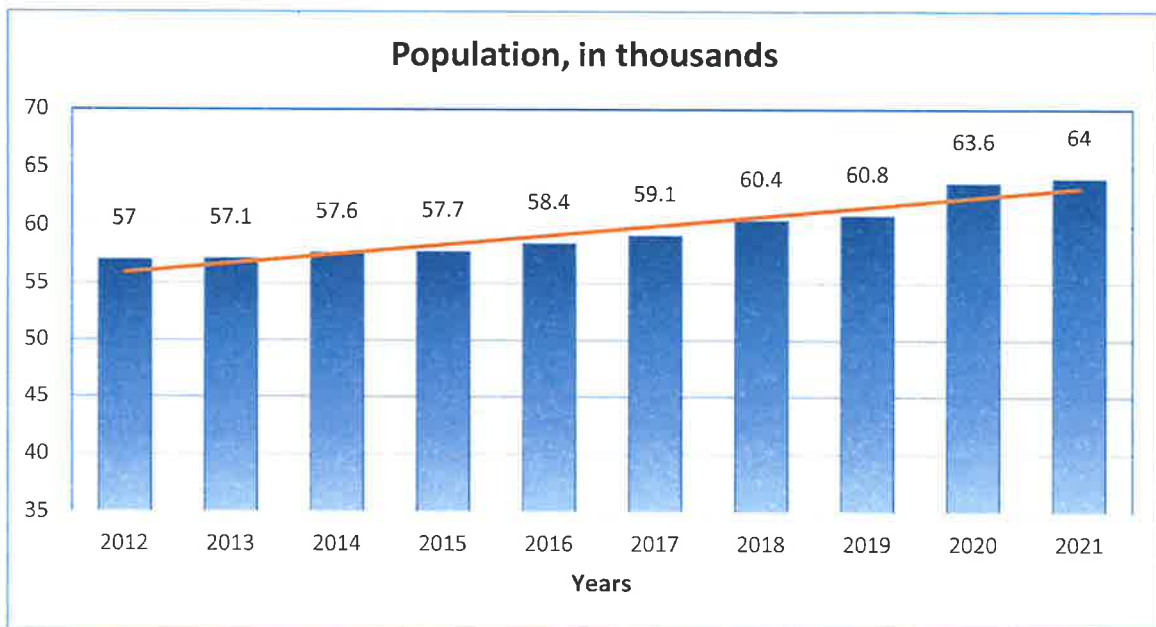
opinion on the City’s financial statements for the fiscal year ended September 30, 2023, as fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal 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 awards.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the 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’s MD&A can be found immediately following the report of the independent auditors.

Profile of the City

The City of Ocala is the most populous city in Marion County and serves as its county seat. Ocala is located in north central Florida approximately 67 miles northwest of Orlando and approximately 40 miles east of the Gulf of Mexico near the site of Ocale, a major Timucua village and chiefdom during the 16th century. The City takes its name from the historical village, the name of which is believed to mean “Big Hammock” in the Timucua language. There are approximately 47 square miles of land included within the corporate boundaries of the City. The City’s population has been trending upwards for the last ten years and as of July 1, 2022, the official population estimate from [Census.gov/quickfacts](https://www.census.gov/quickfacts) was 65,478.



In 1846, the City of Ocala was established to operate under a Council-Manager form of government. The City Council consists of six elected officials (the Mayor and five Council members) who are responsible for enacting the ordinances and resolutions which govern

the City. The Council appoints the City Manager, City Auditor, City Attorney, and the City Clerk. The City Charter states the City Manager shall be the Chief Administrative Officer of the City and shall be responsible to the Council for the administration of all City affairs placed in their charge by or under the Charter.

The City of Ocala provides its constituents with a wide variety of public services as listed below:

- ✓ Airport
- ✓ Building Inspections
- ✓ Code Enforcement
- ✓ Community and Economic Development
- ✓ Electric Power
- ✓ Golf Course
- ✓ Mass Transit
- ✓ Parks, Recreation, and Cultural Affairs
- ✓ Police and Fire Protection
- ✓ Refuse Collection
- ✓ Stormwater Management
- ✓ Street Maintenance, Traffic Engineering and Parking
- ✓ Fiber Network
- ✓ Water and Wastewater

Internal support services include the following:

- ✓ Accounting and Financial Reporting
- ✓ Accounts Payable and Accounts Receivable
- ✓ Asset Management and Property Control
- ✓ Budget and Budget Monitoring
- ✓ Cash and Investment Management
- ✓ Citywide Management
- ✓ Debt Management
- ✓ Fleet Maintenance
- ✓ Facilities Maintenance
- ✓ Human Resources, Labor Relations, and Risk Management
- ✓ Internal Audit
- ✓ Information and Computer Systems
- ✓ Procurement Services
- ✓ Public Relations

Operating funds required to support the above-stated services are reflected in this report. This report includes all funds that are controlled by or are dependent on the City Council.

In addition to the above activities, the City exercises oversight responsibility for the Community Redevelopment Agency. Accordingly, these activities are included in the reporting entity and reflected in this report. Note 1 in the *Notes to Financial Statements* lists specific criteria used for establishing oversight responsibility.

The City also maintains budgetary controls. The objective is to ensure compliance with legal provisions contained in the annual budget approved by the City Council. Annual budgets are legally adopted for all funds including the *general funds*, *special revenue funds*,

enterprise funds, internal service funds, fiduciary funds, and debt service funds. Budgets are controlled at the department level and total expenditures may not legally exceed appropriations for each budgeted fund without Council approval. Encumbrance accounting is utilized to reserve the encumbered portion of the appropriation. Appropriations lapse at year end and outstanding encumbrances are re-appropriated as part of the subsequent year's budget.

Factors Affecting the City's Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

The General Fund's main revenue sources include Property Tax, State Revenue Sharing, Half Cent Sales Tax, and transfers from the Enterprise Funds. During uncertain times of COVID-19, the General Fund has flourished the past few fiscal years. Ocala's economy continues to show signs of strengthening, with an 11.8% increase in taxable real property valuations, there has also been heightened building permit activity, a low unemployment rate, and drops in the area's foreclosure rates, our COVID-19 recovery outlook remains positive. The City's long-range fiscal forecast projects the General Fund to remain constant over the next three fiscal years. Areas of concerns are growth pressures in annual pension contribution costs and inflationary pressures associated with day-to-day operations, capital expenses, and long-term debt arising from fire fee lawsuit settlement.

Local Economy. In recent years, Ocala has become a center for manufacturing, logistics, and distribution companies, and continues to market the Ocala International Airport Business Park. Healthcare and Social Services continues to be among the largest sectors for employment in the city; construction of Shands Teaching Hospital and Clinic is now underway. The City continues to implement sustainable strategies by identifying target industries and programs to make the local economy more resilient. The tourist industry also has a significant impact on the economy, with the Silver Springs and Rainbow Springs attractions, and the Ocala National Forest nearby. The world class 300-acre World Equestrian Center in western Marion County continues to be a significant contributor to the multi-billion-dollar equine industry in Ocala.

The City's strategic investments in economic development made over the past five years are yielding meaningful results. Construction will commence shortly on the latest addition to the Ocala Marion County Business Park. Averitt will join Amazon, Chewy, AutoZone and FedEx all located within the Business Park area and provide over 8 million square feet of distribution space. The approved sale of non-aviation property adjacent to the Ocala International Airport is expected to add an additional 2 million square feet of logistics and distribution to the Ocala International Airport Business Park. Peak Logistics is also under construction and only one property of the original development remains for development.

The City continues to administer various redevelopment agreements and lease agreements providing incentives such as grants, property donation, capital improvements and tax increment financing for the redevelopment of catalytic opportunity sites identified in the Midtown Master Plan. The City will continue solicit and evaluate proposals for available catalytic opportunity sites. Small and medium-sized enterprises (SMEs) located within the

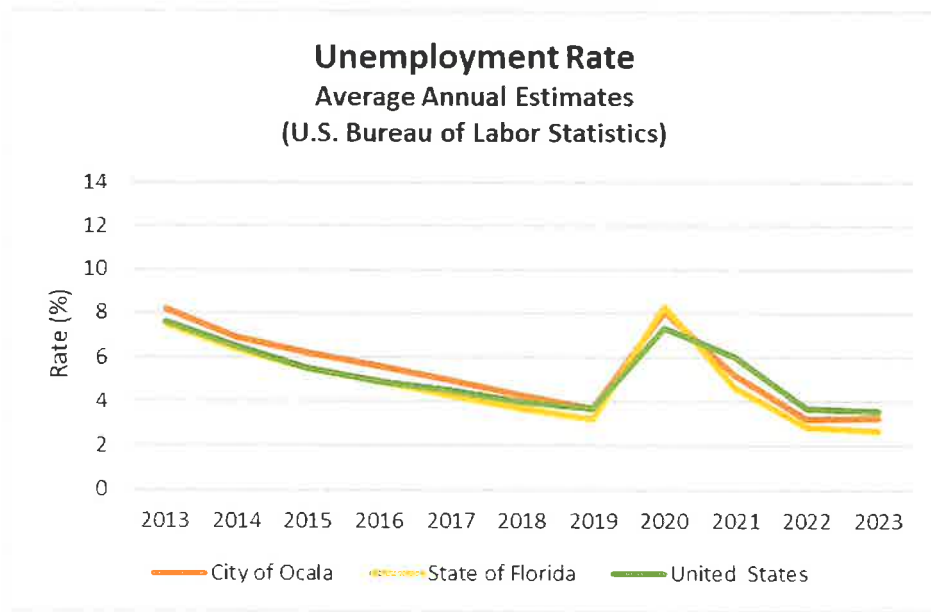
four (4) Community Redevelopment subareas can apply to grant programs that support certain improvements to building and property.

As of September 30, the City administered nineteen (19) Economic Investment Program agreements, with city investments to be paid over several years based on company performance. Companies will add over 4000 new jobs to the local economy and make significant capital investments.

The City is actively engaged in the community by building strategic alliances with the private sector, site selectors, developers, business owners, other governmental agencies, and realtors to provide a business-friendly environment that creates opportunity for expansion. To support businesses and their employees, the City has entered into several redevelopment agreements to facilitate the creation of at least 1,240 new, market rate and affordable housing units within the next seven years. The City will also target the redevelopment of sixty-one (61) vacant City-owned properties. These properties were identified as being suitable for affordable housing and will be offered to eligible developers through an Invitation to Negotiate (ITN) procurement process.

In FY 2023, The U.S. Environmental Protection Agency (EPA) Brownfield awarded a \$500,000 grant to the City of Ocala to carry out environmental assessments on properties within the city that may contain hazardous substances or petroleum in the soil or groundwater. Activities under this grant will target the elimination of blight and further redevelopment, thereby creating economic development throughout the community. The aim is to build on the success of the previous grant where the City utilized 100% of the \$300,000 grant amount to provide solutions for complex redevelopment challenges arising from recognized environmental conditions.

The U.S. Bureau of Labor Statistics indicates the Ocala Metropolitan Statistical Area (MSA) average annual unemployment rate decreased marginally from 3.4% in 2022 to 3.3% in 2023. The MSA average annual unemployment rate is higher than the State average of 2.7% but slightly lower than the national average of 3.6%. The unemployment rate observed within the City grew slightly from 3.2 % in 2022 to 3.3 % in 2023. During the height of the pandemic, unemployment rose to its highest levels in over a decade with impacts felt across different sectors and demographic groups. Overall, the present outlook has significantly improved as pandemic recovery gains momentum and eases inflationary pressure.



Long-term Financial Planning. Both General Government and the City-owned Utility Funds develop multi-year financial forecasts, including capital improvement plans. Some of the key projects in these capital improvement plans are:

- Downtown Hotel, Retail and Apartments
- Terminal Parking at Airport
- Recurring annual funding for the following areas:
 - Annual City-wide resurfacing and sidewalk program
 - Facilities maintenance
 - Fleet management
 - Information technology upgrades
- Historic District Improvements and upgrades
- Overhead/Underground/Lighting work orders
- Substation upgrades
- Drainage Retention Area upgrades
- Water and sanitary sewer main improvements and extensions
- Multiple Community Park improvements

Key Management Practices. The City has adopted the following key management practices:

- **General Fund Reserve Policy** – The General Fund will maintain an operating reserve of not less than 20 percent of planned budget expenditures.
- **Debt Management Policy** – Outlines allowable debt issuance purposes, debt structure, limitations on debt levels, allowable types of debt, promotes sound financial management and enhances the City’s credit ratings.
- **Capital Improvement Plan** – Requires the City to develop and implement a five-year capital improvement plan to anticipate long-term capital needs.

- **Electric Rate Stabilization Reserve (ERSR)** – The City will maintain a minimum targeted funding level of 15% of projected annual fuel costs, with a maximum level at 25%. If the existing reserves plus the amount of an over recovery brings the ERSR funding level above the targeted maximum, the utility retains the option of issuing a credit to customers or reducing the power cost adjustment (PCA) rate.
- **Utility Fund Transfer** –Transfers to the General Fund are a percentage of operating revenues which are consistent with competitive markets and are applied to the following utilities:
 - Electric 15%
 - Water Resources 15%
 - Fiber 15%
 - Sanitation 15%
- **Three-year Budget Model** – The City will develop and maintain a comprehensive three-year budget model to assist in making financial decisions regarding long-term revenue and expenditure requirements.

Awards and Acknowledgements

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 Ocala for its annual comprehensive financial report for the fiscal year ended September 30, 2022. This was the thirty-sixth year the City has received this prestigious award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such a financial 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 report continues to conform to the Certificate of Achievement program requirements and are submitting it to GFOA.

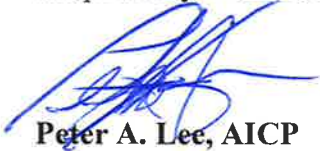
The GFOA also presented an Award for Distinguished Budget Presentation for the City's Annual Budget for the fiscal year beginning October 1, 2022, making the thirty-first year the City has received the award. It is based on a governmental unit's publishing a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications medium.

An Annual Comprehensive Financial Report could not have been prepared without the efficient and dedicated services of many individuals responsible for its completion. The utmost appreciation is extended to employees throughout the organization who maintained financial records upon which this report is based. The year-end closing procedures required prior to the audit and the document preparation could not have been accomplished without the professional efforts of Peter Brill, Assistant Finance Director and Raymond Bachik, Accounting Manager. Special recognition is given to all the employees of the

Finance Department and Budget Department who worked diligently to ensure the timeliness and accuracy of the report.

The Mayor, Council President, and Council members' continued support in planning and conducting the City's financial operations in a responsible manner are sincerely appreciated. This has proven to be an invaluable asset in the preparation of this report which is geared toward reflecting the financial health of the community while complying with the City's fiduciary responsibility. Their leadership demonstrates the interest to maintain a fiscally sound government.

Respectfully submitted,

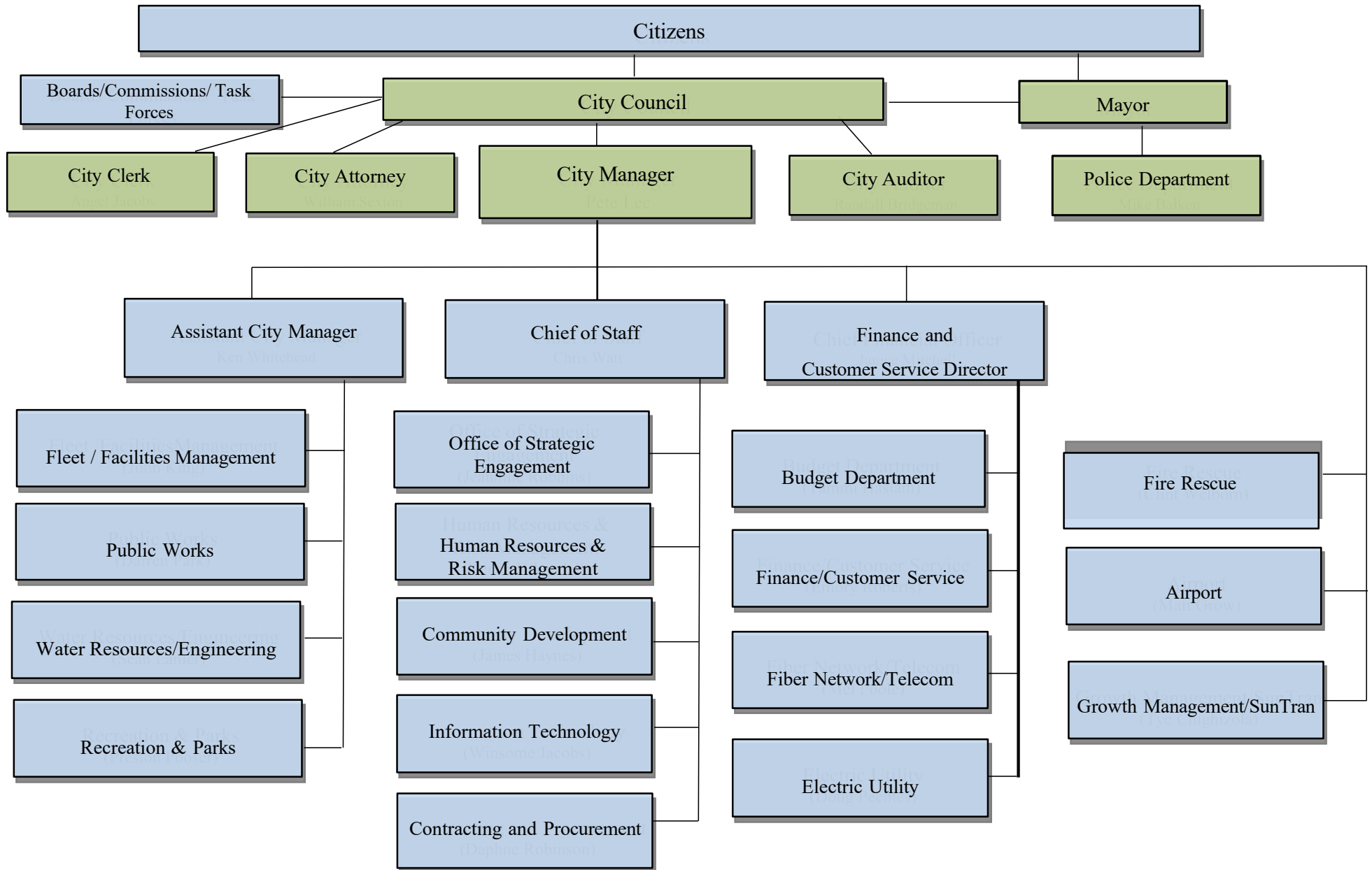


Peter A. Lee, AICP
City Manager



Peter Brill, CGFO
Assistant Director of Finance

CITY OF OCALA - Organizational Chart



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

ELECTED OFFICIALS

Kent Guinn, Mayor
Ire J. Bethea Sr.
Barry Mansfield, Pro Tem
Kristen Dreyer
Barry Mansfield
Jay A. Musleh

APPOINTED OFFICIALS

City Manager
City Attorney
City Clerk
Internal Auditor

Peter A. Lee
William Sexton
Angel Jacobs
Randall Bridgeman

EXECUTIVE STAFF

Assistant City Manager
Assistant City Manager
Chief of Staff, Support Services

Ken Whitehead
Janice Mitchell
Christopher Watt

Finance Staff

Financial and Customer Service Director
Assistant Director of Finance & CSO
Accounting Manager
Fiscal Operations Supervisor
Accountant I
Fiscal Operations Supervisor
Senior Accountant
Senior Accountant
Senior Accounting Specialist
Accountant I
Payroll Manager
Senior Accounting Specialist
Payroll Specialist II
Pension Benefits Coordinator
Administrative Specialist III

Emory Roberts Jr.
Peter Brill
Raymond Bachik
Anthony Webber
Maribel Lozada
Cathy Larson
Jessica Brown
Marcella Hughes
Sandy Parson
Nick Sammy
Melissa Demetropoulos
Hayley Masey
Tiffany McNeil
Alicia Gaither
Karen Czechowicz



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Ocala
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO



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INDEPENDENT AUDITOR'S REPORT

The Honorable Members of the City Council
City of Ocala
Ocala, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ocala, Florida (the City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of a Matter

As described in Note 13 to the financial statements, in 2023, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based IT Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

The Honorable Members of the City Council
City of Ocala
Ocala, Florida

INDEPENDENT AUDITOR'S REPORT

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), budgetary comparison information, and certain pension and Other Postemployment Benefits trend information, as listed in the table of contents, be presented to

The Honorable Members of the City Council
City of Ocala
Ocala, Florida

INDEPENDENT AUDITOR'S REPORT

supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual non-major fund financial statements, non-major fund budgetary comparison schedules and Schedule of Expenditures of Federal Awards and State Projects, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governmental, and Non-Profit Organizations*; and Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 combining and individual non-major fund financial statements, non-major fund budgetary comparison schedules and the Schedule of Expenditures of Federal Awards and State Projects are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

The Honorable Members of the City Council
City of Ocala
Ocala, Florida

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2024 on our consideration of the City's internal control over financial reporting and 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 the 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.



April 29, 2024
Ocala, Florida

**CITY OF OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

As management of the City of Ocala (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year (FY) ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished on our letter of transmittal, which can be found on pages i-viii of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City, exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$505,722,404 (net position), an increase of 9.39% from the prior year. Of this amount, \$382,247,271 represents investments in capital assets (net of related debt), \$109,030,890 in restricted net position and \$14,444,243 in unrestricted net position.
- Governmental revenues and transfers-in totaled \$161,742,858 compared to \$137,767,510 in FY 2022, which is a 17.4% increase from the prior year. Expenses totaled \$132,082,123 compared to \$111,925,339 in 2022 or a 18.0% increase from the prior year. This is mostly attributable to increased costs in Public Safety and General Government.
- At the close of the fiscal year, the City's governmental activities reported combined ending net position of \$180,146,167 as compared to the prior year \$150,485,432, an increase of \$29,660,735 or 19.7%. Of the fiscal year end net position, (\$19,852,033) was unrestricted versus (\$29,101,959) the prior fiscal year. This change from last fiscal year's balance was due to changes in the City's pension activities during the current year.
- The business-type activities revenue totaled \$283,363,103 as compared to \$280,228,834 for a 1.1% minimal increase over the prior year. Expenses and transfers out totaled \$269,593,178 as compared to \$275,719,885 in 2022, for a 2.2% decrease from the prior year.
- The City is committed to providing the Citizens of Ocala with the highest quality services while maintaining efficiency and cost effectiveness.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for nonmajor governmental funds and internal service funds.

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. This report also contains other supplementary information in addition to the basic financial statements that provide details about the City's internal service fund presented in a separate column in the basic financial statements.

CITY OF OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023

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. The government-wide financial statements can be found on pages 21-23 of this report.

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

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

Both government-wide 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, culture and recreation, economic environment, physical environment and transportation. The business-type activities of the City include operation of an electric utility, solid waste disposal system, water and sewer utilities, golf course, airport, public transportation and fiber network.

The Community Redevelopment Agency (CRA) is a blended component unit that for all practical purposes is treated as part of the primary government. The data from this component unit is presented separately in the financial statements.

Fund financial statements. A *fund* is a group of related accounts 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 financial-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 *near-term inflows 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. The basic governmental fund financial statements can be found on pages 24-27 of this report.

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

The City maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other nine governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of these non-major governmental funds is provided in the *combining statements* in the other supplemental information section of this report.

**CITY OF OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

The City adopts an annual appropriated budget for its various funds. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City maintains seven enterprise funds to account for the following operations: electric, water and sewer, sanitation, golf course, airport, fiber and transit. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. Because these services 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 all of the City's proprietary funds. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the other supplemental information section of this report. The basic proprietary fund financial statements can be found on pages 28-32 of this report.

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 their resources are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 33-34 of this report.

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 35-103 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 105-129 of this report.

The combining statements and budgetary comparison schedules regarding non-major governmental funds, non-major business-type funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements can be found on pages 132-158 of this report.

**CITY OF OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position. As noted earlier, the Statement of Net Position looks at the City as a whole and may serve 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 \$505,722,404 at the close of the most recent fiscal year.

The City's net position for the past two fiscal years is summarized, as follows:

**Statement of Net Position
As of September 30**

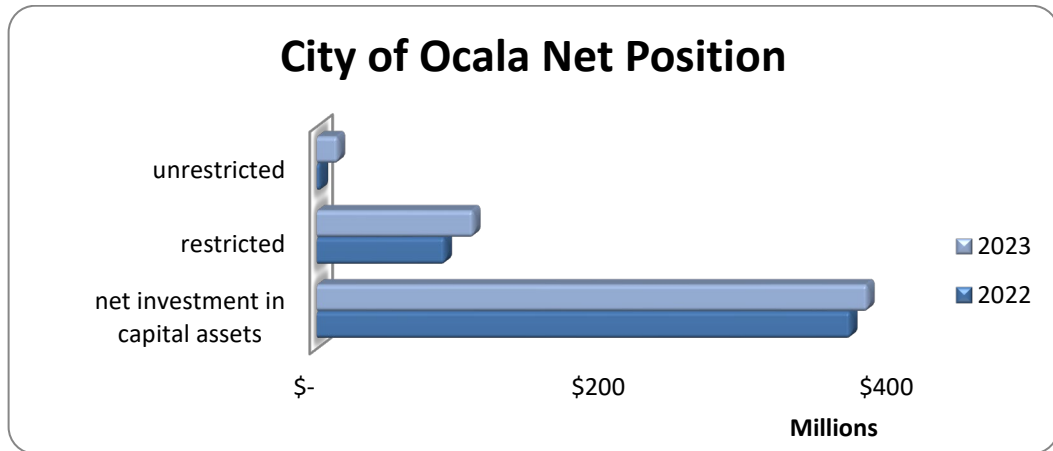
	Governmental Activities		Business -type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 178,463,755	\$ 164,786,742	\$ 164,790,545	\$ 164,974,449	\$ 343,254,300	\$ 329,761,191
Capital assets (net)	165,540,026	162,808,106	325,406,925	323,518,680	490,946,951	486,326,786
Total Assets	344,003,781	327,594,848	490,197,470	488,493,129	834,201,251	816,087,977
Total deferred outflow s of resources	59,815,625	26,973,801	20,641,910	10,480,122	80,457,535	37,453,923
Long-term liabilities outstanding	196,045,280	145,704,912	137,048,806	129,134,468	333,094,086	274,839,380
Other liabilities	21,394,530	32,678,762	32,673,412	37,785,098	54,067,942	70,463,860
Total Liabilities	217,439,810	178,383,674	169,722,218	166,919,566	387,162,028	345,303,240
Total deferred inflow s of resources	6,233,429	25,699,543	15,540,925	20,247,373	21,774,354	45,946,916
Net Position:						
Net investment in capital assets	147,284,538	144,120,074	234,962,733	226,283,800	382,247,271	370,403,874
Restricted	52,713,662	35,467,317	56,317,228	53,792,169	109,030,890	89,259,486
Unrestricted	(19,852,033)	(29,101,959)	34,296,276	31,730,343	14,444,243	2,628,384
Total Net Position	\$ 180,146,167	\$ 150,485,432	\$ 325,576,237	\$ 311,806,312	\$ 505,722,404	\$ 462,291,744

The largest portion of the City's net position \$382,247,271 (75.6% of total net position) reflects its investment in capital assets (land, building, improvements, utility improvements and extensions, intangibles, machinery and equipment, infrastructure and construction in progress), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to citizens. Accordingly, these assets 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.

**CITY OF OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

An additional portion of the City's net position is restricted and represents resources that are subject to external restrictions on how they may be used. These resources have been set aside for capital projects, debt service payments and other contractual obligations. The City's restricted net position at the end of fiscal year 2023 has a balance of \$109,030,890 or 21.6% of total net position.

Unrestricted net position represents assets that may be used to meet the City's ongoing obligations to its citizens and creditors. For FY 2023, the City reported an unrestricted net position of \$14,444,243 or 2.9% of total net position.



Governmental Activities. During the current fiscal year, net position for governmental activities increased \$29,660,735 from the prior fiscal year for an ending balance of \$180,146,167. This increase in the overall net position is mostly the result of \$15,656,857 increase in other miscellaneous revenues primarily in investment income as the markets improved significantly from the prior year.

Business-type Activities. For the City's business-type activities, the results for the current fiscal year were positive as overall net position increased to an ending balance of \$325,576,237. The total net position increased by \$13,769,925 as compared to an increase of \$4,508,949 in the prior year. This increase in net position change is attributed to a \$6,308,466 increase in other miscellaneous revenues for the gains in investment income. Expenses decreased by \$9,521,573 from the prior year mostly in the electric system, and will be discussed further in the discussion of that fund's operation.

**CITY OF OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Statement of Activities. The City's net position for governmental activities increased by \$30,660,735 during the current fiscal year and business-type activity net position increased by \$13,769,925. The city's operations for the last two fiscal years are summarized as follows:

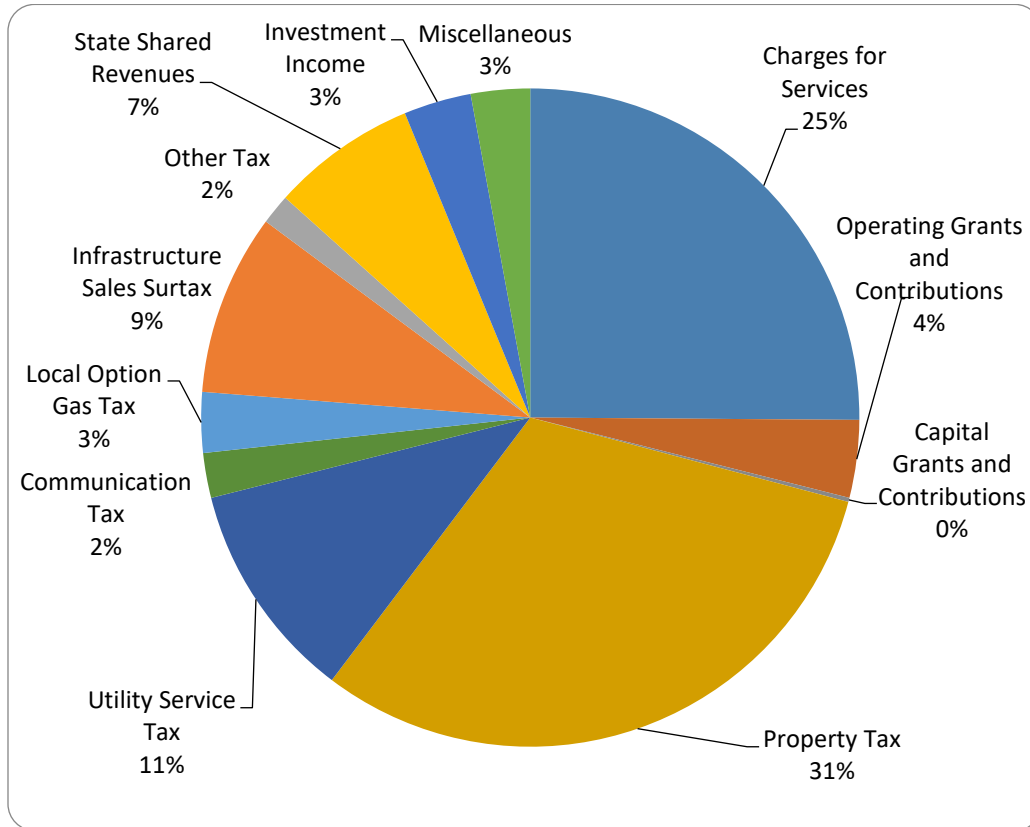
Changes in Net Position For the Year Ended September 30						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Program revenues:						
Charges for services	\$ 33,712,826	\$ 35,163,538	\$ 266,458,658	\$ 272,297,015	\$ 300,171,484	\$ 307,460,553
Operating grants and contributions	5,116,121	7,173,153	4,205,775	3,512,878	9,321,896	10,686,031
Capital grants and contributions	272,567	820,242	10,820,191	8,848,928	11,092,758	9,669,170
General revenues:						
Property taxes	41,845,602	36,949,326	-	-	41,845,602	36,949,326
Other taxes	35,357,734	31,549,291	-	-	35,357,734	31,549,291
State shared revenues	9,586,355	9,312,030	-	-	9,586,355	9,312,030
Other	8,349,961	(7,306,896)	1,878,479	(4,429,987)	10,228,440	(11,736,883)
Total Revenues	134,241,166	113,660,684	283,363,103	280,228,834	417,604,269	393,889,518
Program expenses:						
General government	14,790,497	11,952,518	-	-	14,790,497	11,952,518
Public safety	73,652,568	57,827,557	-	-	73,652,568	57,827,557
Physical environment	6,176,550	7,522,112	-	-	6,176,550	7,522,112
Transportation	18,891,969	19,538,618	-	-	18,891,969	19,538,618
Economic Environment	4,079,129	3,207,917	-	-	4,079,129	3,207,917
Culture and recreation	11,303,090	10,043,079	-	-	11,303,090	10,043,079
Interest on long term debt	3,188,320	1,833,538	-	-	3,188,320	1,833,538
Electric	-	-	177,586,080	188,453,689	177,586,080	188,453,689
Water and sewer	-	-	35,544,613	36,343,504	35,544,613	36,343,504
Sanitation	-	-	13,370,420	11,792,441	13,370,420	11,792,441
Municipal golf courses	-	-	2,058,892	1,783,802	2,058,892	1,783,802
International airport	-	-	2,868,581	2,925,026	2,868,581	2,925,026
Fiber Network	-	-	6,570,831	6,080,816	6,570,831	6,080,816
Suntran	-	-	4,092,069	4,233,781	4,092,069	4,233,781
Total Expenses	132,082,123	111,925,339	242,091,486	251,613,059	374,173,609	363,538,398
Change in net position before transfers	2,159,043	1,735,345	41,271,617	28,615,775	43,430,660	30,351,120
Transfers	27,501,692	24,106,826	(27,501,692)	(24,106,826)	-	-
Increase (Decrease) in net position	\$ 29,660,735	\$ 25,842,171	\$ 13,769,925	\$ 4,508,949	\$ 43,430,660	\$ 30,351,120
Net position - beginning	150,485,432	124,643,261	311,806,312	307,297,363	462,291,744	431,940,624
Net position - ending	\$ 180,146,167	\$ 150,485,432	\$ 325,576,237	\$ 311,806,312	\$ 505,722,404	\$ 462,291,744

At the end of the current fiscal year, the City was able to report positive balances in all reported categories of net position, for its business-type activities. Governmental activity reports positive net positions except for unrestricted net position due to recording of the City's post-retirement benefit programs. In the prior fiscal year, positive net position balances were also reported in all categories except unrestricted net position.

**CITY OF OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

The City's overall net position increased \$43,430,660 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Revenues by Source – Governmental Activities



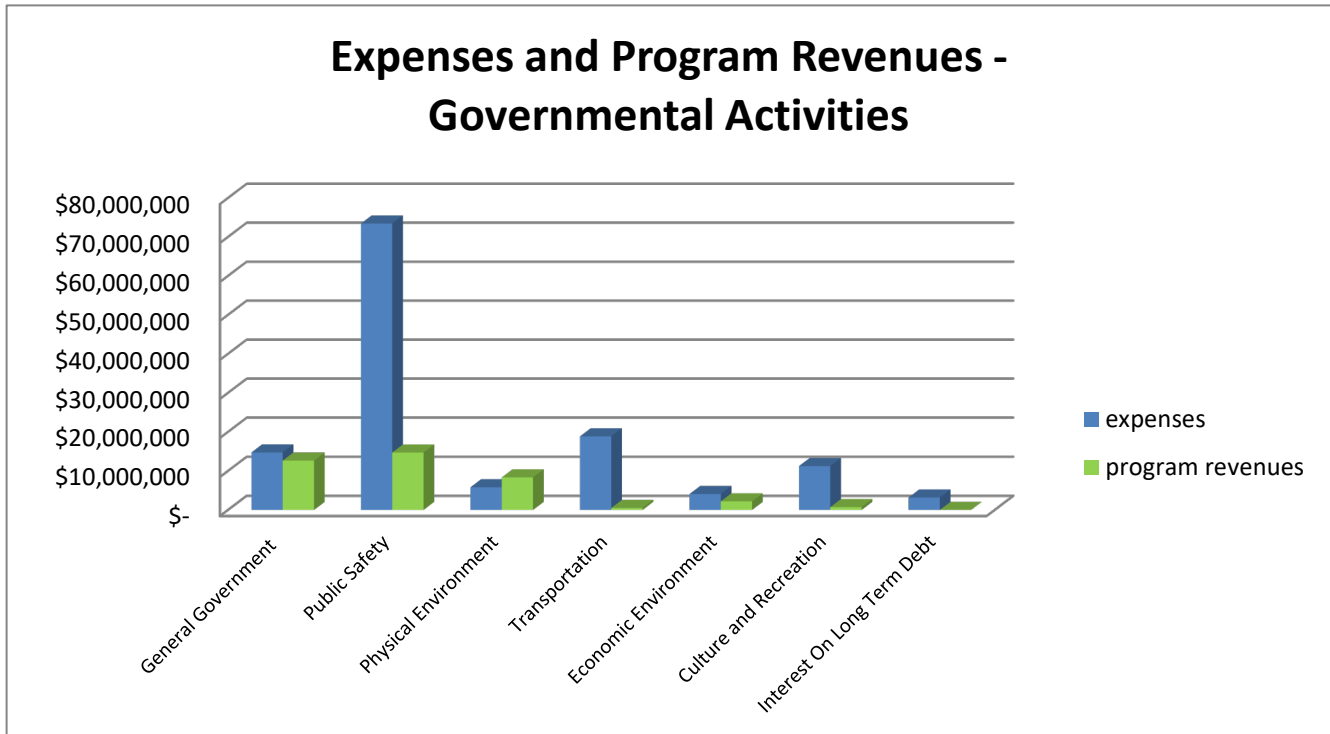
Key Elements of Revenues of Governmental Activities:

- Property taxes, which provided 31% of governmental revenues, increased by \$4,896,276. In FY 2023, the City's millage rate was 6.6177 per \$1,000 of taxable property. This was the same rate for FY 2022.
- Investment income, which provided 3% of governmental revenues, increased by \$12,955,795 from the prior year due to significant improvements in the markets.
- Utility services taxes provided 11% of governmental revenues and totaled \$14,460,925 for FY 2023. This was an increase of 22.1% or \$2,618,181 from prior year.

**CITY OF OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Key Element of Expenses of Governmental Activities

In FY 2023, expenses for Governmental Activities increased 18.0% to \$132,082,123. Total expenses increased by \$20,156,784 mostly due to increase in Public Safety of \$15,825,011 related to the fire fee litigation settlement and additional public safety personnel, interest on Long Term Debt of \$1,354,782 from a new bank loan, and \$2,837,979 in General government expenses. As evidenced by the graph below, most of the governmental activities are not supported by program revenues.

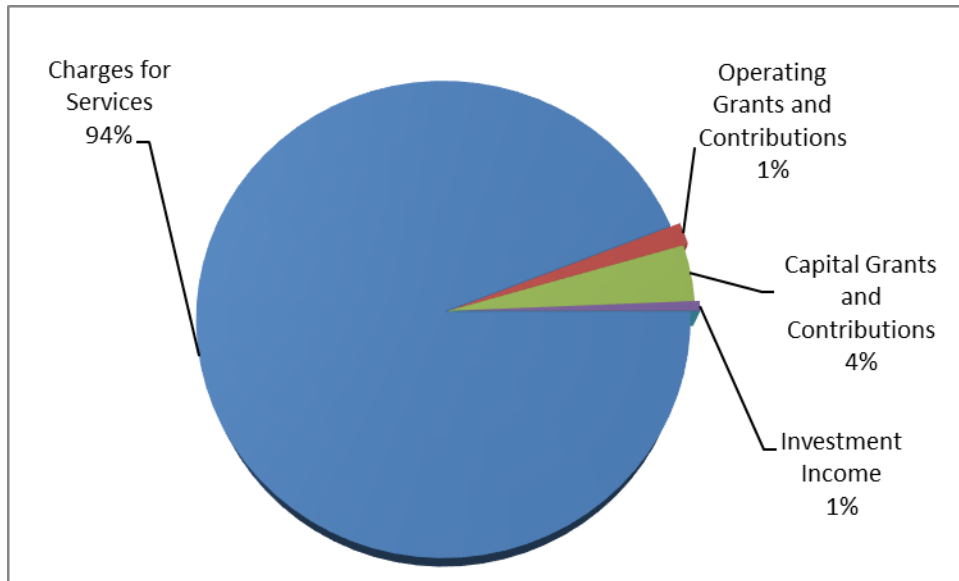


**CITY OF OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Business-type Activities. Please note that all expenses include depreciation expense, which contributes to the net position. Management, in concert with City Council, continuously monitors the progress of policies aimed at achieving a net revenue position for funds.

The Charges for Services category accounts for 94% of the revenue generated in the enterprise funds as seen below. Rates should be established to ensure operating expenses are covered.

Revenues by Source – Business-type Activities



Program revenue derived from user fees and charges is designed to recoup the cost of providing services. The change in net position in the enterprise funds increased from \$4,508,949, in FY 2022 to \$13,769,925, in FY 2023.

**CITY OF OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The Electric and Water and Sewer proprietary funds are reported as major funds. All the other proprietary funds are reported as non-major funds.

Summarized operating results for the Proprietary Funds are below. These numbers do not include any transfers or non-operating revenues or expenses.

	Electric		Water and Sewer		Sanitation	
	2023	2022	2023	2022	2023	2022
Operating Revenues	\$ 194,411,347	\$ 206,593,219	\$ 43,141,483	\$ 38,034,582	\$ 15,911,367	\$ 15,595,352
Operating Expenses	176,164,512	186,959,666	33,510,994	34,169,743	13,370,420	11,792,441
Operating Income (Loss)	\$ 18,246,835	\$ 19,633,553	\$ 9,630,489	\$ 3,864,839	\$ 2,540,947	\$ 3,802,911

	Municipal Golf Course		Ocala International Airport		Ocala Fiber Network	
	2023	2022	2023	2022	2023	2022
Operating Revenues	\$ 1,704,801	\$ 1,595,230	\$ 1,927,701	\$ 1,758,906	\$ 9,147,913	\$ 8,498,919
Operating Expenses	2,058,892	1,783,802	2,868,581	2,925,026	6,564,317	6,070,388
Operating Income (Loss)	\$ (354,091)	\$ (188,572)	\$ (940,880)	\$ (1,166,120)	\$ 2,583,596	\$ 2,428,531

	SunTran		TOTALS	
	2023	2022	2023	2022
Operating Revenues	\$ 214,046	\$ 151,498	\$ 266,458,658	\$ 272,227,706
Operating Expenses	4,092,069	4,197,709	238,629,785	247,898,775
Operating Income (Loss)	\$ (3,878,023)	\$ (4,046,211)	\$ 27,828,873	\$ 24,328,931

Key elements of the City's business-type activities for FY 2023 are as follows:

Business-type activities had an operating income of \$27,828,873, a \$3,499,942 or 14.4% increase from the prior year. The Water and Sewer Fund accounted for the majority of this increase.

The Electric Fund operating income decreased \$1,386,718 from the prior year. Operating revenues decreased by \$12,181,872 while operating expenses decreased by \$10,795,154. In the prior year, the City recognized \$8 million from its rate stabilization reserve due to lower PCA collections. Electric operating expenses decreased due to the lower price of fuel that resulted in a decrease in the City's purchased electricity from FMPA.

The Water and Sewer Fund operating revenues increased \$5,106,901 or 13.4%. That increase resulted from a rate increase of 8%.

The Sanitation Fund operating income decreased \$1,261,964 in FY 2023. This was due to a \$1,577,979 increase in operating expenses driven by increased personnel costs of \$268,197 and increased contract services of \$438,983 for recycling, yard waste collection and solid waste disposal. Fleet expenses also increased by \$425,257.

The City outsourced management operations of the Municipal Golf Course in FY 2013. In FY 2023, the operating loss was \$354,091 which is in line with the past two years of operations. Increases in green fees and cart rental fees, combined with higher course utilization contributed to improved operating revenues of \$1,704,801; however,

**CITY OF OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

operating costs also increased \$275,090 due to higher professional services (\$113K), maintenance of facilities (\$54K), and other costs (\$120K) which include salary increases, increased equipment costs and maintenance of grass.

The Ocala International Airport operating income increased by \$225,240 over FY 2022. This higher operating income was due to several factors. The City had renewed contracts with the Florida Division of Forestry and Florida Fish & Wildlife, an increase of \$27,594, a rate increase for T-hangars \$24,617, and ground lease increases of \$26,117. Commissions for the restaurant increased and we also had a new lease for office space, totaling \$53,423. Additionally, the fuel commissions increased by \$39,395. Lastly, there was \$60,000 from Recreation & Parks for their portion of the playground equipment.

The Ocala Fiber Network (OFN) Fund had an increase in operating income of \$155,065 or 6.4%. This is primarily due to increased revenues of \$496,668 for commercial internet and \$124,966 for residential internet. The Fiber Fund customer base continued its growth from 2,900 customers in FY22 to 3,390 customers in FY23.

The City's public mass transit system, SunTran had an operating loss of \$3,878,023. This number, however, does not reflect non-operating revenue of \$3,291,580. The majority of revenue received in this fund is non-operating in nature and includes Federal, State, and Local grants. Grant revenue is recorded as the related operating expenses are incurred.

The unrestricted portion of net position for each business-type fund is as follows

Fund	Unrestricted Net Position
Electric	\$ 5,763,817
Water and Sewer	12,483,563
Sanitation	6,585,643
Municipal Golf Course	389,442
Ocala International Airport	108,254
Ocala Fiber Network	9,167,557
SunTran	(202,000)
Total	\$ 34,296,276

Other factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

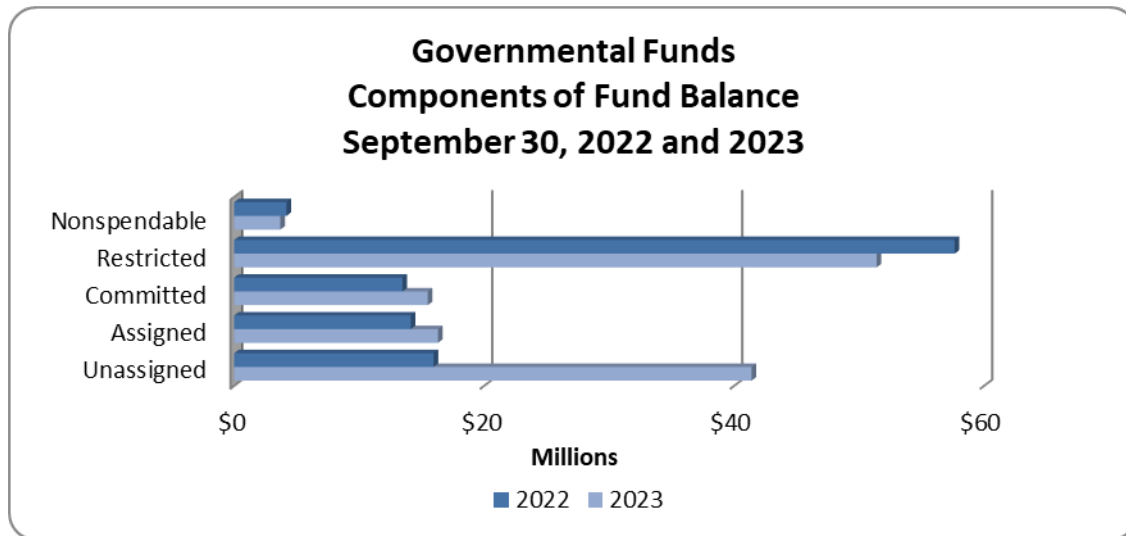
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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. Unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of the fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for purposes by the City's Council.

On September 30, 2023, the City's governmental funds reported combined fund balances of \$128,279,668, an increase of \$22,908,568 or 21.7% in comparison with the prior year. Approximately 32.3% of this amount \$41,396,901, constitutes unassigned fund balance, which is available for spending at the government's discretion. The total fund balance is made up as follows:

**CITY OF OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Governmental Fund Balance		
Fund Balances	Amount	% of Total
Nonspendable	3,690,351	2.8%
Restricted	51,399,025	40.1%
Committed	15,489,638	12.1%
Assigned	16,303,753	12.7%
Unassigned	41,396,901	32.3%
Total	\$ 128,279,668	100.0%



The General Fund is the chief operating fund of the City. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to general fund expenditures. Unassigned fund balance of \$45,203,330 represents 39.7% of total general fund expenditures, while total fund balance of \$69,775,912 represents 61.3% of that amount.

The net change in fund balance of the General Fund was \$25,610,263 compared to \$(22,806,616) in the prior year. This was due to a \$58,867,217 decrease in Public Safety related to the prior year fire fee settlement.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original General Fund budgeted expenditures, not including reserves, totaled \$111,247,323. Various budget amendments were approved by City Council. During the year, appropriations increased \$41,564,609 from the original to the final budget in the General Fund. Fiscal Year 2023 revenues were \$1,256,118 more than budgeted. This variance was caused by lower intergovernmental revenue of \$11,781,721 offset by gains in all other budgeted revenue categories. Actual expenditures were \$38,359,364 less than budget. Reductions in public safety of \$6,889,460, capital outlay \$18,297,912, general government of \$3,983,676, and economic environment costs totaling \$5,270,386 all contributed to this reduction. These cost reductions were primarily a result of construction and other projects carried over into the next year.

The General Fund FY23 adopted budget increased over the final budget for the following reasons:

- American Rescue Plan Act grant funds \$5,000,000

**CITY OF OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

- Grant for the construction of NW 44th Avenue - \$8,000,000
- Grant carryforward - \$2,500,000
- Supplemental appropriation to reserve and operating for projects - \$15,000,000

Additional budget to actual information on the City's General Fund can be found on page 105.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, totaled \$490,946,951 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, intangibles, equipment, infrastructure, and construction in progress. The City's balances were adjusted due to the implementation of a new subscription software accounting standard during the fiscal year. The City's investment in capital assets minimally increased by \$1,959,738 from FY 2022.

**CAPITAL ASSETS
(NET OF DEPRECIATION)**

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 29,181,096	\$ 28,140,498	\$ 20,803,110	\$ 20,803,110	\$ 49,984,206	\$ 48,943,608
Intangible (Easement, ROW)	1,935,359	1,935,359	2,746,647	2,720,323	4,682,006	4,655,682
Buildings and Improvements	53,724,552	44,064,005	256,963,283	257,324,109	310,687,835	301,388,114
Equipment	22,109,391	19,519,747	22,285,508	22,330,693	44,394,899	41,850,440
Intangible (Software)	1,000,870	1,403,882	210,000	200,132	1,210,870	1,604,014
Infrastructure	49,205,447	55,072,938	-	-	49,205,447	55,072,938
Collections	645,494	460,247	1,000	1,000	646,494	461,247
Intangibles Right to Use	2,277,006	3,137,360	839,616	252,296	3,116,622	3,389,656
Construction in Progress	5,460,811	11,734,497	21,557,761	19,887,017	27,018,572	31,621,514
Total	\$ 165,540,026	\$ 165,468,533	\$ 325,406,925	\$ 323,518,680	\$ 490,946,951	\$ 488,987,213

Major capital asset events during the current fiscal year included the following:

Governmental Activities:

- Edgewood Park Suntree Box \$584,176
- Mary Sue Rich Community Center \$10,097,552
- 911 Dispatch Remodel \$438,022
- Discovery Center Parking Lot \$392,932

**CITY OF OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

Business-type Activities:

- Ocala International Airport Taxiway Reconstruction \$6,201,274
- Lift Station #17 Project \$994,999
- Ocala Ex-Filtration Project \$904,251
- Water Reclamation Facility Improvement Program \$898,200

Additional information on the City's capital assets can be found in the Notes to Financial Statements on pages 64-65.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$169,140,000. That was a decrease of \$9,730,000 or -5.4% from outstanding long-term debt of \$178,870,000 at the end of FY 2022. Electric and Water & Sewer debt is paid with operating revenues. The capital improvements debt is serviced by the pledge of non-ad valorem revenues such as gas taxes, sales tax revenues and State revenue sharing.

Additional information on the City's long-term debt can be found in the Notes to Financial Statements on pages 93-98 of this report.

Outstanding Debt

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Capital Improvement bonds	\$ 16,865,000	\$ 18,920,000	\$ -	\$ -	\$ 16,865,000	\$ 18,920,000
Utility system bonds	-	-	92,275,000	99,950,000	92,275,000	99,950,000
Bank Loan	60,000,000	60,000,000	-	-	60,000,000	60,000,000
Total	<u>\$ 76,865,000</u>	<u>\$ 78,920,000</u>	<u>\$ 92,275,000</u>	<u>\$ 99,950,000</u>	<u>\$ 169,140,000</u>	<u>\$ 178,870,000</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following were some of the significant factors considered in preparing the City's FY 23-24 budget:

- The FY 2023 budget was prepared as the City continues to carefully plan using conservative fiscal oversight. This disciplined approach resulted in high quality municipal services, investment in public facilities, and maintaining appropriate reserves to provide resiliency during uncertain economic times which are proving to be the norm in the current economic environment.
- The City's leadership, the City Council and Mayor, recognizes its critical role in establishing the appropriate tenor and investment required for economic transformation of the local economy. The City's strategic plan has four goals: economic hub, fiscal sustainability, operational excellence, and quality of place. These goals serve as drivers for directing the City's limited resources.
- Ocala's economy improved with an 10.52% increase in real property valuations. The City has aggressively, but strategically, continued sowing the seeds for tomorrow's economic recovery. The City's investments in economic development made over the past three to four years are beginning to yield meaningful results. The FY 2024 budget continues strategic funding for economic development projects while preserving flexibility for pursuing additional economic opportunities.

**CITY OF OCALA, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2023**

- Through strong financial policies, as adopted by the City Council, the City presented stakeholders a balanced budget that addresses the priority, needs, and maintains or enhances service levels.
- The balanced budget was possible due to an increase in property valuations and transfers to cover the cost-of-service delivery. The General Fund Budget for FY 2024 totals \$133,087,385.
- The Citywide Comprehensive FY 2024 Budget totals \$1,000,397,742.
- The FY 2024 Budget was prepared by utilizing available resources in the most efficient manner to ensure that the City can provide services that have been established as priorities for the current fiscal year. The City continues to monitor growth pressures in annual pension contribution costs and inflationary pressures associated with day-to-day operations and capital expenses. Each department reviewed its operations and recommended strategies to reduce expenditures without significantly impacting services. These efficiencies to date include reorganization of some department and/or divisions, consolidation of service functions, re-assignment of staff to critical tasks, and better utilization of technology. Each department will continue to focus on all areas of their operation to reduce costs while maintaining operational efficiency.

During the current fiscal year, the unassigned fund balance in the General Fund was \$45,203,330.

REQUESTS FOR INFORMATION

This financial report is designed to present users with a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 201 SE 3rd Street, Ocala, Florida 34471, or telephone (352) 629-2489.



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CITY OF OCALA, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities	Business- Type Activities	Total
Assets			
Cash and investments	\$ 112,286	\$ 75,912	\$ 188,198
Equity In pooled cash and investment fund	166,938,651	101,804,291	268,742,942
Receivables-net of allowance for uncollectibles	2,557,967	41,408,164	43,966,131
Accrued interest receivable	485,397	283,269	768,666
Internal balances	(711,359)	711,359	-
Due from other governments	6,036,721	2,757,000	8,793,721
Lease receivable	853,741	641,846	1,495,587
Prepays	1,968,693	565,696	2,534,389
Inventories	221,658	16,543,008	16,764,666
Capital assets not being depreciated	36,577,266	45,108,518	81,685,784
Capital assets, being depreciated, net	128,962,760	280,298,407	409,261,167
Total assets	344,003,781	490,197,470	834,201,251
Deferred outflows of resources			
Deferred outflows pension related	54,080,883	15,278,918	69,359,801
Deferred outflows from debt refunding	1,060,872	3,211,861	4,272,733
Deferred outflows from OPEB	4,673,870	2,151,131	6,825,001
Total deferred outflows of resources	59,815,625	20,641,910	80,457,535
Liabilities			
Accounts payable and accrued liabilities	12,141,920	15,060,897	27,202,817
Contract retainage	282,869	359,019	641,888
Accrued interest payable	1,447,635	1,522,113	2,969,748
Unearned revenue	6,141,975	3,490,859	9,632,834
Due to other governments	362,667	1,282,112	1,644,779
Escrow and deposits	1,017,464	-	1,017,464
Other liabilities	-	10,958,412	10,958,412
Noncurrent liabilities:			
Due within one year	11,456,835	10,238,761	21,695,596
Due in more than one year	184,588,445	126,810,045	311,398,490
Total liabilities	217,439,810	169,722,218	387,162,028
Deferred inflows of resources			
Deferred inflows leases related	853,741	641,846	1,495,587
Deferred inflows from debt refunding	-	171,743	171,743
Deferred inflows pension related	1,224,718	-	1,224,718
Deferred inflows from OPEB	4,154,970	1,782,030	5,937,000
Regulatory liability-rate stabilization	-	12,945,306	12,945,306
Total deferred inflows of resources	6,233,429	15,540,925	21,774,354
Net Position			
Net invested in capital assets	147,284,538	234,962,733	382,247,271
Restricted for:			
Transportation	4,028,526	-	4,028,526
Capital projects	30,117,842	48,422,228	78,540,070
Debt service	6,938,941	7,895,000	14,833,941
Development district improvements	5,880,787	-	5,880,787
Public safety	2,795,916	-	2,795,916
Grants	2,951,650	-	2,951,650
Unrestricted	(19,852,033)	34,296,276	14,444,243
Total net position	\$ 180,146,167	\$ 325,576,237	\$ 505,722,404

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

CITY OF OCALA, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 14,790,497	\$ 12,174,289	\$ 197,565	\$ 272,567
Public safety	73,652,568	12,326,722	2,373,033	-
Physical environment	6,176,550	8,334,781	-	-
Transportation	18,891,969	78,529	429,450	-
Economic environment	4,079,129	82,557	2,110,895	-
Culture and recreation	11,303,090	715,948	5,178	-
Interest on long term debt	3,188,320	-	-	-
Total governmental activities	132,082,123	33,712,826	5,116,121	272,567
Business-type activities:				
Electric	177,586,080	194,411,347	586,617	4,389,025
Water and sewer	35,544,613	43,141,483	157,956	5,330,614
Sanitation	13,370,420	15,911,367	155,400	105,269
Municipal golf courses	2,058,892	1,704,801	-	-
International airport	2,868,581	1,927,701	-	995,283
Fiber Network	6,570,831	9,147,913	14,222	-
Suntran	4,092,069	214,046	3,291,580	-
Total business-type activities	242,091,486	266,458,658	4,205,775	10,820,191
Total Primary Government	\$ 374,173,609	\$ 300,171,484	\$ 9,321,896	\$ 11,092,758

General Revenues:

Property tax
Utility service tax
Communication tax
Local option gas tax
Infrastructure sales tax
Other tax
State shared revenues
Investment income (loss)
Gain on sale of capital assets
Miscellaneous

Transfers:

Transfers

Total general revenues and transfers

Change In net position

Net position - October 1

Net position - September 30

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

Net (Expense) Revenue and Change In Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (2,146,076)	\$ -	\$ (2,146,076)
(58,952,813)	-	(58,952,813)
2,158,231	-	2,158,231
(18,383,990)	-	(18,383,990)
(1,885,677)	-	(1,885,677)
(10,581,964)	-	(10,581,964)
(3,188,320)	-	(3,188,320)
<u>(92,980,609)</u>	<u>-</u>	<u>(92,980,609)</u>
-	21,800,909	21,800,909
-	13,085,440	13,085,440
-	2,801,616	2,801,616
-	(354,091)	(354,091)
-	54,403	54,403
-	2,591,304	2,591,304
-	(586,443)	(586,443)
<u>-</u>	<u>39,393,138</u>	<u>39,393,138</u>
<u>\$ (92,980,609)</u>	<u>\$ 39,393,138</u>	<u>\$ (53,587,471)</u>
41,845,602	-	41,845,602
14,460,925	-	14,460,925
2,959,834	-	2,959,834
3,986,545	-	3,986,545
11,954,606	-	11,954,606
1,995,824	-	1,995,824
9,586,355	-	9,586,355
4,451,185	1,851,595	6,302,780
-	26,884	26,884
3,898,776	-	3,898,776
<u>27,501,692</u>	<u>(27,501,692)</u>	<u>-</u>
<u>122,641,344</u>	<u>(25,623,213)</u>	<u>97,018,131</u>
29,660,735	13,769,925	43,430,660
<u>150,485,432</u>	<u>311,806,312</u>	<u>462,291,744</u>
<u>\$ 180,146,167</u>	<u>\$ 325,576,237</u>	<u>\$ 505,722,404</u>

**CITY OF OCALA, FLORIDA
BALANCE SHEET
ALL GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and investments	\$ 112,286	\$ -	\$ 112,286
Equity In pooled cash and investment fund	74,636,950	63,373,084	138,010,034
Receivables-net of allowance for uncollectibles	626,816	1,041,683	1,668,499
Accrued interest receivable	240,626	160,453	401,079
Due from other funds	4,188,641	-	4,188,641
Advances to other funds	1,500,000	-	1,500,000
Due from other governments	4,812,205	1,224,516	6,036,721
Prepays	829,636	1,139,057	1,968,693
Inventories	221,658	-	221,658
Leases receivable	853,741	-	853,741
Accrued unbilled revenues	889,468	-	889,468
Total assets	88,912,027	66,938,793	155,850,820
Liabilities:			
Accounts payable and accrued liabilities	10,020,348	864,347	10,884,695
Unearned revenue	5,762,896	379,079	6,141,975
Retainage on contracts	187,996	94,873	282,869
Escrow and deposits	388,477	628,987	1,017,464
Due to other governments	362,667	-	362,667
Due to other funds	-	400,000	400,000
Advances from other funds	-	6,000,000	6,000,000
Total liabilities	16,722,384	8,367,286	25,089,670
Deferred Inflows of Resources			
Deferred inflows from future revenues	1,559,990	67,751	1,627,741
Deferred inflows lease related	853,741	-	853,741
Total deferred inflows of resources	2,413,731	67,751	2,481,482
Fund Balances:			
Nonspendable	2,551,294	1,139,057	3,690,351
Restricted	3,624,534	47,774,491	51,399,025
Committed	2,093,001	13,396,637	15,489,638
Assigned	16,303,753	-	16,303,753
Unassigned (Deficit)	45,203,330	(3,806,429)	41,396,901
Total fund balances	69,775,912	58,503,756	128,279,668
Total liabilities, deferred inflows of resources and fund balances	\$ 88,912,027	\$ 66,938,793	\$ 155,850,820

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

CITY OF OCALA, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2023

Total fund balances of governmental funds	\$ 128,279,668
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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 \$525,488,801 and the accumulated depreciation/amortization is \$359,948,775.	165,540,026
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The pension liability is a liability for the government-wide statement of net position. A pension liability is not considered to represent a financial liability and, therefore, is not reported in the governmental funds.	
Net Pension Liability General Employees Plan	(37,054,958)
Net Pension Liability Police Plan	(30,633,260)
Net Pension Liability Fire Plan	(22,866,063)
Deferred outflows of resources related to pensions	54,080,883
Deferred inflows of resources related to pensions	(1,224,718)

The internal service funds are used by management to charge the costs of fleet, facilities, information technology and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	18,954,432
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Other long-term assets are not available to pay for current period expenditures and therefore, are reported as deferred inflows of unavailable revenue and receivable in the funds.	1,627,741
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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. Long term liabilities at year end consist of:	
Other liabilities-Fire fee settlement	(3,022,224)
Bonds payable	(76,865,000)
Leases payable	(453,520)
Unamortized (gain)loss on refunding (to be amortized as interest expense).	1,060,872
SBITA payable	(1,714,971)
Accrued interest payable	(1,447,635)
Compensated absences	(4,531,191)
OPEB liability payable	(10,102,815)
Deferred inflows related to OPEB	(4,154,970)
Deferred outflows related to OPEB	4,673,870
	4,673,870

Net position of governmental activities	\$ 180,146,167
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The notes to the financial statements are an integral part of the financial statements

CITY OF OCALA, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Property tax	\$ 40,458,650	\$ 1,386,952	\$ 41,845,602
Utility service tax	14,460,925	-	14,460,925
Communication service tax	2,959,834	-	2,959,834
Local option gas tax	-	3,986,545	3,986,545
Infrastructure sales surtax	-	11,954,606	11,954,606
Other tax	1,995,824	-	1,995,824
State shared revenues	9,586,355	-	9,586,355
Other intergovernmental revenues	4,472,382	1,258,611	5,730,993
Permits and fees	3,130,316	5,382	3,135,698
Fines and forfeitures	198,167	87,471	285,638
Charges for services	20,023,760	8,343,670	28,367,430
Investment income (loss)	1,836,153	1,718,350	3,554,503
Miscellaneous	3,672,729	226,048	3,898,777
Total revenues	<u>102,795,095</u>	<u>28,967,635</u>	<u>131,762,730</u>
Expenditures			
Current:			
General government	12,937,801	33,532	12,971,333
Public safety	74,465,953	127,654	74,593,607
Physical environment	113,626	5,309,579	5,423,205
Transportation	4,105,851	4,951,838	9,057,689
Economic environment	3,253,433	744,370	3,997,803
Culture and recreation	10,354,444	-	10,354,444
Capital outlay	7,505,083	7,492,458	14,997,541
Debt service:			
Principal payments	987,760	2,055,000	3,042,760
Interest and fees	94,115	2,947,177	3,041,292
Total expenditures	<u>113,818,066</u>	<u>23,661,608</u>	<u>137,479,674</u>
Excess (deficiency) of revenues over expenditures	<u>(11,022,971)</u>	<u>5,306,027</u>	<u>(5,716,944)</u>
Other financing sources (uses)			
Transfers in	43,294,176	6,260,870	49,555,046
Transfers out	(6,660,942)	(14,268,592)	(20,929,534)
Total other financing sources (uses)	<u>36,633,234</u>	<u>(8,007,722)</u>	<u>28,625,512</u>
Net change in fund balances	<u>25,610,263</u>	<u>(2,701,695)</u>	<u>22,908,568</u>
Fund balances - October 1	<u>44,165,649</u>	<u>61,205,451</u>	<u>105,371,100</u>
Fund balances - September 30	<u>\$ 69,775,912</u>	<u>\$ 58,503,756</u>	<u>\$ 128,279,668</u>

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

**CITY OF OCALA, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Net change in fund balances - total governmental funds \$ 22,908,568

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

Governmental funds report capital purchases as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

The details of the difference are as follows:

Capital outlay	14,997,541	
Less current year depreciation/amortization	(14,730,012)	
Contributed capital assets	96,684	
Loss on disposition of capital assets	<u>(292,721)</u>	71,492

The issuance of bonds and similar long term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premium, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The amounts of the items that make up these differences in treatment of long term debt and related items are:

Principal repayments:	
Bonds and certificates payable	2,055,000
Leases payable	42,304
SBITAs payable	945,456
Amortization of bond discount, premium, and deferred amounts on refundings	(117,875)

Some expenses reported in the statement of activities such as compensated absences, accrued interest and OPEB liability payable, do not require the use of current financial resources and are not reported as expenditures in governmental funds:

Compensated absences	(159,370)
Accrued interest on long term debt	(29,153)
Changes in OPEB liability payable and related deferred outflows and inflows	539,541
Other liabilities-Fire fee settlement	4,834,915
Changes in pension liability payable and related deferred outflows and inflows	(2,910,787)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,485,070

The internal service funds are used by management to charge the costs of fleet, facilities, information technology and risk management to individual funds. The net income(expense) of the internal services funds is reported with governmental activities. (4,426)

Change in net position of governmental activities \$ 29,660,735

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

**CITY OF OCALA, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023**

	BUSINESS-TYPE ACTIVITIES -				
	Electric System Revenue	Water and Sewer	Nonmajor Enterprise	Totals	Internal Service Funds
Assets					
Current Assets:					
Cash and investments	\$ 2,899	\$ -	\$ 73,013	\$ 75,912	\$ -
Equity in pooled cash and investment fund	215,603	10,349,111	20,454,930	31,019,644	28,928,617
Restricted assets available for current liabilities	3,691,515	7,230,755	-	10,922,270	-
Receivables (net, where applicable, of allowances for uncollectibles):					
Accounts and notes	18,815,201	2,770,683	1,995,698	23,581,582	-
Accrued interest	92,323	128,597	62,349	283,269	84,318
Unbilled revenues	14,621,279	2,031,820	1,173,483	17,826,582	-
Due from other funds	150,000	150,000	-	300,000	-
Prepays	489,785	22,433	53,478	565,696	-
Lease receivable	-	102,331	-	102,331	-
Inventories	12,490,086	2,690,587	1,362,335	16,543,008	-
Due from other governments	-	1,160,922	1,596,078	2,757,000	-
Total current assets	50,568,691	26,637,239	26,771,364	103,977,294	29,012,935
Noncurrent Assets:					
Restricted Assets:					
Equity in pooled cash and investment fund:					
Construction accounts	15,408,292	10,842,846	-	26,251,138	-
Debt service accounts	3,690,648	5,726,465	-	9,417,113	-
Impact fee accounts	2,968,100	17,303,528	-	20,271,628	-
Rate stabilization	12,945,306	-	-	12,945,306	-
Renewal and replacement	-	1,899,462	-	1,899,462	-
Less: Portion classified as current	(3,691,515)	(7,230,755)	-	(10,922,270)	-
Non restricted assets:					
Lease receivable	-	539,515	-	539,515	-
Interfund advances	2,250,000	2,250,000	-	4,500,000	-
Total non-current assets	33,570,831	31,331,061	-	64,901,892	-
Capital assets:					
Capital assets not being depreciated	8,080,274	30,377,883	6,650,361	45,108,518	-
Capital assets being depreciated, net	96,311,385	135,374,289	48,612,733	280,298,407	-
Total capital assets (net)	104,391,659	165,752,172	55,263,094	325,406,925	-
Total noncurrent assets	137,962,490	197,083,233	55,263,094	390,308,817	-
Total assets	\$ 188,531,181	\$ 223,720,472	\$ 82,034,458	\$ 494,286,111	\$ 29,012,935
Deferred outflows of resources:					
Deferred amount on debt refunding	1,250,197	1,961,664	-	3,211,861	-
Deferred amount pension related	8,595,735	3,800,541	2,882,642	15,278,918	-
Deferred amount OPEB related	1,051,738	576,260	523,133	2,151,131	-
Total deferred outflows of resources	\$ 10,897,670	\$ 6,338,465	\$ 3,405,775	\$ 20,641,910	\$ -

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

(Continued)

CITY OF OCALA, FLORIDA
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	BUSINESS-TYPE ACTIVITIES -				GOVERNMENTAL ACTIVITIES
	Electric System Revenue	Water and Sewer	Nonmajor Enterprise	Total	Internal Service Funds
Liabilities					
Current Liabilities:					
Payable from unrestricted assets:					
Accounts payable and accrued liabilities	\$ 11,014,269	\$ 743,343	\$ 2,142,139	\$ 13,899,751	\$ 1,257,225
Due to other governments	1,264,166	-	17,946	1,282,112	-
Contract retainage	-	-	15,008	15,008	-
Claims payable	-	-	-	-	2,908,621
Compensated absences payable	1,019,397	352,166	312,550	1,684,113	-
OPEB obligation payable	118,032	64,860	59,301	242,193	-
Leases payable	-	-	73,897	73,897	-
Due to other funds	3,116,714	-	971,927	4,088,641	-
Customer deposits	10,826,104	-	132,308	10,958,412	-
Software subscription payable	343,558	-	-	343,558	-
Unearned revenue	1,564,654	128,881	1,797,324	3,490,859	-
Total current liabilities payable from unrestricted assets	29,266,894	1,289,250	5,522,400	36,078,544	4,165,846
Payable from restricted assets:					
Accounts payable and accrued liabilities	867	1,160,279	-	1,161,146	-
Contract retainage	-	344,011	-	344,011	-
Accrued interest payable	630,898	891,215	-	1,522,113	-
Revenue bonds payable within one year	3,059,750	4,835,250	-	7,895,000	-
Total current liabilities payable from restricted assets	3,691,515	7,230,755	-	10,922,270	-
Total current liabilities	32,958,409	8,520,005	5,522,400	47,000,814	4,165,846
Noncurrent Liabilities:					
Claims payable	-	-	-	-	5,892,657
Compensated absences payable	182,258	66,562	140,790	389,610	-
Software subscription payable	333,880	-	-	333,880	-
OPEB obligation payable	2,367,380	1,320,946	1,203,666	4,891,992	-
Leases payable	-	-	98,956	98,956	-
Net pension liability	20,655,759	9,132,794	6,927,054	36,715,607	-
Revenue bonds and notes payable after one year	34,627,350	49,752,650	-	84,380,000	-
Total noncurrent liabilities	58,166,627	60,272,952	8,370,466	126,810,045	5,892,657
Total liabilities	\$ 91,125,036	\$ 68,792,957	\$ 13,892,866	\$ 173,810,859	\$ 10,058,503
Deferred Inflows of Resources:					
Deferred inflows lease related	-	641,846	-	641,846	-
Deferred amount on debt refunding	-	171,743	-	171,743	-
Deferred inflows OPEB related	881,232	477,560	423,238	1,782,030	-
Regulatory liability-rate stabilization	12,945,306	-	-	12,945,306	-
Total deferred inflows of resources	13,826,538	1,291,149	423,238	15,540,925	-
Net Position					
Net investment in capital assets	67,277,318	112,610,182	55,075,233	234,962,733	-
Restricted for debt service	3,059,750	4,835,250	-	7,895,000	-
Restricted for capital projects	18,376,392	30,045,836	-	48,422,228	-
Unrestricted	5,763,817	12,483,563	16,048,896	34,296,276	18,954,432
Total net position	\$ 94,477,277	\$ 159,974,831	\$ 71,124,129	\$ 325,576,237	\$ 18,954,432

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

CITY OF OCALA, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUSINESS-TYPE ACTIVITIES -				GOVERNMENTAL ACTIVITIES
	Electric System Revenue	Water and Sewer	Nonmajor Enterprise	Total	Internal Service Funds
Operating Revenues:					
Charges for services	\$ 193,101,337	\$ 43,016,529	\$ 28,787,940	\$ 264,905,806	\$ 17,037,946
Other	1,310,010	124,954	117,888	1,552,852	1,229,120
Total operating revenues	194,411,347	43,141,483	28,905,828	266,458,658	18,267,066
Operating Expenses:					
Purchase of electricity	132,403,391	-	-	132,403,391	-
Distribution	14,109,990	5,236,701	-	19,346,691	-
Operation and maintenance	4,787,113	135,173	13,404,102	18,326,388	-
Water and sewer treatment	-	7,487,440	-	7,487,440	-
Sewer collection	-	4,579,304	-	4,579,304	-
Internal service	-	-	-	-	18,044,354
Administration	14,907,590	5,420,793	10,674,954	31,003,337	-
Amortization-leases and SBITAs	334,370	-	81,420	415,790	-
Depreciation	9,622,058	10,651,583	4,793,803	25,067,444	-
Total operating expenses	176,164,512	33,510,994	28,954,279	238,629,785	18,044,354
Operating income (loss)	18,246,835	9,630,489	(48,451)	27,828,873	222,712
Non-Operating Revenues (Expenses):					
Investment income	250,865	953,592	647,138	1,851,595	896,682
Interest expense	(1,421,568)	(2,033,619)	(6,514)	(3,461,701)	-
Interest income leases	-	4,290	-	4,290	-
Gain (loss) on sale of fixed asset	30,116	(3,232)	-	26,884	-
Other non-operating revenue (loss)	586,617	153,666	3,461,202	4,201,485	-
Total non-operating revenues (expenses)	(553,970)	(925,303)	4,101,826	2,622,553	896,682
Income before capital contributions, grants and transfers	17,692,865	8,705,186	4,053,375	30,451,426	1,119,394
Capital contributions, grants, and impact fees	4,389,025	5,330,614	1,100,552	10,820,191	-
Transfers:					
Transfers in	-	-	573,072	573,072	-
Transfers out	(19,313,887)	(5,384,894)	(3,375,983)	(28,074,764)	(1,123,820)
Total transfers	(19,313,887)	(5,384,894)	(2,802,911)	(27,501,692)	(1,123,820)
Change in net position	2,768,003	8,650,906	2,351,016	13,769,925	(4,426)
Net position - October 1	\$ 91,709,274	\$ 151,323,925	\$ 68,773,113	\$ 311,806,312	\$ 18,958,858
Net position - September 30	\$ 94,477,277	\$ 159,974,831	\$ 71,124,129	\$ 325,576,237	\$ 18,954,432

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

**CITY OF OCALA, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	BUSINESS-TYPE ACTIVITIES -				GOVERNMENTAL ACTIVITIES
	Electric System Revenue	Water and Sewer	Nonmajor Enterprise	Total	Internal Service Funds
Cash Flows from Operating Activities:					
Cash received from customers	\$ 212,988,980	\$ 42,395,245	\$ 28,471,250	\$ 283,855,475	\$ 1,229,120
Cash paid to suppliers for goods and services	(166,705,832)	(14,705,874)	(19,563,449)	(200,975,155)	(2,962,752)
Cash received from other funds	-	-	-	-	14,066,993
Cash received from employees	-	-	-	-	2,970,953
Cash paid for insurance claims	-	-	-	-	(15,254,492)
Cash paid to employees for services	(15,652,431)	(7,733,654)	(7,799,567)	(31,185,652)	-
Net cash provided by operating activities	30,630,717	19,955,717	1,108,234	51,694,668	49,822
Cash Flows from Non-Capital Financing Activities:					
Transfers in	-	-	573,072	573,072	-
Transfers out	(19,313,887)	(5,384,894)	(3,375,983)	(28,074,764)	(1,123,820)
Operating grants	671,344	93,400	4,119,356	4,884,100	-
Net cash provided by (used in) non-capital financing activities	(18,642,543)	(5,291,494)	1,316,445	(22,617,592)	(1,123,820)
Cash Flows from Capital and Related Financing Activities:					
Principal paid on long term debt	(3,299,122)	(4,701,550)	(81,518)	(8,082,190)	-
Interest paid on long term debt	(1,338,670)	(1,853,413)	(6,514)	(3,198,597)	-
Proceeds from sale of capital assets	467,703	3,220	-	470,923	-
Proceeds from leasing activities	-	4,290	-	4,290	-
Acquisition and construction of capital assets	(7,416,597)	(12,436,782)	(5,090,688)	(24,944,067)	-
Contributions and impact fees received from other governments, developers and individuals	2,520,685	5,330,614	1,064,463	8,915,762	-
Net cash (used in) capital and related financing activities	(9,066,001)	(13,653,621)	(4,114,257)	(26,833,879)	-
Cash Flows from Investing Activities:					
Investment income	171,662	905,068	645,246	1,721,976	900,856
Net cash provided by investing activities	171,662	905,068	645,246	1,721,976	900,856
Net increase (decrease) in cash and cash equivalents	3,093,835	1,915,670	(1,044,332)	3,965,173	(173,142)
Cash and cash equivalents, beginning	\$ 32,137,013	\$ 44,205,742	\$ 21,572,275	\$ 97,915,030	\$ 29,101,759
Cash and cash equivalents, ending	\$ 35,230,848	\$ 46,121,412	\$ 20,527,943	\$ 101,880,203	\$ 28,928,617

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

(Continued)

CITY OF OCALA, FLORIDA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	BUSINESS-TYPE ACTIVITIES -				GOVERNMENTAL ACTIVITIES
	Electric System Revenue	Water and Sewer	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of Cash and Cash Equivalents to Balance Sheet:					
Total current cash and investments per the balance sheet	\$ 218,502	\$ 10,349,111	\$ 20,527,943	\$ 31,095,556	\$ 28,928,617
Total noncurrent cash and investments per the balance sheet	35,012,346	35,772,301	-	70,784,647	-
Cash and cash equivalents, end of year	<u>35,230,848</u>	<u>46,121,412</u>	<u>20,527,943</u>	<u>101,880,203</u>	<u>28,928,617</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating income (loss)	18,246,835	9,630,489	(48,451)	27,828,873	222,712
Adjustments to reconcile operating income (loss) to cash provided by operating activities:					
Depreciation & amortization	9,956,428	10,651,583	4,875,223	25,483,234	-
(Increase) decrease in assets and deferred outflow of resources:					
Accounts and notes receivable	17,742,570	(746,238)	(369,455)	16,626,877	-
Inventories	-	(470,902)	(252,545)	(723,447)	-
Other current assets	(2,998,807)	1,020	(10,315)	(3,008,102)	-
Deferred outflows pension	(5,798,767)	(2,563,994)	(1,944,663)	(10,307,424)	-
Deferred outflow OPEB	(129,010)	(67,900)	(61,110)	(258,020)	-
Increase (decrease) in liabilities and deferred inflow of resources:					
Accounts and contracts payable	(8,332,376)	928,464	330,672	(7,073,240)	(172,890)
Compensated absences payable	42,027	4,682	31,707	78,416	-
OPEB obligation payable	(685,171)	(360,616)	(324,555)	(1,370,342)	-
Due to other funds	(5,709,088)	150,000	(3,246,425)	(8,805,513)	-
Due to other governments	1,264,166		17,946	1,282,112	-
Net pension liability	9,161,938	4,050,885	3,072,521	16,285,344	-
Deferred inflows pension	(3,667,541)	(1,621,467)	(1,229,933)	(6,518,941)	-
Customer deposits	936,682	-	7,402	944,084	-
Deferred inflows OPEB	702,450	369,711	332,740	1,404,901	-
Unearned revenue	(101,619)	-	(72,525)	(174,144)	-
Net cash provided by operating activities	<u>\$ 30,630,717</u>	<u>\$ 19,955,717</u>	<u>\$ 1,108,234</u>	<u>\$ 51,694,668</u>	<u>\$ 49,822</u>
Noncash Capital and Related Financing Activities:					
Plant and equipment contributed by developers	<u>\$ 1,868,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,868,340</u>	<u>\$ -</u>

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

**CITY OF OCALA, FLORIDA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023**

	PENSION TRUST FUNDS
Assets	
Cash and cash equivalents	\$ 5,188,748
Receivables:	
Interest and dividends receivable	297,996
Accounts receivable	295,478
Total receivables	593,474
Investments, at fair value	
Bonds and notes	85,940,568
Common stock	37,920,142
Mutual funds: real estate	39,443,320
Mutual funds: equities	119,440,000
Emerging markets	30,933,193
Hedge fund (mutual fund)	12,911,478
Mutual funds (other)	11,522,588
Total investments	338,111,289
Total assets	343,893,511
Liabilities	
Accounts payable	397,493
Total liabilities	397,493
Net Position	
Restricted for pensions	\$ 343,496,018

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

**CITY OF OCALA, FLORIDA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	PENSION TRUST FUNDS
Additions	
Contributions:	
Employer	\$ 14,102,826
State	1,569,905
Employee	2,374,153
Total contributions	<u>18,046,884</u>
Investment income:	
Investment gain (loss)	32,891,935
Less: Investment management fees	<u>(1,465,380)</u>
Net investment gain	<u>31,426,555</u>
Total additions	<u>49,473,439</u>
Deductions	
Pension payments	25,442,021
Refunds to employees	222,796
Administration	450,446
Total deductions	<u>26,115,263</u>
Change in net position	23,358,176
Net position - beginning	<u>320,137,842</u>
Net position - ending	<u><u>\$ 343,496,018</u></u>

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

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Ocala (the “City”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with the subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these policies are described below.

A. Reporting Entity

The City of Ocala, Florida (the “City”) operates under a council-manager form of government, including a six-member City Council comprised of a mayor (elected at large) and five district Councilmen and provides the following services as authorized by its charter: public safety, public works, public utilities, culture, recreation, and community development. The City of Ocala, Florida was created pursuant to the Laws of Florida, Chapter 67-1782.

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable and, as such, be includable within the City’s financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization’s governing board and (1) can impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which 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. Management determined that the Community Redevelopment Agency is the only organization that should be included in the City’s financial statements as a component unit.

Blended Component Unit

The Community Redevelopment Agency (CRA) was created pursuant to Chapter 163.356, Florida Statutes, City Ordinance 2009, and City Resolutions 88-37, 88-52 and 89-44. The City Council approved revised Ordinance 2016-2, resolutions 2016-1 and 2016-4 establishing two additional CRA subareas. The City Council serves as the CRA Board, and the City has operational responsibility for all the CRAs. The CRA’s services are provided exclusively to the City. Although legally separate, the CRAs are appropriately blended as governmental fund type component units into the primary government. The CRAs are presented as nonmajor governmental funds and present separate financial statements.

The Ocala Downtown Development District (DDD) was created under the laws of Florida, Chapter 67-1782, and Ordinance No. 266 of the City of Ocala. The City Council serves as the DDD Board and the City has operational responsibility. The DDD is considered a component unit for financial reporting purposes since management of the primary government has operational responsibility for the component unit and is included as a blended special revenue fund and issues separate financial statements.

The City includes advisory boards and commission within the City in its financial statements in circumstances where the City selects the governing authority, designates management, can influence operations, and has accountability for fiscal matters of the advisory boards and commissions. Therefore, it meets the reporting requirements under GASB 61.

Related Organizations

The following entity is not included in the accompanying financial statements:

Ocala Housing Authority (OHA) – Although the City is responsible for appointing the OHA’s board, the City does not exercise the other prerequisites for inclusion as a component unit. The City’s accountability for this

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

organization does not extend beyond making these appointments. The OHA was established in 1973 and is funded primarily by the United States Department of Housing and Urban Development. The OHA service area is Marion County. The OHA currently provides financial assistance through its Housing Choice Voucher (HCV) Program (Section 8) for low-income families, seniors, and person with disabilities. The HCV program provides rental subsidies for eligible families, via direct monthly payments for private landlords who rent units throughout Marion County. A significant number of these units are in the unincorporated areas of the county.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Positions and the Statement of Activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

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

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary or fiduciary funds) are accounted for through governmental funds. The following are the City's governmental fund types:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Projects Funds

Proprietary Funds are used to account for the City's ongoing activities which are similar to those often found in the private business sector. The following are the City's proprietary fund types:

- Enterprise Funds
- Internal Service Funds

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City's fiduciary fund type includes:

- Pension Trust Funds

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and pension trust funds within the fiduciary fund

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the period. Measurable refers to the ability to quantify in monetary terms the amount of the revenue and receivable. Available means collectible in the current period or soon enough thereafter to be used to pay liabilities at the balance sheet date. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as substantially all eligibility requirements imposed by the provider have been met. Transfers are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for unmatured principal and interest on long term-debt. As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Material revenues are considered susceptible to accrual because they are both measurable and available to finance expenditures of the current period. Interest and investment income earnings are recognized when earned and allocated monthly based on each fund's equity in the pool. Some governmental fund revenues are not considered susceptible to accrual because they are not both measurable and available to finance expenditures of the current period.

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses.

Accounting standards set forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major governmental funds are combined in a single column in the fund financial statements and detailed in the combining statements section.

The City reports one major governmental fund:

The General Fund is the City's primary operating fund. It accounts for all financial resources traditionally associated with general governments except those required to be accounted for in another fund.

The City reports two major and five non-major proprietary funds:

The Electric System Fund (major fund) accounts for the construction, operation, and maintenance of the City-owned electric system as well as sales of electricity and other services to the general public. Electricity rates charged to customers are set by the City Council within the rate structure established (guidelines are approved) by the Florida Public Service Commission.

The Water and Sewer System Fund (major fund) accounts for the costs and recovery of costs in the form of user charges related to the production, treatment, and distribution of potable water, along with the collection, treatment, and disposal of sewage waste with the City. The maintenance and improvement of the utility plant required to provide these goods and services are financed primarily from user charges.

The Sanitation Fund (non-major fund) accounts for the operations and maintenance of the City's refuse collection system.

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Municipal Golf Course Fund (non-major fund) accounts for the construction, operations, and maintenance of the City's golf course.

The Ocala International Airport Fund (non-major fund) accounts for the construction, operations and maintenance of the City's airport and the Foreign Trade Zone #217.

The Ocala Fiber Network Fund (non-major fund) accounts for the construction, operations, and maintenance of the City's broadband communications (fiber optics) network.

The SunTran Fund (non-major fund) accounts for the operations and maintenance of the regional mass transit system that began operations during 1999.

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.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 are charges to customers for sales and services. The City's internal service funds related to general insurance and fleet, facilities, and information technology management record operating revenue from the charges to other funds for services. For the internal service fund related to health insurance, the principal operating revenues are employer and employee contributions. Operating expense for enterprise funds and internal service funds include the cost of sales and service, administrative expenses, depreciation on capital assets, and benefits paid. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Additionally, the City reports the following fund types:

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted for specified purposes.

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Internal Service Funds account for the activities of the City's risk management. The City's risk management program includes amounts collected and the claims paid for workers' compensation, property, general liability, health, dental and prescription medicine self-insurance. Information technology management covers the entire City's operations.

Pension Trust Funds account for the activities of the City's General Employees', Firefighters', and Police Officers' Retirement Systems, which accumulate resources for pension benefit payments to qualified retiring employees. They are excluded from the government-wide financial statements because they are fiduciary in nature and do not represent resources available to the government for operations.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance

1. *Cash & Cash Equivalents*

The City has defined Cash and Cash Equivalents to include cash on hand, demand deposits and cash with fiscal agents. Investments with original maturities of three months or less are considered cash equivalents.

2. *Equity in Pooled Cash and Investments*

The City maintains a pooled cash investment fund which allows the various funds of the City to pool monies for investment purposes. The City maintains records to identify the equity of each fund investing in the pool as well as amounts borrowed from the pool. Investment earnings of the pool are recorded as earned and are allocated to the participating funds based on the respective fund's equity in the pool at the end of each month.

All investments are stated at fair value based on quoted market prices at the end of the fiscal year. Income from other investments owned by the individual funds is recorded in the respective funds as earned.

3. *Accounts Receivable*

Accounts receivables are recorded in the Governmental, Business-type, and Fiduciary funds. Where appropriate, an associated allowance for doubtful accounts has been established in the related fund. Utility receivables are shown net of the allowance for uncollectible accounts. For the most part, receivables and the related revenues are recognized when determined and billed – either for services rendered, grant entitlements, or reimbursements due, or otherwise measurable and available. Utility service receivables are recorded at year end for services rendered but unbilled.

4. *Due From/Due to Other Funds*

Amounts receivable from, or payable to, other funds are reflected in the accounts of the fund until liquidated, usually within one year. Any residual balances outstanding between government activities and business-type activities are reported in the government-wide statements as "internal balances".

5. *Prepaid Items and Inventory*

Certain payments to vendors for services that will benefit periods beyond September 30, 2023 are recorded as prepaid items using the purchases method and are recorded as prepaid items in both the government-wide and fund financial statements.

All City inventories, excluding golf, are maintained on a consumption basis of accounting where items are purchased for inventory and charged to the budgetary accounts as the items are consumed. Golf inventory is expensed as purchased and after year-end inventory is adjusted on balance sheet. Inventories held by the General Fund consist of maintenance supplies and fuel which are expensed as consumed. Inventories included in the Enterprise Funds consist of chemicals, fuels, food concessions, golf retail merchandise, and equipment and supplies held for maintenance use or for capital improvements and are stated at the lower of average cost or market. Obsolete and unusable items have been reduced to estimated salvage values.

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance (Continued)

Allowances for obsolete or unusable items have been set at 7.5% of inventory values and are as follows:

	<u>Inventory</u>		<u>Allowance for Obsolete</u>		<u>Adjusted Inventory</u>
Governmental					
Fleet-bulk fuel	\$ 239,630	\$	(17,972)	\$	221,658
Total Governmental	\$ 239,630	\$	(17,972)	\$	221,658
Business-type					
Electric	13,502,796		(1,012,710)		12,490,086
Water & Sewer	2,908,743		(218,156)		2,690,587
Golf	124,465		(9,335)		115,130
Fiber	1,348,330		(101,125)		1,247,205
Total Business-type	\$ 17,884,334	\$	(1,341,326)	\$	16,543,008

6. Restricted Assets

Certain proceeds of the City's revenue bonds (enterprise funds), as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants or other legal agreements. The revenue bond debt service funds are used to segregate resources accumulated for debt service payments over the next twelve months. The renewal and replacement funds are used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements. The City would typically use restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use thereof to a future project of replacement equipment acquisition.

7. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide 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 \$25,000 and possess estimated useful lives of more than one year.

Capital assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in Note 1 D (20) below) or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and capital assets received in a service concession arrangement, are reported at acquisition value rather than fair value. For intangible right-to-use assets, the City records the lease or SBITA if the asset is greater than \$50,000. Other costs incurred for repairs and maintenance are expensed as incurred. Amortization of intangible assets including software costs is included with depreciation expense in the financial statements.

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.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance (Continued)

Property, plant, equipment, and right to use assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

	<u># Of Years</u>
Buildings	15-40
Improvements Other than Buildings	20-30
Machinery and Equipment	5-15
Infrastructure	15-40
Right to Use Infrastructure	15-40
Right to Use Equipment	3-5
Right to Use Subscription Software	2-7

The City is recording all easements and rights of way that are determined to have limited useful lives at estimated fair market value on the date received.

8. Self-Insurance Claims

Liabilities for reported claims and incurred, but not reported claims are estimated based on an actuarial review of claims pending and historical experience.

9. Compensated Absences

In governmental fund financial statements, the amount of compensated absences associated with employee terminations prior to year-end, if any, is recorded as expenditures and represents the amounts that would normally be liquidated with available spendable resources. In the government-wide financial statements, all governmental fund compensated absences are recorded and split between the current and noncurrent portions. The compensated absences payable and other postemployment benefits from the governmental funds are typically liquidated from the General Fund.

In proprietary funds, the amount of compensated absences associated with employee vacations that are recorded as expenses represent the amounts accrued during the year and the amount of compensated absences associated with employee sick leave is based on the historical annual trend of adjusted sick leave payments made at retirement. The entire liability for compensated absences of these funds is reflected in the respective financial statements split between the current and noncurrent portions.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance (Continued)

10. Interfund Activity

During normal operations, the City has numerous transactions between funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due from and to other funds”. Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds”. Loans are reported as receivables and payable as appropriate and are subject to elimination upon consolidation. Interfund payables and receivables are non-interest bearing. Interfund advances are liquidated in accordance with the City Council’s resolution and may bear interest. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

11. Long-Term Obligations

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 deferred and amortized over the life 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. Issuance of long-term debt and financing through leases are reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

12. Deferred Outflows of Resources

In addition to assets, the statement of financial 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 assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Items that qualify for reporting in this category include deferred outflows on pension liabilities, OPEB liabilities and the deferred charge on refunding reported in the government-wide statement of net position and the statement of net position-proprietary funds. 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.

13. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Items in this category include unavailable revenue, deferred pension, OPEB related, deferred debt refunding, rate stabilization and leases. The City has several types of items which arise under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from several sources: liens, forfeitures, and rental income. These amounts are deferred and recognized as an inflow of sources in the period that the amounts become available.

14. Accrued Revenue

Revenues of enterprise funds are accrued based on estimated unbilled services provided to customers at the end of the fiscal year.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance (Continued)

15. Rate Stabilization/Regulatory Operations

A Rate Stabilization account was created by the City which allows current income to be deferred to a future time to stabilize electric rates. Accounting standards allow for the deferral of revenues and expenses to future periods in which the revenues are earned or the expenses are recovered through the rate-making process, which is a resolution approved by City Council. Unearned revenues are recorded as a Deferred Inflow titled Regulatory Liability-Rate Stabilization and as a Restricted Asset-Rate Stabilization. The funds are used to “stabilize” the customers’ utility bills and will be recognized as revenue when used. The targeted maximum funding level is 25% of projected annual fuel costs, while the minimum funding level is 15%. At the end of the fiscal year, the rate stabilization fund balance was \$12,945,306 which at an 9.78% funding level is not in compliance with the minimum funding level. Due to increased costs of fuel to purchase bulk power from Florida Municipal Power Agency (FMPA), reserves were used to fund this increase. In an effort to bring reserves back in line, two rate increases in the power cost adjustment were done in Fiscal Year 2022.

16. Power Cost Adjustment (PCA)

The Power Cost Adjustment (PCA) represents the City’s utility rate mechanism to ensure: 1) that all power costs are recovered through utility billings revenue or through Council approved usage of Rate Stabilization funds or 2) that any excess utility billings revenues for powers costs not incurred are returned to customers or used for other lawful purposed in accordance with the City’s rate tariff on file with the Public Service Commission. The balance in this account could be an asset (for “under”-collection of power costs) or a liability (for “over”-collection of power costs). As of September 30, 2023, there was an under collection in the amount of \$5,855,154. This number is included in unbilled accounts receivable. To alleviate this deficit, rate increases were done in February 2022 and June 2022.

17. On-Behalf Payments for Fringe Benefits

The City receives on-behalf payments from the State of Florida to be used for Police and Fire Pension Plan enhancements. On-behalf payments to the City totaled \$1,569,905 for fiscal year 2023. Such payments are recorded as other tax revenue and public safety expenditures in the GAAP basis government-wide and General Fund financial statements. Funds received are recorded as revenue in the General Fund and immediately transferred to the Police and Fire Pension Plan as an expense to the General Fund.

18. Cost Allocations

Certain expenses are incurred by the City’s Electric System Revenue Fund on behalf of the Water and Sewer and Sanitation funds. The Electric System Revenue Fund charges for these services based on the receiving fund’s original budgeted appropriations. The reimbursement for these services is recorded as an operating expense of the Water and Sewer and Sanitation funds and as a contra expense of the Electric Revenue Fund.

The City’s General Fund also incurs certain expenditures on behalf of the other funds for Fleet, Facilities, Information Technology, Customer Service, Communications, Risk Management, Health Insurance, and Workers Compensation. The General Fund is reimbursed for these expenditures based on actual cost allocations. The amounts reimbursed are recorded as reductions in expenditures of the General Fund. The related reimbursements are recorded as either an operating expense of the proprietary funds or as an expenditure of the governmental funds.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance (Continued)

19. Fund Balance

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Non-spendable

The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not spendable form” criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

Restricted

This fund balance has spending constraints that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Unrestricted

Committed – This fund balance represents amounts that have internally imposed restrictions mandated by formal action of the government’s highest level of decision-making authority. The specific purposes are determined by a formal action (resolution) of the City Council, the City’s highest level of decision making. These amounts cannot be used for other purposes unless the same type of formal action is taken by the highest level of decision-making authority to reverse or modify the previously imposed restriction.

Assigned – This fund balance reports amounts that are constrained by the government’s intent that they will be used for specific purposes. This includes spendable fund balance amounts established by management of the City that are intended to be used for specific purposes that are neither considered restricted or committed. City Council adopted a Resolution that authorizes management of the City to assign fund balances.

Unassigned – This fund balance is the residual fund balance for the General Fund. It reflects the resources that are available for further appropriation and expenditure for general governmental purposes. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that can report a positive unassigned fund balance. If there is a negative fund balance in the Special Revenue, Capital Project, or Debt Service due to expenditures incurred exceeding the amounts restricted, committed, or assigned for specific purposes in these funds, then it is possible that those funds would report a negative unassigned fund balance.

Spending Order of Fund Balances

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance (Continued)

	GENERAL FUND	OTHER GOVTL FUNDS	TOTALS
<u>Nonspendable:</u>			
Inventory	\$ 221,658	\$ -	\$ 221,658
Prepays	829,636	1,139,057	1,968,693
Advances to other funds	1,500,000	-	1,500,000
Total Nonspendable	2,551,294	1,139,057	3,690,351
<u>Restricted</u>			
Transportation			
Parking Fees	161,144	-	161,144
Gas Tax Revenues from State	-	3,866,712	3,866,712
	161,144	3,866,712	4,027,856
Debt Service			
Capital Improvement Bonds 2007A	-	1,722,975	1,722,975
	-	1,722,975	1,722,975
Capital Projects			
Capital Road Projects	-	28,985,416	28,985,416
	-	28,985,416	28,985,416
Public Safety			
Fire Impact Fees	2,067,733	-	2,067,733
Police Automation	122,462	-	122,462
Police Education & Training	140,981	-	140,981
Local Confiscations	41,216	-	41,216
Federal Confiscations	84,535	-	84,535
Other Public Safety Programs	338,989	-	338,989
	2,795,916	-	2,795,916
Opioid Settlement	78,752	-	78,752
Litigation Settlement	-	6,663,601	6,663,601
	78,752	6,663,601	6,742,353
Development District Improvements			
Downtown Development Board	-	339,636	339,636
Community Redevelopment Trust	-	5,539,716	5,539,716
	-	5,879,352	5,879,352
Grants			
State Housing Imprvmt Project (SHIP)	-	656,435	656,435
Tree Mitigation	588,722	-	588,722
	588,722	656,435	1,245,157
Total Restricted	\$ 3,624,534	\$ 47,774,491	\$ 51,399,025

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance (Continued)

	GENERAL FUND	OTHER GOVTL FUNDS	TOTALS
<u>Unrestricted</u>			
<u>Committed</u>			
Stormwater Utility	\$ -	\$ 13,396,637	\$ 13,396,637
Payroll	22,047	-	22,047
Economic Improvement Program	2,070,954	-	2,070,954
Total Committed	2,093,001	13,396,637	15,489,638
<u>Assigned</u>			
Subsequent year budget	5,599,984	-	5,599,984
Public safety - special investigations	59,401	-	59,401
Fire/Streets/Sidewalks	10,644,368	-	10,644,368
Total Assigned	16,303,753	-	16,303,753
<u>Unassigned</u>	45,203,330	(3,806,429)	41,396,901
Total Unrestricted	63,600,084	9,590,208	73,190,292
Total Fund Balances	\$ 69,775,912	\$ 58,503,756	\$ 128,279,668

20. Leases and Subscription-based Information Technology Arrangements (SBITAs)

Leases

Lessee: The City is a lessee for a noncancellable lease of equipment and infrastructure. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct cost. Subsequently the lease asset is amortized on a straight-line basis over its useful life.

Lessor: The City is a lessor for a non-cancellable lease of land and equipment. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

SBITAs

The City uses subscription based software throughout its operations. The City recognizes a SBITA liability and a corresponding intangible right-to-use asset in the financial statements.

At the commencement of a SBITA, the City measures the liability at the present value of payments expected to be made during the subscription term. Subsequently, the liability is reduced by the principal portion of the subscription payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability,

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Fund Balance (Continued)

adjusted for subscription payments made at or before the commencement date, plus certain initial implementation costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

E. Revenues, Expenditures, and Expenses

Substantially all governmental funds revenues (including sales taxes, franchise fees, and licenses) are accrued. Property taxes are generally billed and collected within the same period in which the taxes are levied. In addition, revenue from the Federal and State reimbursement type grants for which eligibility requirements have been met have been accrued and recognized as revenues of the period. All other revenue items are measurable and available only when cash is received by the City. Operating revenues for proprietary operations generally result from providing services in connection with a proprietary fund's principal on-going operation (e.g., electric, water, sewer, sanitation).

The principal operating revenue of the proprietary funds is receipts from customers. Operating expenses are costs to provide the service, including salaries, contractual services, depreciation, and administrative expense. All other revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Expenditures are recognized when the related fund liability is incurred except for the following:

- General obligation long-term debt principal and interest and compensated absences are reported, if any, only when due.
- Litigation
- Inventory costs, excluding the Golf Fund, are reported in the period when inventory items are consumed, rather than in the period purchased.

1. Property Taxes

The City is permitted under its charter to levy taxes up to \$10 per \$1,000 of assessed valuation for general government services other than the payment of principal and interest on general long-term debt and in unlimited amounts for the payment of principal and interest on long-term debt. Additional taxes assessed for the payment of general long-term debt issues of the City must be approved by the public. The tax rate assessed by the City for the year ended September 30, 2023 was \$6.6177 per \$1,000 of assessed property value. Current tax collections (inclusive of legally available early payment discounts) for the City were approximately 95.8% of the total tax levy. The property tax calendar provides for the tax revenue to be billed and collected within the applicable fiscal year.

Under Florida law, the assessment of all properties and the collection of all County, municipal, special district, and school board property taxes are provided by the County's Property Appraiser and Tax Collector, who are elected County officials. State Statutes provide for tax discounts for installment payments or full payments before certain dates. Installment prepayment dates and discounts of each installment (one-fourth of estimated taxes) are: June 30 – 6%, September 30 – 4.5%, December 31 – 3%, and March 31 – 0%, Full payment dates and discounts are: November 30 – 4%, December 31 – 3%, January 31 – 2%, February 28 – 1% and March 31 – 0%.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Revenues, Expenditures, and Expenses (continued)

The property tax calendar for revenues billed and received for fiscal year ended September 30, 2023 is shown as follows:

Lien Date	January 1, 2022
Certification of Taxable Value	July 1, 2022
Final public hearing to adopt proposed millage rate	September 19, 2022
Certification of final Taxable Value	October 10, 2022
Beginning of fiscal year for tax assessment	October 1, 2022
Tax bills rendered	November 1, 2022
Property Tax Payable:	
Maximum Discount by	November 30, 2022
Due Date	March 31, 2023
Delinquent on	April 1, 2023
Tax Certificates issued for delinquent taxes by	May 31, 2023

2. Operating Subsidies, Grants, and Impact Fees

Program and capital grants received by governmental funds are recorded in the applicable governmental fund as receivables and revenues at the time reimbursable costs are incurred and all significant grant restrictions are satisfied. Grant revenues received in advance of meeting all major grant restrictions are deferred.

Capital grants received by proprietary funds are also recorded as revenues and receivables when reimbursable project costs are incurred or as deferred credits if the grant money is received in advance of project expenditures. Subsidies and grants to proprietary funds, which finance either capital or current operations, are recorded as non-operating revenue when earned.

Water and Sewer impact fees are restricted. These fees represent a capacity charge for the proportionate share of the cost of expanding, over-sizing, separating, or constructing new additions to the Water or Sewer systems. The City is obligated to expend these funds only to provide expanded capacity to the systems.

Deposits received which reserve capacity in the City's future water or sewer systems are recorded as a liability upon receipt.

3. Excess of Expenditures Over Appropriations in Individual Funds

The City has no excess of expenditures over appropriations in the General Fund or major special revenue funds. The non-major governmental funds may reflect immaterial excesses of expenditures over appropriations (less than \$15,000). There was none at the end of this fiscal year.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

Following the governmental fund balance sheet is a reconciliation between fund balances of total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT (Continued)

B. Explanation of certain differences between the governmental statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

Following the governmental fund statement of revenues expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances, total governmental funds and changes in net position of governmental activities as reported in the government–wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

An annual budget is prepared for all governmental and proprietary funds. The City Council annually adopts the budget through a Budget Resolution. Budgetary control is legally maintained at the fund level. The budget amounts presented in the accompanying financial statements for the governmental funds are as originally adopted, or as legally amended, by the City Council during the year ended September 30, 2023.

The City's Budget Resolution provides transfer authority to the City Manager to transfer budgeted amounts between departments within any fund; however, any budget amendments that alter the total expenditures of any fund must be approved by the City Council. During 2023, the City Council approved various supplemental budget appropriations to provide for unanticipated requirements of the period. Budget appropriations may not be legally exceeded on a fund basis. Appropriations lapse at the end of each fiscal year. The budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budgetary comparisons reflect only those activities for which legally adopted budgets are prepared. For the year ended September 30, 2023, no expenditures exceeded the budget at the fund level.

B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve a portion of the applicable budget appropriation, is utilized by the governmental funds of the City. Appropriations lapse at year end and outstanding encumbrances are re-appropriated as part of the subsequent year's budget. See Liabilities Note 11, Commitments and Contingent Liabilities, for a breakdown of significant encumbrances in total by each major fund and nonmajor fund.

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Pooling of Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds, except the pension trust funds and certain other funds required to have separate bank accounts. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in pooled cash and investment fund". The investment policy specifies limits by instrument and issue (within instrument) and establishes a diversified investment strategy, minimum credit quality, and authorized institutions available. In addition, investments are held separately by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other City funds.

As of September 30, 2023, the carrying amount of the City's deposits was \$34,382,609, not including \$103,663 in cash drawers, petty cash, and \$6,680,768 held in the Common Fund bank account for fire service fee refunds. These deposits, consisting of interest and non-interest demand accounts, were entirely insured by federal deposit insurance or by collateral held by the City's agent pursuant to the Public Depository Security Act of the State of Florida. This Act requires that the City maintain deposits only in "qualified public depositories". All qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. In addition, qualified public depositories are required under the Act to assume mutual responsibility against loss

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

A. Pooling of Cash and Investments (continued)

caused by the default or insolvency of other qualified public depositories of the same type. Should a default or insolvency occur, the State Treasurer would implement procedures for payment of losses according to the validated claims of the City.

The City maintains a liquid pooled cash fund to meet its obligation needs. Funds not prohibited by bond covenants have pooled their cash balances to maximize investment earnings. The City's banking arrangement provides that the City's balances will be used to offset any monthly direct service charge with excess balances earning interest.

Cash equivalents consist of:

- 1) Amounts placed with the State Board of Administration (SBA) for participation in the Local Government Surplus Funds Trust Fund investment pool created by Section 218.405, Florida Statutes. The City's investment in the amount of \$31,443,630 is reported at net asset value. The Florida PRIME investment pool had weighted average days to maturity of 75 days as of September 30, 2023. Investments in the Florida PRIME are reported at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from Florida PRIME; although in the occurrence of an event that has a material impact on liquidity or operations of the trust fund, the fund's executive director may limit contributions to or withdrawals from the trust fund for a period of 48 hours.
- 2) Amounts placed with the Florida Fixed Income Trust (FL-FIT) and Florida Surplus Asset Fund Trust (FL SAFE) are in commingled pools designed to provide a high level of current income consistent with low volatility of net asset value and provide positive holding period returns for time horizons of 1-3 years or greater. The investment policies for both adhere to current Florida Investment Statutes under Chapter 218.415. Investments in the FL-FIT totaled \$31,572,217 and FL SAFE totaled \$5,166,283 as of September 30, 2023. The FL SAFE investments are valued at stable net asset value (NAV) and currently meet all of the necessary criteria to elect to measure all of the investments in the fund at amortized cost in accordance with GASB Statement No. 79, and therefore, are not subject to the fair value hierarchy table under GASB Statement No. 72. Under the Trust Indenture, Trustees can temporarily suspend redemption rights or delay payment for redeemed shares during specific conditions, like wartime, national emergencies, or trading disruptions. This doesn't affect the participants' ownership or accrued interest. Suspension starts upon declaration by the Trustees and ends when they decide. Participants can withdraw redemption requests or get paid based on post-suspension net asset value.

B. Restricted Assets

The balances in the restricted assets for the enterprise funds as of September 30, 2023 were \$70,784,647. Details of these balances can be found on the City's Statement of Net Position on pages 28-29.

C. Investments

The City's investment guidelines, except for pension fund and deferred compensation are defined by City Ordinance and a written investment policy that is approved by the City Council. The investment policy specifies limits by instrument and issuer (within instrument) and establishes a diversified investment strategy, minimum credit quality, and authorized institutions available as counterparties. Implementation and direction of investment strategies, within policy limits, are established by an internal Investment Committee and managed by external money managers.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

C. Investments (Continued)

The fair values of the City's fixed-maturity investments fluctuate in response to changes in market interest rates. Increases in prevailing interest rates generally translate into decreases in fair values of those instruments. Fair values of interest rate-sensitive instruments may also be affected by the credit worthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument, duration of the instrument and other general market conditions.

Derivatives

The City has no derivative investments in its portfolio at September 30, 2023. As noted below, the City has established investment policy guidelines for each investment portfolio. Pursuant to these guidelines, derivative investment instruments are authorized, but limited in use only if the Chief Financial Officer has sufficient understanding or expertise.

General Investment Guidelines

On December 8, 1992, as amended September 5, 1995, and further amended on September 17, 2013, the City of Ocala adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits, issue limits, credit ratings 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.

The City's investment policy allows for the following investments: Local Government Investment Pools, United States government securities, United States government agency securities, federal instrumentalities, interest bearing time certificates of deposit or saving accounts, repurchase agreements, commercial paper, bankers' acceptances, state and/or local government taxable and/or tax exempt debt, money market mutual funds, intergovernmental investment pools, corporate obligations or corporate notes, collateralized mortgage obligations (CMOs), mortgage-backed securities (MBS), asset-backed securities (ABS), Yankee securities, Eurodollar securities money market mutual funds, bond funds and any investment security authorized by Florida Statutes 218.415.

The City's investment policy also requires that investments be rated as follows: Corporate notes, State and local government debt, General obligation or revenue bonds rated BBB by Standard & Poor's (S&P) or Moody's Rating Services; Commercial paper rated at least Prime-2 by Moody's or A-3 by S&P; Mortgage and ABS rated AAA or equivalent by Moody's or S & P; Money market mutual funds comprised of only those investment instruments authorized in the policy. The City's policy does not require a minimum rating for U.S. Government securities, agencies, or federal instrumentalities.

Third Party Portfolio Managers

Under the City's investment policy, third party managers were set up in a well-diversified pool of three tiers.

Pool I (short-term investments) duration of 1 to 3 years,

Pool II (short intermediate investments) durations of 1 to 5 years,

Pool III (intermediate investments) durations of 1 to 10 years.

The City uses an independent advisor that provides performance measurement service, which (a) compares individual manager performances to their respective index monthly, (b) compares manager performance to their respective industry peer group quarterly, and (c) reviews portfolio compliance. Each manager has a goal of exceeding their respective benchmark, net of fees, over a market cycle. Each manager has an individual policy limitation that, when combined, does not exceed 10% for each sector. The effective duration of the portfolio shall not exceed 120%, nor be less than 50% of the target benchmark.

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

C. Investments (Continued)

The benchmarks for each portfolio were chosen to better reflect the investments held in the account. Pool I is measured against Bank of America Merrill Lynch 1-3 Year Unsubordinated U.S. Treasury/Agencies index, Pool II is benchmarked against Bank of America Merrill Lynch 1-5 Year Government/Corporate index, and Pool III is compared to the Bank of America Merrill Lynch 1-10 Year Domestic Master index.

Security Type	Average Rating	Fair Value	Effective Duration (In Years)
Carrying Value of Cash	n/a	\$ 41,167,040	n/a
Treasury Investment Portfolio	AA+	159,581,970	2.66
SBA Florida PRIME	AAAm	31,443,630	75 days
Florida Fixed Income Trust	AAAf/S1	31,572,217	94 days
Florida SAFE	AAAm	5,166,283	120 days
Total		<u>\$ 268,931,140</u>	1.63

The City utilizes “effective duration” as a measurement of interest rate risk and as of September 30, 2023, the Treasury investment portfolio had an overall effective duration of 1.63 years. The Treasury investment portfolio had the following investment types and effect duration presented in terms of years as of September 30, 2023.

Security Type	Average Rating	Fair Value	Weighted Average Maturity Years
U.S. Treasury Bond / Note	AA+	\$ 69,549,499	2.54
Federal Agency Bond / Note	AA	12,249,300	0.85
Mortgage Backed Pass -through Security	AA+	17,745,190	7.87
Corporate Notes	A+	47,381,354	1.69
ABS / CMBS	AAA	10,836,859	0.81
GSE Collateralized Mortgage Obligations	AA	241,737	-
Municipal Bond / Note	AA+	348,911	0.72
Money Market Mutual Fund	A-1	1,229,120	-
Total Treasury Portfolio-Pools I, II, and III		<u>\$ 159,581,970</u>	2.61

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment’s fair value.

The City’s investment policy sets limits for investment maturities to match known cash needs and anticipated cash flow requirements. Investments of bond reserves, construction funds, and other non-operating funds, “core funds”, shall have a term appropriate to the need for the funds and in accordance with debt covenants, but in no event, shall exceed seven years. No more than 50% of the City’s total investment portfolio shall be placed in securities maturing more than three years.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

C. Investments (Continued)

POOL I - Short-Term Investments:

Security Type	Average Rating	Fair Value	Weighted Average Maturity Years
U.S. Treasury Bond / Note	AA+	\$ 20,101,843	2.21
Federal Agency Bond / Note	AA+	827,655	8.15
Mortgage Backed Pass-through Security	AA+	1,757,370	1.91
Corporate Notes	A	15,014,775	1.82
Municipal Bond / Note	AA-	348,911	0.72
Asset Backed Securities	AAA	9,696,490	3.51
GSE Collateralized Mortgage Obligations	AA+	241,737	8.35
Money Market Mutual Fund	A+	212,534	-
Sub-total Pool I		\$ 48,201,315	2.45

POOL II - Short Intermediate Investments:

Security Type	Average Rating	Fair Value	Weighted Average Maturity Years
U.S. Treasury Bond / Note	AA	\$ 27,789,258	1.46
Federal Agency Bond / Note	AA	11,421,646	0.32
Corporate Notes	A	26,491,194	0.84
Money Market Mutual Fund	AAA	144,027	-
Sub-total Pool II		\$ 65,846,125	1.01

POOL III - Intermediate Investments:

Security Type	Average Rating	Fair Value	Weighted Average Maturity Years
U.S Treasury Bond / Note	AA+	\$ 21,658,396	4.24
Mortgage Backed Secutities	AA+	15,987,820	8.53
Corporate Notes	A-	5,875,385	5.22
ABS / CMBS	AAA	1,140,369	7.66
Money Market Mutual Fund	A-1	872,560	-
Sub-total Pool III		\$ 45,534,530	5.88
Total of Pools I, II, and III		\$ 159,581,970	2.61

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

C. Investments (Continued)

Credit Risk

Credit risk is the risk that an issuer of a debt security will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating to each debt security by a nationally recognized credit rating agency. The City's investment policy limits investments to those described above.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City's investment policy, pursuant to Section 218.415(18), Florida Statutes, requires securities, except for certificates of deposits, shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or 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 will be placed in the provider's safekeeping department for the term of the deposit.

As of September 30, 2023, the City's investment portfolio was held with a third-party custodian as required by the City's investment policy.

Concentration of Credit Risk

It is the policy of the City of Ocala to diversify its investment portfolio. Assets held are diversified to control the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, a specific instrument, a class of instruments, or a dealer through whom these instruments are bought and sold.

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 and must be observed by investment managers.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

C. Investments (Continued)

	<u>Sector Allocations</u>		<u>Individual Issue/ Fund Limit</u>
	<u>Minimum</u>	<u>Maximum</u>	
U.S. Treasury & Federal Agencies	35%	None	None
Corporate Debt Obligations	None	50%	5%
Mortgage/Asset Backed Securities	None	30%	5%
Municipal Securities	None	20%	5%
Certificates of Deposit	None	20%	5%
Repurchase Agreements	None	25%	15%
Local Government Investment Pools	None	25%	25%
Participation in collateral or otherwise collateralized debt instruments (Issuer Level)	None	20%	5%
Participation in collateral or otherwise collateralized debt instruments (Security Level)	None	None	5%
Money Market Mutual/Trust	None	30%	15%
Yankee and Euro Dollars Securities	None	15%	3%

As of September 30, 2023, the City's investment portfolio was in compliance with all diversification requirements of the City's investment policy.

Foreign Currency Risk – The City is not exposed to this type of risk.

Fair Value Measurement – The City measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. GASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- Level 1: Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the City can access;
- Level 2: Investments whose inputs – other than quoted market prices – are observable either directly or indirectly; and,
- Level 3: Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The City does not have any investments that are measured using Level 3 inputs.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

C. Investments (Continued)

The following table summarizes the City's investments, excluding the pension funds, with the fair value hierarchy as of September 30, 2023:

	Fair Value	Level 1	Level 2
U.S Treasury Bond / Note	\$ 69,549,499	\$ 69,549,499	\$ -
Federal Agency Bond / Note	12,249,300	-	12,249,300
Mortgage Backed Pass-through Security	17,745,190	-	17,745,190
Corporate Notes	47,381,354	-	47,381,354
ABS / CMBS	10,836,859	-	10,836,859
GSE Collateralized Mortgage Obligations	241,737	-	241,737
Municipal Bond / Note	348,911	-	348,911
Total investments at fair value	<u>\$ 158,352,850</u>	<u>\$ 69,549,499</u>	<u>\$ 88,803,351</u>
Investments measured at net asset value (NAV)			
Money Market Mutual Fund	1,229,120		
Total	<u>\$ 159,581,970</u>		

Debt securities categorized as Level 1 are valued based on prices quoted in active markets for those securities. Debt securities categorized as level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

D. Pension Trust Funds – Cash and Investments

The City maintains single-employer, Defined Benefit (DB) pension plans which cover its full-time certified law enforcement officers (the Police Officers' Retirement System); its full-time certified firefighters (the Firefighters' Retirement Plan); and some of the City's full-time employees (the General Employees' Retirement System).

The provisions of each of the Plans are established by City Ordinance. Effective October 1, 2013, the City's pension plan for General Employees was restructured. The City moved to a 401a Defined Contribution plan for non-vested and new employees, and 226 out of the 561 employees chose this option as their retirement plan.

The Florida Constitution requires local governments to make the actuarially determined contributions to their DB plans. The Florida Division of Retirement reviews and approves each local government's actuarial report to ensure its appropriateness for funding purposes. Additionally, the State collects two locally authorized insurance premium surcharges (one for the Police Pension Plan on casualty insurance policies and one for the Firefighter Pension Plan on certain real and personal property insurance policies within the corporate limits) which can only be distributed after the State has ascertained that the local government has met their actuarial funding requirements for the most recently complete fiscal year.

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

D. Pension Trust Funds – Cash and Investments (Continued)

Pension plan contributions include provision for normal cost plus an amount sufficient to amortize the past service liability over a twenty-five-year period. These plans do not participate in the City's equity in pooled cash and investment fund. The deposits and investments of each plan are held separately from those of other City funds.

Cash and Deposits

At September 30, 2023, the cash carrying amounts of the City's pension plans' deposits were as follows:

General Employees' Retirement System	\$ 863,956
Police Officers' Retirement System	302,915
Firefighters' Retirement Plan	343,947
Total Pension Trust Funds	<u>\$ 1,510,818</u>

These deposits, consisting of non-interest-bearing demand accounts, were entirely insured by federal depository insurance or by collateral held by the City's agent pursuant to the Public Depository Security Act of the State of Florida. This Act requires that the City maintain deposits only in "qualified public depositories". All qualified public depositories must deposit with the State Treasurer eligible collateral in such amounts as required by the Act. In addition, qualified public depositories are required under the Act to assume mutual responsibility against loss caused by the default or insolvency of other qualified public depositories of the same type. Should a default occur, the State Treasurer would implement procedures for payment of losses according to the validated claims of the City.

Investment Guidelines

Each of the three City pension plans are governed by an independent board of directors who have adopted a comprehensive investment policy pursuant to Section 112.661, Florida Statutes that establish permitted investments, asset allocation limits, issuer limits, credit rating requirements, and maturity limits to protect their pension plan's cash and investment assets. Each of the plans employs multiple investment managers to manage the various security types used by the plan. These managers along with the plan's investment advisor attempt to attain the plan's stated investment objective, which is to match a benchmark developed from appropriate published security indexes in the same proportions as those asset types occur in the portfolio, as well as to achieve, over the long run, the assumed interest rate used for the plan's actuarial calculations.

Section 215.47, Florida Statutes, limits the types of investments a government pension plan can invest in unless specifically authorized in an investment policy. The investment policies for the three pension plans generally allow for cash and fixed-income instruments similar to those permitted for the City's investment pool, i.e., Local Government Investment Pools, United States government securities, United States government agency securities federal instrumentalities, non-negotiable interest bearing time certificates of deposit or saving accounts, repurchase agreements, commercial paper, bankers' acceptances, state and/or local government taxable and/or tax-exempt debt, money market mutual funds, intergovernmental investment pools, corporate obligations or corporate notes, mortgage-backed securities (MBS), asset-backed securities (ABS), and bond funds. The General Employees' plan, Police Officers' plan and the Firefighters' plan are permitted to invest corporate bonds and asset, or mortgage-back securities rated at investment grade, BBB or better.

In addition, the investment policies of all three pension plans permit, within plan guidelines, investment in domestic and international equities. All three plans, either by policy requirement or prudent practice, diversify their domestic equity holdings between large and small capitalizations and between growth and value equity securities. The plans are also permitted to invest in pooled real estate vehicles, limited partnerships or other types of real estate investments as determined by the board in consultation with their investment adviser.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

D. Pension Trust Funds – Cash and Investments (Continued)

As of September 30, 2023, the investments of the City's pension plans are as follows:

Investment Type	Fair Value	% of Portfolio	Credit Rating	Duration (in Years)
<u>General Employees Retirement System:</u>				
Bonds & Notes	\$ 36,484,728	21.1%	A	7.5
Common Stock	24,597,452	14.2%	n/a	n/a
Mutual Funds : Real Estate	25,776,551	14.9%	n/a	n/a
Mutual Funds: Equities	30,674,143	17.7%	n/a	n/a
Hedge Funds (Mutual Fund)	12,911,478	7.5%	n/a	n/a
Emerging Markets	30,933,193	17.9%	n/a	n/a
Master Limited Ptr	11,522,588	6.7%	n/a	n/a
Fund Total	<u>\$ 172,900,133</u>	100.0%		
<u>Police Officer Retirement System:</u>				
Bonds & Notes	\$ 28,757,729	35.2%	Aa2	2.4
Common Stock	13,322,690	16.3%	n/a	n/a
Mutual Funds: Real Estate	3,900,239	4.8%	n/a	n/a
Mutual Funds: Equities	35,829,396	43.8%	n/a	n/a
Fund Total	<u>\$ 81,810,054</u>	100.0%		
<u>Firefighter Retirement Plan:</u>				
Bonds & Notes	\$ 20,698,111	24.8%	AA	4.32
Mutual Funds : Real Estate	9,766,530	11.7%	n/a	n/a
Mutual Funds: Equities	52,936,461	63.5%	n/a	n/a
Fund Total	<u>\$ 83,401,102</u>	100.0%		
Total Pension Plan cash and investments	<u>\$ 338,111,289</u>			

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair market value to changes in market interest rates. The pension plan investment policies provide specific limits for investment maturities. One method of measuring interest rate risk is "effective duration". As of September 30, 2023, the securities in the City's pension plans had the effective durations presented above and complied with their respective investment policies.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

D. Pension Trust Funds – Cash and Investments (Continued)

Credit Risk

Credit risk is the risk that an issuer of a debt security will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating to each debt security by a nationally recognized credit rating agency. Each of the plans provides guidelines for the credit ratings of specific types of investments. All the investment policies permit investment only in fully marketable securities rated at institutional investment grade quality or higher by Standard & Poor's or Moody's, with higher quality rating required for specific asset classes. As of September 30, 2023, the three pension plans had the credit exposures listed above as a percentage of total investments. All investments were in compliance with their respective investment policies.

Custodial Credit Risk

Investment securities are exposed to custodial credit risk if they are uninsured and are not registered in the name of the government and are held by either the counterpart or the counterpart's trust department or agent, but not in the government's name. The pension plans' investment policies, pursuant to Section 112.661(10), Florida Statutes, require that the plan's securities shall be held with a third-party custodian; and that all securities purchased by, and all collateral obtained by the plan should be properly designated as an asset of the plan. 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, 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. As of September 30, 2023, all identifiable investment securities of the pension plan portfolios are registered in the respective plan's name and are held by a third-party custodian as required.

Concentration of Credit Risk

It is the policy of the three City pension plans to diversify their investment portfolios. Assets held are diversified to control the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, a specific instrument, a class of instruments, or a dealer through whom these instruments are bought and sold. The plan's investment policies have established asset allocation and issuer limits, which are designed to reduce concentration of credit risk and must be observed by Investment Managers. In general, all three investment policies require that investment in the securities of a single issuer cannot exceed 5% of the market value of the portfolio. Compliance with the provisions of the investment policies which are designed to maintain appropriate diversification are monitored on an ongoing basis by the Investment Advisors employed by each plan.

Foreign Currency Risk

Foreign currency risk occurs when securities held in a portfolio are denominated in one or more foreign currencies with the attendant potential risk of loss arising from changes in the exchange rate. While all three of the City's pension plans invest a small portion of their portfolios in international equities, these securities are not denominated in foreign currencies, and thus the plans are not exposed to this risk. All three pension plans (General Employees, Firefighters, and Police) may have up to 25% of assets allocated to international equities according to the Florida Statutes 215.47, 175.071 and 185.06 respectively.

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

D. Pension Trust Funds – Cash and Investments (Continued)

Fair Value Measurement – The City measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. GASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- Level 1: Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the City can access;
- Level 2: Investments whose inputs – other than quoted market prices – are observable either directly or indirectly; and,
- Level 3: Investments whose inputs are unobservable.

The following tables summarize the Pension Plan's investments within the fair value hierarchy at September 30, 2023:

General Employees:

	Fair Value	Level 1	Level 2	Level 3
Bonds & Notes	\$ 36,484,728	\$ 14,967,157	\$ 21,517,571	\$ -
Common Stock	24,597,452	23,429,038	1,168,414	-
Mutual Funds : Real Estate	25,776,551	-	-	25,776,551
Mutual Funds: Equities	30,674,143	6,258,584	24,415,559	-
Hedge Funds (Mutual Fund)	12,911,478	-	9,475,522	3,435,956
Emerging Markets	30,933,193	-	11,869,044	19,064,149
Master Limited Partnership	11,522,588	-	-	11,522,588
Total investments at fair value	<u>\$ 172,900,133</u>	<u>\$ 44,654,779</u>	<u>\$ 68,446,110</u>	<u>\$ 59,799,244</u>

Police:

	Fair Value	Level 1	Level 2	Level 3
Bonds & Notes	\$ 28,757,729	\$ 7,065,825	\$ 21,625,758	\$ 66,146
Common Stock	13,322,690	12,595,106	727,584	-
Mutual Funds: Real Estate	3,900,239	-	-	3,900,239
Mutual Funds: Equities	35,829,396	16,196,435	13,560,540	6,072,421
Total investments at fair value	<u>\$ 81,810,054</u>	<u>\$ 35,857,366</u>	<u>\$ 35,913,882</u>	<u>\$ 10,038,806</u>

Fire:

	Fair Value	Level 1	Level 2	Level 3
Bonds & Notes	\$ 20,698,111	\$ 8,985,904	\$ 11,712,207	\$ -
Mutual Funds: Real Estate	9,766,530	-	3,967,391	5,799,139
Mutual Funds: Equities	52,936,461	52,936,461	-	-
Total investments at fair value	<u>\$ 83,401,102</u>	<u>\$ 61,922,365</u>	<u>\$ 15,679,598</u>	<u>\$ 5,799,139</u>

Debt securities categorized as Level 1 are valued based on prices quoted in active markets for those securities. Debt securities categorized as level 2 are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices. Debt securities categorized as Level 3 are valued based upon unobservable inputs using the Trader Entered Price methodology under ASC Topic 820 reporting.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 5 – RECEIVABLES AND INTERFUND ACTIVITY

A. Due from Other Governments

The following amounts were due from other governments as of September 30, 2023:

	General Government	Business-Type	Totals
Federal Government	\$ 2,708,443	\$ 288,008	\$ 2,996,451
State Government	2,846,771	2,394,513	5,241,284
Local Government	481,507	74,479	555,986
Total	<u>\$ 6,036,721</u>	<u>\$ 2,757,000</u>	<u>\$ 8,793,721</u>

B. Interfund Transactions

Interfund transfers for the year ended September 30, 2023, consisted of the following:

Transfers to General Fund from:	
Electric System Revenue Fund	\$ 19,313,887
Water and Sewer Fund	5,384,894
Internal Service Fund	1,123,820
Nonmajor Business type Funds	3,202,983
Nonmajor Governmental Funds	<u>14,268,592</u>
Total transfers to General Fund	<u>43,294,176</u>
Transfers to nonmajor governmental funds from:	
Nonmajor business type funds	173,000
General Fund	<u>6,260,870</u>
Total transfers to nonmajor governmental funds	<u>6,433,870</u>
Transfers to non-major business type funds from:	
General Fund	<u>573,072</u>
Total transfers to nonmajor business-type funds	<u>573,072</u>
Transfer to Internal Service Fund from:	
Total transfers at the fund level	<u>\$ 50,301,118</u>

The interfund transfers between the General, Water and Sewer, and Electric Funds to cover general government operations are discussed in more detail on the next pages.

The transfer of \$14,268,592 from the Bank Loan 2022 fund to General Fund is to cover refunds of fire fees budgeted in the General Fund. The transfer of \$79,161 from the CRA fund to the General Fund was to reimburse salaries of personnel working for the CRA Fund. The transfer of \$1,123,820 to the General Fund was from the Fleet and Facilities Fund which was closed in FY23. The transfer of \$173,000 from the Golf Course and \$6,260,870 to the Debt Service Fund was to cover annual debt service payments. The transfer from the General Fund of \$60,000 to the Airport was to cover costs of a playground, \$210,080 to the Golf Course to help fund operations, and \$302,992 to the SunTran to help with costs of grant funds expended.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 5 – RECEIVABLES AND INTERFUND ACTIVITY (Continued)

B. Interfund Transactions (Continued)

Interfund receivables and payables are the result of the allocation of unbilled receivables between utility funds and the elimination of negative equity in pooled cash accounts in funds where grant drawdowns have not yet been received as of the end of the fiscal year. These balances are expected to be liquidated within one year.

Interfund advances, which are approved by City Council and usually bear interest, are for the funding of various projects which are too small for bond issuance and for the City's grant matches on some grants.

The composition of interfund balances as of September 30, 2023, is as follows:

<u>Fund</u>	<u>Interfund Advances Receivables</u>	<u>Interfund Advances Payables</u>
General Fund	\$ 1,500,000	\$ -
Enterprise funds:		
Water and Sewer Fund	2,250,000	-
Electric Fund	2,250,000	
Nonmajor Governmental Funds		6,000,000
Total interfund receivables/payables	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 4,188,641	\$ -
Enterprise funds:		
Water and Sewer Fund	150,000	-
Electric Fund	150,000	3,116,714
Non-Major business-type funds	-	971,927
Non-Major governmental funds:		400,000
Total due to/from	<u>\$ 4,488,641</u>	<u>\$ 4,488,641</u>

The interfund receivables between the General, Water and Sewer, and Electric Funds represent loans made to the West Ocala Redevelopment (CRA) for the construction of the Ocala Community Center. The interfund receivable between the General Fund and Suntran Fund represents a short-term loan to fund temporary cash shortages for projects expended in advance of grant funds received.

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 5 – RECEIVABLES AND INTERFUND ACTIVITY (Continued)

B. Interfund Transactions (Continued)

Interfund transfers are normally recurring and are approved by City Council during the budget process or by separate resolutions. The transfers from the Enterprise Funds to the General Fund are in support of general government operations. Other transfers are for debt service requirements, for City grant matches, and for capital projects for enterprise funds.

The differences in the interfund transfers represent capital assets, compensated absences and OPEB transferred from enterprise funds to the governmental funds. These items are not recorded in governmental funds but are reported in the government-wide reports.

	IN	OUT	
	Governmental	Business-Type	
General Fund	\$ 19,313,887	\$ (19,313,887)	Electric Fund
General Fund	5,384,894	(5,384,894)	Water & Sewer Fund
General Fund	2,629,911	(2,629,911)	Non-major Business-Type Funds
Nonmajor Funds	173,000	(173,000)	Non-major Business-Type Funds
Total Transfers	\$ 27,501,692	\$ (27,501,692)	

C. Receivables

Receivables as of year-end for the City's individual major funds and nonmajor funds including the applicable allowances for uncollectible accounts are as follows:

	Governmental Activities	Business-type Activities	Total
Customers:			
Billed	\$ 817,830	\$ 23,303,994	\$ 24,121,824
Unbilled	1,310,661	17,826,582	19,137,243
Miscellaneous	505,086	1,871,276	2,376,362
Gross Receivables	2,633,577	43,001,852	45,635,429
Less: allowance for uncollectibles	(75,610)	(1,593,688)	(1,669,298)
Net receivables	\$ 2,557,967	\$ 41,408,164	\$ 43,966,131

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance *	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land and improvements	\$ 28,140,498	\$ 1,040,598	\$ -	\$ -	\$ 29,181,096
Intangible (easement, rights of way)	1,935,359	-	-	-	1,935,359
Construction in progress	11,734,497	6,736,814	-	(13,010,500)	5,460,811
Total capital assets not being depreciated	41,810,354	7,777,412	-	(13,010,500)	36,577,266
Capital assets being depreciated					
Building and improvements	75,914,031	79,873	-	12,466,606	88,460,510
Right to use lease assets					
Right to use asset infrastructure	535,259	-	-	-	535,259
Right to use SBITA assets					
Right to use asset software *	2,660,427	-	-	-	2,660,427
Collections and other fixed assets	468,805	68,396	-	121,239	658,440
Equipment	64,509,197	7,073,946	(1,303,742)	422,655	70,702,056
Intangible (software)	6,009,566	94,600	-	-	6,104,166
Infrastructure (road & streets)	319,790,677	-	-	-	319,790,677
Total capital assets being depreciated	469,887,962	7,316,815	(1,303,742)	13,010,500	488,911,535
Less accumulated depreciation and amortization:					
Building and improvements	(31,850,026)	(2,885,932)	-	-	(34,735,958)
Right to use lease assets					
Right to use asset infrastructure	(58,326)	(53,839)	-	-	(112,165)
Right to use SBITA assets					
Right to use asset software	-	(806,515)	-	-	(806,515)
Collections and other fixed assets	(8,558)	(4,388)	-	-	(12,946)
Equipment	(44,989,450)	(4,614,236)	1,011,020	-	(48,592,666)
Intangible (Software)	(4,605,684)	(497,611)	-	-	(5,103,295)
Infrastructure (roads & streets)	(264,717,739)	(5,867,491)	-	-	(270,585,230)
Total Accumulated depreciation	(346,229,783)	(14,730,012)	1,011,020	-	(359,948,775)
Total capital assets being depreciated-net	123,658,179	(7,413,197)	(292,722)	13,010,500	128,962,760
Governmental activities capital assets-net	\$ 165,468,533	\$ 364,215	\$ (292,722)	\$ -	\$ 165,540,026
Business Type Activities:					
Capital assets not being depreciated:					
Land and improvements	\$ 20,803,110	\$ -	\$ -	\$ -	\$ 20,803,110
Intangible (easement, rights of way)	2,720,323	26,324	-	-	2,746,647
Collections & other fixed assets	1,000	-	-	-	1,000
Construction in progress	19,887,017	14,339,761	(807,833)	(11,861,184)	21,557,761
Total capital assets not being depreciated	43,411,450	14,366,085	(807,833)	(11,861,184)	45,108,518
Capital assets being depreciated:					
Buildings	35,426,940	-	-	-	35,426,940
Right to use lease assets					
Right to use asset equipment	348,753	-	-	-	348,753
Right to use SBITA assets					
Right to use asset software *	1,003,110	-	-	-	1,003,110
Improvements other than buildings	639,382,957	8,972,206	-	14,365,422	662,720,585
Equipment	38,236,473	4,191,281	(711,728)	(2,504,238)	39,211,788
Intangible (software)	5,569,899	91,925	-	-	5,661,824
Total capital asset being depreciated-net	719,968,132	13,255,412	(711,728)	11,861,184	744,373,000
Less accumulated depreciation and amortization:					
Buildings	(21,464,470)	(827,399)	-	-	(22,291,869)
Right to use lease assets					
Right to use asset equipment	(96,457)	(81,060)	-	-	(177,517)
Right to use SBITA assets					
Right to use asset software	-	(334,730)	-	-	(334,730)
Improvements other than buildings	(396,021,318)	(20,807,769)	-	(2,063,286)	(418,892,373)
Equipment	(15,905,780)	(3,350,219)	266,433	2,063,286	(16,926,280)
Intangible (software)	(5,369,767)	(82,057)	-	-	(5,451,824)
Total accumulated depreciation	(438,857,792)	(25,483,234)	266,433	-	(464,074,593)
Total Capital asset being depreciated-net	281,110,340	(12,227,822)	(445,295)	11,861,184	280,298,407
Business-type activities capital assets-net	\$ 324,521,790	\$ 2,138,263	\$ (1,253,128)	\$ -	\$ 325,406,925

* Beginning balance restated for addition of software subscription assets due to GASB Statement No. 96 implementation.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 6 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the government as follows:

	Depreciation/ Amortization Expense
Governmental activities:	
General government	\$ 1,735,782
Public safety	1,012,485
Physical environment	970,876
Transportation	9,944,545
Economic environment	110,957
Culture and recreation	955,367
Total depreciation expense - governmental activities	<u>\$ 14,730,012</u>
Business Type activities:	
Electric	\$ 9,956,428
Water and sewer	10,651,583
Non-major enterprise	4,875,223
Total depreciation expense - business-type activities	<u>\$ 25,483,234</u>

NOTE 7 – 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; and natural disasters. Risk Management attempts to identify, define, and evaluate the areas of potential loss to the City to reduce their occurrences. Acknowledging that some loss is inevitable, routine, or predictable losses are self-insured, while other more unpredictable or catastrophic losses are transferred to insurance companies.

The City has established a self-insurance fund (an internal service fund) to account for the City's self-insured programs. This fund is used to account for the City's workers' compensation, general liability, automobile liability, disability income replacement and medical programs. The City uses a combination of self-insurance and private insurance to protect itself against risks which cannot be eliminated.

The City has general liability insurance with a \$200,000 retention per claimant and \$300,000 retention per occurrence with a \$1,000,000 per occurrence limit. The City has workers' compensation insurance with \$500,000 retention per occurrence with statutory limits per F.S 440. The disability income replacement and auto liability programs are fully self-insured. The City's employee health insurance program was fully self-insured through February 1994, after which it is fully insured except for the prescription program which was fully self-insured through December 1997. Beginning October 1, 2010, the City's employee health insurance program was partially self-insured, with a pooling limit of \$150,000. The City had no significant reductions in insurance coverage during the fiscal year ended September 30, 2023.

All departments of the City participate in the program. Payments are made by various funds to the Self Insurance Fund based on past experience of the amounts needed to pay current year claims. For the year ended September 30, 2023 the City obtained actuarially determined estimates of the total loss reserves for all self-insurance risks. The claims liability of \$8,801,278 reported in the Fund at September 30, 2023 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued when insured events occur. In addition, there have been no settlements which exceeded the City's insurance coverage in any of the

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 7 – RISK MANAGEMENT (Continued)

past three fiscal years. Changes in the Fund's claim liability amounts during the past three fiscal years are as follows:

	Beginning-of- Fiscal-Year-Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2020-2021	\$ 7,633,342	\$ 4,145,645	\$ 3,441,428	\$ 8,337,559
2021-2022	8,337,559	1,560,989	1,835,989	8,062,559
2022-2023	8,062,559	2,403,733	1,665,014	8,801,278

NOTE 8 – LEASES AND SOFTWARE SUBSCRIPTIONS (SBITAS) PAYABLE

A. Lessor Agreements - Governmental Activities

In 2021, the City leased an antenna tower to T-Mobile South for the purposes of transmission and reception of radio communication signals. The tenant (T-Mobile South) has the right to extend the lease for five (5) additional and successive five-year terms. The lease initially expires April 10, 2026. Currently, the City receives \$2,947 monthly and the payments are subject to a two percent increase annually beginning January 1st of each year. The present value of the lease receivable and deferred inflow of resources as of September 30, 2023 was \$853,741. The agreement is summarized below:

Lessee	Initial Term	Contract Start Date	Contact End Date	Lease Receivable	Lease Revenue	Interest Revenue
T Mobile South	5yrs	04/10/21	04/10/51	\$ 853,741	\$ 9,421	\$ 25,764
Total				\$ 853,741	\$ 9,421	\$ 25,764

Future payments due to the City under this agreement as follows for the years ending September 30:

Year Ended September 30	Principal	Interest
2024	\$ 10,418	\$ 25,471
2025	11,462	25,145
2026	12,552	24,787
2027	13,691	24,395
2028	14,880	23,967
2029-2033	94,103	112,104
2034-2038	132,411	95,259
2039-2043	179,307	72,058
2044-2048	236,442	41,085
2049-2051	148,475	6,067
Total	\$ 853,741	\$ 450,338

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 8- LEASES AND SOFTWARE SUBSCRIPTIONS (SBITAS) PAYABLE (Continued)

B. Lessor Agreements - Water & Sewer Fund

The City currently has three agreements for the lease of its Water and Sewer assets. The City leases a water tower to AT&T Wireless for the tenant's purposes of transmission and reception of communication signals. The initial term is five years and will automatically renew for five additional years. The City currently receives monthly payments of \$3,252 which will increase at a rate of three percent each year.

The City leases property a/k/a WRF-3 Reuse Site/Horse Farm Spray Field to Quality by Design to conduct active farming operations on 190 acres of land and to use the City's reclaimed water to irrigate as required. The agreement was entered into on November 8, 2006 and is subject to three (3) five-year renewal options ending February 1, 2027. Payments are adjusted annually at a rate of three (3) percent.

The City leased property to Agri Land and Cattle for agricultural operations. The payment is \$62,000 annually and an implicit rate of three (3) percent was used to determine present value of the lease receivable. The agreement is renewable on a year-to-year basis.

As of September 30, 2023, the balance of deferred inflows of resources was \$641,846.

Lessee	Contract Start Date	Contract End Date	Lease Receivable	Lease Revenue	Interest Revenue
AT&T	10/31/20	10/31/25	\$ 81,732	\$ 33,534	\$ 3,039
QUALITY BY DESIGN, INC.	11/08/06	02/01/27	26,699	6,562	916
AGRI LAND & CATTLE CO.	09/07/22	09/07/32	533,415	61,665	335
Totals			\$ 641,846	\$ 101,761	\$ 4,290

Future payments due to the City under this agreement as follows for the years ending September 30:

Year Ended September 30	Principal	Interest
2024	\$ 102,331	\$ 7,715
2025	105,755	5,734
2026	69,939	4,158
2027	61,565	3,361
2028	59,248	2,752
2029-2032	243,008	4,992
Total	\$ 641,846	\$ 28,712

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8- LEASES AND SOFTWARE SUBSCRIPTIONS (SBITAS) PAYABLE (Continued)

C. Lessee Agreements - Governmental Activities

The City entered into an agreement with Concord Parking, LLC for space in the Concord Building for Cultural Arts offices. The lease with Concord Parking, LLC provides adequate office space and parking for the Cultural Arts staff within the Downtown/Central Business District. Based on this agreement, the City is paying \$4,479 monthly with annual adjustments of three (3) percent. The lease is for five years with renewal options of an additional five years. The value of the right-to-use asset at September 30, 2023 was \$535,259 and had accumulated amortization of \$112,165. The present value of the lease payable, \$453,520, is accounted for in the Governmental Activities Fund. The implicit rate used to determine present value was three (3) percent. The terms of the lease are summarized below:

Lessor	Initial Term	Start Date	Contract End Date	Lease Payable	Lease Expense	Interest Expense
Concord Parking	4 years	09/01/21	08/31/31	\$ 453,520	\$ 42,304	\$ 14,302
Totals				\$ 453,520	\$ 42,304	\$ 14,302

Renewal term is five years.

Future payments due from the City under this agreement as follows for the years ending September 30:

Year Ended September 30	Principal	Interest
2024	\$ 45,312	\$ 12,992
2025	48,464	11,589
2026	51,765	10,090
2027	55,221	8,490
2028	58,840	6,782
2029-2031	193,918	8,979
Total	<u>\$ 453,520</u>	<u>\$ 58,922</u>

D. Lessee Agreements - Ocala Fiber Network

Ocala Fiber Network Fund has three (3) lease agreements in place for the utilization of vendor's fiber optic transport circuits to connect its fiber optic telecommunications network. The implicit interest rate for all agreements was three (3) percent.

The City has entered into a three-year lease agreement as lessee with Opticattell for the utilization of fiber services. An initial liability of \$66,426 was recorded during the prior fiscal year. The City is required to make monthly principal and interest payments of \$3,250. The value of the right-to-use asset at the end of the current fiscal year was \$111,784 with accumulated amortization of \$83,835.

In 2013, the City entered into a lease agreement with Level 3 Communications for the purpose of granting the use of certain dark fiber to the City. There are four renewal terms for five years each. The City has exercised its third of the four renewal terms expiring July 2023. The fourth term for an additional five years will expire July 2028. The City is required to make monthly principal and interest payments of \$2,033 per month. The value of the right-to-use asset at the end of the current fiscal year was \$145,417 with accumulated amortization of \$42,552.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8- LEASES AND SOFTWARE SUBSCRIPTIONS (SBITAS) PAYABLE (Continued)

D. Lessee Agreements - Ocala Fiber Network (continued)

In June 2021, entered into a lease agreement with Treasure Lake to utilize fiber connectivity. The agreement may be renewed for up to four (4) consecutive, one (1) year periods. A CPI-U adjustment may apply to each renewal period. The final expiration date is June 30, 2025. The City is required to make monthly principal and interest payments of \$2,026 per month. The value of the right-to-use asset at the end of the current fiscal year was \$91,553 with accumulated amortization of \$51,489.

Terms of the lease are summarized below:

Lessee	Start Date	Contract End Date	Lease Payable	Lease Expense	Interest Expense
Opticaltel	07/01/21	06/30/24	\$ 28,896	\$ 37,530	\$ 1,480
Level 3 Communications	10/01/21	07/22/28	102,551	21,284	3,421
Treasure Lake	06/30/21	06/30/25	41,406	22,704	1,613
Totals			\$ 172,853	\$ 81,518	\$ 6,514

Future payments due from the City under this agreement as follows for the years ending September 30:

Year Ended September 30	Principal	Interest
2024	\$ 73,897	\$ 4,067
2025	40,280	2,348
2026	22,943	1,447
2027	23,642	748
2028	12,091	102
Total	\$ 172,853	\$ 8,712

E. SBITA Agreements - Governmental Activities

The City has entered into an agreements with several providers for subscription use of its software with ending dates between October 2024 and March 2028. The City is required to make annual payments that amounted to \$1,025,269 in the current fiscal year. The value of the right-to-use asset at the end of the current fiscal year was \$2,660,427 with accumulated amortization of \$806,515.

Terms of the subscription are summarized below:

Subscription	Start Date	Contract End Date	SBITA Payable	SBITA Expense	Interest Expense
Avolve	03/15/22	03/15/28	\$ 521,345	\$ 120,986	\$ 19,270
Office 365 - SHI	10/01/22	10/30/24	538,199	522,523	31,822
Kronos	03/07/22	03/14/28	433,013	92,488	15,765
Oracle NetSuite	12/30/21	12/30/24	222,414	209,459	12,956
Totals			\$ 1,714,971	\$ 945,456	\$ 79,813

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8- LEASES AND SOFTWARE SUBSCRIPTIONS (SBITAS) PAYABLE (Continued)

E. SBITA Agreements - Governmental Activities (Continued)

Future payments due from the City under this agreement are as follows:

Year Ended September 30	Principal	Interest
2024	\$ 983,740	\$ 51,449
2025	233,165	21,937
2026	243,605	14,942
2027	254,461	7,635
Total	\$ 1,714,971	\$ 95,963

F. SBITA Agreement – Electric Utility

The City has entered into an agreement with Exceleron for subscription use of its software through August 2025. A three percent annual increase is included in the terms. The City is required to make monthly principal and interest payments of \$29,276 currently. The value of the right-to-use asset at the end of the current fiscal year was \$1,003,110 with accumulated amortization of \$334,370.

Terms of the subscription are summarized below:

Subscription	Initial Term	Start Date	Contract End Date	SBITA Payable	SBITA Expense	Interest Expense
Exceleron	3 years	09/01/22	08/31/25	\$ 677,438	\$ 325,672	\$ 25,640
Totals				\$ 677,438	\$ 325,672	\$ 25,640

Future payments due from the City under this agreement are as follows:

Year Ended September 30	Principal	Interest
2024	\$ 343,558	\$ 15,656
2025	333,880	5,054
Total	\$ 677,438	\$ 20,710

G. Regulated Lease Revenue - Ocala Airport

The City has entered into agreements with twenty-three (23) tenants for the lease of real property (ground leases) located at Ocala International Airport. The leases include the right of ingress and egress across the Airport to be used in common with others having similar rights of passage. These leases are to tenants in the aviation industry and are regulated by the Federal Aviation Administration (FAA). Such leases require FAA approval, and the FAA requires similar lease rates for similarly situated aviation related leases and prohibits unfair discrimination against certain aviation types. These regulated leases are exempt from the accounting requirements in GASB Statement No. 87, *Leases*, and are not reported on the Airport Fund's Statement of Net Position.

The Airport also has four lease agreements with concessionaires for the privilege of operating a concession at the Airport. These include three rental car companies and one restaurant. The terms for each lease are three years.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 8- LEASES AND SOFTWARE SUBSCRIPTIONS (SBITAS) PAYABLE (Continued)

G. Regulated Lease Revenue - Ocala Airport (Continued)

In 2019, the City finished construction of a new airport terminal space. Under a lease agreement with Sheltair Ocala (tenant), the City received \$2 million from the tenant toward the cost of designing, planning, and constructing the new terminal. The monthly rent for the terminal is \$6,684. The upfront funds advanced were recorded as unearned revenue and repayment to Sheltair will be applied to future rents and recognized as revenue. The term of the lease will expire May 31, 2050.

Most of the lease terms are for thirty years with the last one expiring December 31, 2050 and the renewal terms are two terms at five years each. Other lease terms are five and ten years with no renewal terms. The rental rates are increased at a rate of three percent each year. The airport recognized \$230,251 of lease revenue from these agreements for the year ended September 30, 2023. A schedule of expected future minimum payments under these agreements are as follows:

Year Ended September 30	Principal	Interest
2024	\$ 221,207	\$ 61,042
2025	198,768	57,393
2026	117,404	54,017
2027	80,069	51,625
2028	63,699	49,446
2029-2033	312,222	222,460
2034-2038	413,064	172,489
2039-2043	482,703	109,533
2044-2048	424,432	46,141
2049-2053	139,019	4,110
Totals	\$ 2,452,587	\$ 828,256

NOTE 9 – PENSION PLANS

A. General Employees Retirement System

Plan Descriptions

The City maintains a single-employer defined benefit (2-tiers) pension plan. The original plan (tier 1) was adopted in 1944. A variable hybrid defined benefit (DBVH) pension plan (tier 2) was added for years of service after September 30, 2013. The original plan was amended through local ordinance on August 6, 2013, with an effective date of October 1, 2013, resulting in a benefit freeze on September 30, 2013. The City also added a 401a Defined Contribution Plan. The sole and exclusive administration of and responsibility for the proper operation of the System and for making effective provisions of this ordinance is hereby vested in a Board of Trustees. The Plan is maintained as a Pension Trust Fund and included as part of the City's reporting entity; hence separate financial statements are not issued. The provisions of each of the Plans are established by City Ordinance. Administrative costs are financed through investment earnings. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. This plan is closed to any new participants.

The Plan is administered by a five-member pension Board of Trustees which consists of three members appointed by the City Council, and two members of the Plan, who are elected by a majority of general employees who are members of the Plan. The City is obligated to fund all Plan costs based upon actuarial valuations. The City is also authorized to establish benefit levels and the Plan's Board of Trustees approves the actuarial assumptions used in the determination of the contribution levels. There are three actuarial assumptions that are defined by Ordinance 2013-48: Mortality Rate, Interest Rate and Amortization Method.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

A. General Employees Retirement System (Continued)

As of September 30, 2013, there were 59 employees grandfathered into the defined benefit plan (tier 1) in existence prior to any changes by the ordinance. There were 226 employees that moved to the defined contribution plan and the remaining 276 employees moved into the DBVH plan (tier 2).

At September 30, 2023 the Plan's participants consisted of:

	2023	2022
Retirees and beneficiaries (Inactive members):		
Currently receiving benefits	794	791
DROP retirees	12	17
Disability Retirees	3	3
Terminated employees entitled to benefits, but not yet receiving them	238	249
Active plan members	105	119
	<u>1,152</u>	<u>1,179</u>

Pension Benefits:

The Plan provides retirement, termination, disability, and death benefits. Benefits were frozen as of September 30, 2013, and Members began a new "DBVH and Contribution Program" on October 1, 2013. Any Member within five years of their Normal Retirement Date was grandfathered into the benefit provisions in effect as of September 30, 2013.

Normal Retirement:

Date: First of the month following the earlier of: 1) age 65 and the completion of 5 years of Credited Service, or 2) 30 years of Credited Service, regardless of age.

Benefit: Credited Service on and after October 1, 2013 for Grandfathered Members (tier 1): 2.55% of Average Final Compensation (AFC) times Credited Service plus \$100 supplement.

Benefit for Credited Service on October 1, 2013 and after (tier 2):

Minimum	1.00%
Maximum	2.55%
Current	1.00% as of 10/1/2017

Early Retirement:

Date: Earlier of: 1) age 55 and the completion of 5 years of Credited Service, or 2) the completion of 25 years of Credited Service, regardless of age.

Benefit: Same as for Normal Retirement but reduced by 3% for each year that Early Retirement precedes Normal Retirement.

Vesting:

Less than 5 years: Refund of Member Contributions without interest

5 years or more: Vested accrued benefit (determined as for Normal Retirement) paid beginning at the otherwise Normal Retirement Date, or a refund of Member Contributions without interest.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

A. General Employees Retirement System (Continued)

Disability Retirement:

Eligibility: After completion of 5 years of Credited Service, or from date of hire if service incurred.

Benefit: \$50, plus 1% of AFC times Credited Service. Minimum benefit is \$100 per month.

Death Benefits:

Vested or Eligible to Retire: Accrued benefit payable to beneficiary for 10 years.

Non-Vested: Refund of Member Contributions without interest.

Cost of Living Adjustment (COLA) (tier 1) (if employed prior to October 1, 2013):

All Retirees, including Normal, Early, Disability, DROP, and Vested Terminated participants, and their joint pensioners and beneficiaries (but excluding pre-retirement death beneficiaries) shall receive a 3% automatic lifetime COLA, beginning the first October 1 after one year of benefit payments.

Supplemental Benefit (tier 1) (if employed prior to October 1, 2013):

\$100 per month, payable for life, to all retirees (including disability retirees).

Contributions:

Remaining amount required to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes. The member contribution rate for those grandfathered into the original plan is 8.18% and those in the DBVH plan is set at 3%.

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2023:

Asset Class	Target Allocation	
	2023	2022
Equity Securities	24.00%	24.00%
Non US Equity	18.00%	18.00%
Fixed Income Securities	25.00%	25.00%
Hedge Fund of Funds	6.00%	6.00%
Real Estate	12.00%	12.00%
Private Equity	5.00%	5.00%
Private Debt	5.00%	5.00%
Opportunistic	5.00%	5.00%
Total	100.00%	100.00%

Concentrations:

The Plan did not hold investments in any one organization that represent 5% or more of the Pension Plan's fiduciary net position.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

A. General Employees Retirement System (Continued)

Rate of Return:

For the year ended September 30, 2023 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 9.93%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Deferred Retirement Option Program (DROP)

Eligibility: Satisfaction of Normal Retirement requirement's (earlier of (1) Age 65 and 5 years of Credited Service, or (2) 30 years of Credited Service, regardless of age).

Participation: Not to exceed 96 months (60 months for members entering DROP from January 31, 2011 through February 11, 2013).

Rate of Return: 6.5% or actual net rate of investment return (total return net of brokerage commissions and transaction costs) credited each fiscal quarter.

The DROP balance as of September 30, 2023 is \$1,742,859.

Annual Pension Cost

The contribution requirement for the General Employees' Retirement System for Fiscal Year 2023, established through an actuarial valuation performed as of October 1, 2021, was \$7,874,648 (89.86% of current covered payroll). Actual employee contributions to the General Employees Retirement System totaled \$434,332 (4.97% of current covered payroll); actual employer contributions to the General Employees' Retirement System were \$7,848,969 (89.86% of current covered payroll).

Net Pension Liability

The City has used the alternate measurement date of September 30, 2022 to record the net pension liability, deferred inflows and outflows of resources, and pension expense in its September 30, 2023 financial statements.

	Measurement Date	
	9/30/2023	9/30/2022
Total Pension Liability	\$ 237,325,855	\$ 239,986,252
Plan Fiduciary Net Position	(175,093,491)	(166,215,687)
Sponsor's Net Pension Liability	<u>\$ 62,232,364</u>	<u>\$ 73,770,565</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	73.80%	69.24%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2022 updated to September 30, 2023 using the following actuarial assumptions.

	2023	2022
Inflation	2.00%	2.00%
Salary Increase	(Service Based)	(Service Based)
Investment Rate of Return	6.70%	6.80%

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

A. General Employees Retirement System (Continued)

Mortality Rate Healthy Active Lives:

Females: PubG.H-2010 (Above median) for employees.

Males: PubG.H-2010 for employees, set back one year.

Mortality Rate Healthy Retiree Lives

Females: PubG.H-2010 for healthy retirees.

Males: PubG.H-2010 for healthy retirees, set back one year.

Mortality Rate Beneficiary Lives:

Females: PubG.H-2010 (Below median) for healthy retirees.

Males: PubG.H-2010 for healthy retirees, set back one year.

Mortality Rate Disabled Lives:

PubG.H-2010 for disabled retirees, set forward three years.

All rates are projected generationally with Mortality Improvement Scale MP-2018.

Pension expense, Deferred Outflows and Deferred Inflows of Resources

For the year ended September 30, 2023, the City recognized pension expense of \$6,761,856 as the result of implementing GASB No. 68. Contributions made after the measurement date in the amount of \$7,834,192, will be recognized as a reduction of net pension liability in the subsequent fiscal period. As of September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions based on a measurement date of September 30, 2022 from the following sources:

Deferred Outflows

Difference between expected and actual earnings on investments	\$ 22,847,268
Contributions subsequent to the measurement date	<u>\$ 7,834,192</u>
Total deferred outflows	<u><u>\$ 30,681,460</u></u>

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

2024	\$ 5,540,522
2025	4,209,440
2026	4,641,358
2027	8,455,948
Thereafter	-
	<u><u>\$ 22,847,268</u></u>

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

A. General Employees Retirement System (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan

investment expenses and inflation) are developed for each major asset class. 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, 2023 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	
	2023	2022
Equity Securities	7.52%	6.11%
Developed Non US Equity	7.65%	6.49%
Emerging Non US Equity	8.40%	8.12%
Fixed Income Securities	3.88%	0.38%
Hedge Fund of Funds	5.40%	2.63%
Real Estate	5.22%	3.50%
Private Equity	9.78%	9.93%
Private Debt	8.27%	5.06%
Opportunistic	6.31%	6.40%

Discount Rate:

The discount rate used to measure the total pension liability was 6.70 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Measurement Date	1% Decrease	Current Discount Rate	1% lincrease
	5.70%	6.70%	7.70%
Sponsor's Net Position Liability 09/30/23			
Measurement Date	\$ 89,053,938	\$ 62,189,174	\$ 39,715,901
Sponsor's Net Position Liability 09/30/22			
Measurement Date	\$ 101,732,253	\$ 73,770,565	\$ 50,482,857

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9 – PENSION PLANS (Continued)

A. General Employees Retirement System (Continued)

Net Pension Liability

The following table shows the changes in net pension liability along with the breakdown detailing the changes since September 30, 2021.

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Beginning balances 9/30/21	\$ 240,864,347	\$ 199,814,988	\$ 41,049,359
Service Cost	831,827	-	831,827
Interest	16,152,980	-	16,152,980
Differences between Expected and Actual Experience	(5,188,968)	-	(5,188,968)
Change in assumptions	2,516,081	-	2,516,081
Contributions - Employer	-	10,006,355	(10,006,355)
Contributions- Employee	-	452,786	(452,786)
Net Investment Income	-	(28,662,814)	28,662,814
Benefit Payments	(15,190,015)	(15,190,015)	-
Administrative Expenses	-	(205,613)	205,613
Net Change	<u>(878,095)</u>	<u>(33,599,301)</u>	<u>32,721,206</u>
Ending Balance 09/30/22	<u>239,986,252</u>	<u>166,215,687</u>	<u>73,770,565</u>
Beginning balances 9/30/22	\$ 239,986,252	\$ 166,215,687	\$ 73,770,565
Service Cost	750,899	-	750,899
Interest	15,836,398	-	15,836,398
Change in Benefit Terms	3,603,325	-	3,603,325
Differences between Expected and Actual Experience	(9,581,404)	-	(9,581,404)
Change in assumptions	2,428,274	-	2,428,274
Contributions - Employer	-	7,848,969	(7,848,969)
Contributions- Employee	-	434,332	(434,332)
Net Investment Income	-	16,514,391	(16,514,391)
Benefit Payments	(15,697,889)	(15,697,889)	-
Administrative Expenses	-	(178,809)	178,809
Net Change	<u>(2,660,397)</u>	<u>8,920,994</u>	<u>(11,581,391)</u>
Ending balance 9/30/23	<u>\$ 237,325,855</u>	<u>\$ 175,136,681</u>	<u>\$ 62,189,174</u>

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

A. General Employees' 401(a) Defined Contribution Plan

On October 1, 2013, the City implemented a 401 (a) Defined Contribution Plan. Members are 100% vested after their six-month probationary period. The members have a mandatory contribution of 3% of their salary, while the City contributes 8%. Investments are made by the members. The City does not report the balances in this plan on its statements.

B. Police Officers' Retirement System

Plan Descriptions

The City maintains a single-employer, defined benefit pension plan for the police officers known as the *Police Officers' Retirement System*. This is a contributory defined benefit pension plan covering any person employed full-time in the Ocala Police Department who is certified as a law enforcement officer in compliance with the provisions of Chapter 943.14 of the Florida Statutes. Florida Statutes Chapter 185 allows contributions to the Plan by the State of Florida. The provisions of this plan are established by City Ordinance. All benefit provisions, including changes in contribution requirements can be amended by City Ordinance. Administrative costs are financed through investment earnings.

The plan is administered by a five-member Board of Trustees comprised of: two City residents appointed by the City Council, two Police Officers elected by the majority of covered members, and a fifth member elected by the other four and appointed by City Council (as a ministerial duty).

At September 30, 2023 the Plan's participants consisted of:

	<u>2023</u>	<u>2022</u>
Retirees and beneficiaries (Inactive members):		
Currently receiving benefits	129	128
DROP retirees	13	10
Disability Retirees	5	4
Terminated employees entitled to benefits, but not yet receiving them	21	22
Active plan members	<u>180</u>	<u>188</u>
	<u><u>348</u></u>	<u><u>352</u></u>

Pension Benefits:

The Plan provides retirement, termination, disability, and death benefits.

Normal Retirement:

Date: Earlier of 1) Age 52 and 10 years of Credited Service, or 2) 25 years of Credited Service regardless of age.

Benefit: 3.33% of Average Final Compensation multiplied by Credited Service. For members not within 5 years of normal retirement as of November 1, 2015, the benefit accrual is 3% of average final compensation for credited service after October 31, 2015.

Early Retirement:

Date: Age 50 and the completion of 10 years of Credited Service.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

B. Police Officers' Retirement System (Continued)

Benefit: Accrued benefit reduced 3% for each year that Early Retirement precedes Normal Retirement.

Vesting (Termination):

Less than 10 years of service: Refund of Member Contributions without interest

10 years or more: Accrued benefit payable at otherwise Normal Retirement Date, or a refund of Member Contributions without interest.

Disability Retirement:

Eligibility:

Service Incurred – Covered from Date of Employment

Non-Service Incurred – 10 years of Credited Service.

Benefit: Benefit accrued to date of disability, but not less than 42% of Average Final Compensation (Service Incurred), or 25% of Average Final Compensation (Non-Service Incurred).

Death Benefits:

Vested: Accrued benefit payable at Member's otherwise Early or Normal Retirement Date to beneficiary for 10 years.

Non-Vested: Refund of Member Contributions without interest to designated beneficiary.

Supplemental Benefit:

Eligibility: Normal and Early Retirees and their joint pensioners or beneficiaries, excluding vested terminated persons.

Benefit: \$10 per month, for each full year of Credited Service. For members not within 5 years of normal retirement as of November 1, 2015, credited service for the supplemental benefit ceases as of October 31, 2015.

Contributions:

Remaining amount required to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes. For Fiscal Year 2023, the City is required to contribute 25.22% and the members contribute 8.0% of their salaries or wages to the Police Officers' Retirement System.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

B. Police Officers' Retirement System (Continued)

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2023:

Asset Class	Target Allocation	
	2023	2022
Domestic Equity	37.50%	37.50%
International Equity	15.00%	15.00%
Bonds	25.00%	25.00%
Convertibles	10.00%	10.00%
Private Real Estate	7.50%	7.50%
Infrastructure	5.00%	5.00%
Total	100.00%	100.00%

Concentrations:

The Plan did not hold investments in any one organization that represent 5% or more of the Pension Plan's fiduciary net position.

Rate of Return:

For the year ended September 30, 2023 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 9.30%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Deferred Retirement Option Program (DROP):

Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Not to exceed 60 months.

Rate of Return: At member's election (may change method once during DROP participation either: a) 6.5% annual rate, or b) Net Investment Return (total return less brokerage commission, transaction costs and management fees) credited each fiscal quarter.

The DROP balance as of September 30, 2023 is \$2,349,179.

Annual Pension Cost

The contribution requirement for the Police Officers' Retirement System for the 2023 fiscal year, established through an actuarial valuation performed as of October 1, 2021, was \$3,446,048 (25.15% of current covered payroll). Actual employee contributions to the Police Officers' Retirement System totaled \$1,185,777 (8.00% of current covered payroll), actual City contributions were \$2,855,748 (19.27% of current covered payroll) plus state contributions deposited directly to the plan amounted to \$877,590 (5.92% of current covered payroll). Accumulated excess contributions in the Funding Standard (Contribution Surplus) Account were available to assist in funding the City's contribution requirement for the year.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

B. Police Officers' Retirement System (Continued)

Net Pension Liability

The City has used the alternate measurement date of September 30, 2022 to record the net pension liability, deferred inflows and outflows of resources, and pension expense in its September 30, 2023 financial statements.

	Measurement Date	
	9/30/2023	9/30/2022
Total Pension Liability	\$ 119,659,470	\$ 107,819,338
Plan Fiduciary Net Position	(83,675,003)	(77,186,078)
Sponsor's Net Pension Liability	<u>\$ 35,984,467</u>	<u>\$ 30,633,260</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	69.93%	71.59%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2023 using the following actuarial assumptions applied to all measurement periods.

	2023	2022
Inflation	2.70%	2.70%
Salary Increase	(Service Based)	(Service Based)
Investment Rate of Return	7.25%	7.25%

Mortality Rate Healthy Active Lives:

Females: PubS.H-2010 (below median) for employees set forward one year.

Males: PubS.H-2010 (below median) for employees set forward one year.

Mortality Rate Healthy Retiree Lives

Females: PubS.H-2010 for healthy retirees, set forward one year.

Males: PubS.H-2010 for healthy retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Females: PubG.H-2010 for healthy retirees.

Males: PubG.H-2010 for healthy retirees, set back one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 for disabled retirees / 20% PubS.H-2010 for disabled retirees.

All rates are projected generationally with Mortality Improvement Scale MP-2018.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

B. Police Officers' Retirement System (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. 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, 2023 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	
	2023	2022
Domestic Equity	7.20%	7.10%
International Equity	2.90%	3.10%
Bonds	1.70%	2.00%
Convertibles	5.90%	6.40%
Private Real Estate	5.90%	6.40%
Infrastructure	5.10%	5.60%

Pension expense, Deferred Outflows and Deferred Inflows of Resources

For the year ended September 30, 2023, the City recognized pension expense of \$5,500,290 as the result of implementing GASB No. 68. Contributions made after the measurement date in the amount of \$3,505,860 will be recognized as a reduction of net pension liability in the subsequent fiscal period. As of September 30, 2023, based on a measurement date of September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows

Difference between expected and actual experience	\$ 166,971
Changes in assumptions	3,621,608
Difference between expected and actual earnings on investments	12,478,321
Contributions subsequent to the measurement date	3,505,860
Total deferred outflows	<u>\$ 19,772,760</u>

Deferred Inflows

Difference between expected and actual experience	1,089,737
Total deferred inflows	<u>\$ 1,089,737</u>

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

B. Police Officers' Retirement System (Continued)

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

2024	\$	3,937,753
2025		3,062,016
2026		3,226,258
2027		4,951,136
Thereafter		-
	\$	<u>15,177,163</u>

Discount Rate:

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	1% Decrease	Current Discount Rate	1% Increase
Measurement Date	6.25%	7.25%	8.25%
Sponsor's Net Position Liability 09/30/23 Measurement Date	\$ 49,763,090	\$ 35,984,467	\$ 24,515,571
Sponsor's Net Position Liability 09/30/22 Measurement Date	\$ 44,775,736	\$ 30,633,260	\$ 21,986,668

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9 – PENSION PLANS (Continued)

B. Police Officers' Retirement System (Continued)

Net Pension Liability

The following table shows the changes in net pension liability along with the breakdown detailing the changes since September 30, 2021.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Beginning balances 9/30/21	\$ 101,262,604	\$ 93,347,956	\$ 7,914,648
Service Cost	2,110,794	-	2,110,794
Interest	7,560,734	-	7,560,734
Change in assumptions	3,198,090	-	3,198,090
Differences between Expected and Actual Experience	(1,191,428)	-	(1,191,428)
Contributions - Employer	-	2,990,891	(2,990,891)
Contributions - State	-	763,084	(763,084)
Contributions- Employee	-	1,057,924	(1,057,924)
Contributions - Buy Back	5,761	5,761	-
Net Investment Income	-	(15,762,887)	15,762,887
Benefit Payments	(5,127,217)	(5,127,217)	-
Administrative Expenses	-	(89,434)	89,434
Net Change	<u>6,556,734</u>	<u>(16,161,878)</u>	<u>22,718,612</u>
Ending balance 9/30/22	<u>107,819,338</u>	<u>77,186,078</u>	<u>30,633,260</u>
Beginning balances 9/30/22	\$ 107,819,338	\$ 77,186,078	\$ 30,633,260
Service Cost	2,455,497	-	2,455,497
Interest	7,792,189	-	7,792,189
Change in assumptions	-	-	-
Differences between Expected and Actual Experience	7,145,545	-	7,145,545
Contributions - Employer	-	2,850,400	(2,850,400)
Contributions - State	-	877,590	(877,590)
Contributions- Employee	-	1,185,777	(1,185,777)
Contributions - Buy Back	39,638	39,638	-
Net Investment Income	-	7,233,744	(7,233,744)
Benefit Payments	(5,592,737)	(5,592,737)	-
Administrative Expenses	-	(105,487)	105,487
Net Change	<u>11,840,132</u>	<u>6,488,925</u>	<u>5,351,207</u>
Ending balance 9/30/23	<u>\$ 119,659,470</u>	<u>\$ 83,675,003</u>	<u>\$ 35,984,467</u>

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

C. Firefighters' Retirement Plan

Plan Descriptions

The City maintains single-employer, defined benefit pension plan for the firefighters known as the *Firefighters' Retirement Plan*. This is a contributory defined benefit pension plan covering any person employed full-time in the Ocala Fire Department who is certified as a firefighter as a condition of employment in accordance with the provisions of Section 633.35 of the Florida Statutes. Florida Statutes Chapter 175 allows contributions to the Plan by the State of Florida. The provisions of this plan are established by City Ordinance. All benefit provisions, including changes in contribution requirements can be amended by City Ordinance. Administrative costs are financed through investment earnings.

The plan is administered by a five-member Board of Trustees comprised of: two City residents appointed by the City Council, two Firefighters elected by majority of covered members, and a fifth member elected by the other four and appointed by City Council (as a ministerial duty).

At September 30, 2023 the Plan's participants consisted of:

	2023	2022
Retirees and beneficiaries (Inactive members):		
Currently receiving benefits	79	76
DROP retirees	17	16
Disability Retirees	10	9
Terminated employees entitled to benefits, but not yet receiving them	3	4
Active plan members	124	122
	<u>233</u>	<u>227</u>

Pension Benefits:

The Plan provides retirement, termination, disability, and death benefits.

Normal Retirement:

Date: Earlier of 1) Age 55 and 10 years of Credited Service, or 2) Rule of 70, or 25 years of Credited Service regardless of age.

Benefit: 3.00% of Average Monthly Earnings (AME) times Credited Service, maximum of 93% of AME.

Early Retirement:

Date: Age 50 and the completion of 10 years of Credited Service.

Benefit: Accrued benefit reduced 2% for each year prior to normal retirement date.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

C. Firefighters' Retirement Plan (Continued)

Termination Benefit:

Eligibility:

Less than 10 years of service: Refund of member contributions without interest.

10 years or more (fully vested): Accrued benefit payable at participant's normal retirement date.

Disability Retirement:

Eligibility:

Service Incurred – Immediately upon permanent disability.

Non-Service Incurred – If not vested, refund of contributions.

Benefit:

Service Incurred – Benefit accrued to date of disability, but not less than 42% of AME.

Non-Service Incurred – If vested, accrued benefit, but not less than 30% of AME.

Death Benefits:

Vested:

Service Incurred – Choice of: 1) accrued benefit payable for 120 months; or 2) 50% of AME to spouse until death.

Non-Service Incurred – If not eligible for either early or normal retirement, same as for Service Incurred Death Benefits. If eligible for either early or normal retirement, choice of 1) accrued benefit for 120 months; or 2) 50% of accrued benefit to spouse until death.

Non-Vested: Refund of Member Contributions without interest to designated beneficiary.

COLA:

Benefit payment schedule to be designed by Board. Funding is from 0.50% of member contributions, market return and 50% of State Premium Tax Revenues in excess of \$200,000 (percentage increased to 100% once the Plan becomes 90% funded). A portion of excess returns on COLA assets will be transferred to the plan until the plan becomes 90% funded.

Contributions:

Remaining amount required to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes. For Fiscal Year 2023, the City is required to contribute 42.7% and the members contribute 7.67% of covered payroll to Regular Retirement Plan and 0.50% to COLA Fund (8.17% total).

Pursuant to Florida Statutes Section 175.101, an excise tax amounting to 1.85% of the gross amount of receipts of premiums from policyholders on all premiums collected on casualty insurance policies covering property within the corporate limits of the City is collected by the Insurance Commissioner. Such amounts collected by the Insurance Commissioner, less expenses, are contributed annually to the plan. For the 2023 fiscal year the amount of these contributions totaled \$692,315; however, the amount available to the plan for the provision of benefits is frozen, in accordance with Chapter 175, Florida Statutes at \$200,000.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

C. Firefighters' Retirement Plan (Continued)

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2023:

Asset Class	Target Allocation	
	2023	2022
Domestic Fixed Income	25.00%	25.00%
Domestic Equity / Mutual Funds	45.00%	45.00%
International Equity	15.00%	15.00%
International Fixed Income	5.00%	5.00%
Real Estate	10.00%	10.00%
Total	100.00%	100.00%

Concentrations:

The Plan did not hold investments in any one organization that represent 5% or more of the Pension Plan's fiduciary net position.

Rate of Return:

For the year ended September 30, 2023 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 9.95%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Deferred Retirement Option Program (DROP):

Eligibility: Satisfaction of Normal Retirement requirements.

Participation: Not to exceed 60 months.

Rate of Return: A member shall earn 100 basis points less than the plan's assumed investment rate of return, which would currently be 7.00%.

The DROP balance as of September 30, 2023 is \$6,102,300.

Annual Pension Cost

The contribution requirement for the Firefighters' Retirement Plan for the 2023 fiscal year, established through an actuarial valuation performed as of October 1, 2021, was \$3,398,109 (42.7% of current covered payroll). Actual employee contributions to the Firefighters' Retirement Plan totaled \$754,044 (8.17% of current covered payroll), actual City contributions were \$3,398,109 (36.83% of current covered payroll) plus state contributions deposited directly to the plan amounted to \$692,315. Accumulated excess contributions in the Accrued (Prepaid) Position Account were available to assist in funding the City's contribution requirement for the year.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

C. Firefighters' Retirement Plan (Continued)

Net Pension Liability

The City has used the alternate measurement date of September 30, 2022 to record the net pension liability, deferred inflows and outflows of resources, and pension expense in its September 30, 2023 financial statements.

	Measurement Date	
	9/30/2023	9/30/2022
Total Pension Liability	\$ 105,336,098	\$ 99,641,323
Plan Fiduciary Net Position	(84,719,197)	(76,775,260)
Sponsor's Net Pension Liability	<u>\$ 20,616,901</u>	<u>\$ 22,866,063</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	80.43%	77.05%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2023 using the following actuarial assumptions.

	2023	2022
Inflation	2.50%	2.50%
Salary Increase	0.00%-8.00%	0.00%-8.00%
Investment Rate of Return	7.00%	7.00%

Mortality Rates:

Active:

Pub-2010 Generational using scale MP-2018. Females, Headcount Weighted Safety Employee Female Table, set forward 1 year.

Pub-2010 Generational using scale MP-2018. Males, Headcount Weighted Safety Below Median Employee Male Table, set forward 1 year.

Disabled:

Pub-2010 80% Headcount Weighted General Disabled Retiree Female Table/ 20% Headcount Weighted Safety Disabled Retiree Female Table.

Pub-2010 80% Headcount Weighted General Disabled Retiree Male Table/ 20% Headcount Weighted Safety Disabled Retiree Male Table.

10% of active deaths are assumed to be in the line of duty.

The most recent experience study was completed in September 2019, considered 7 years of data experience, and resulted in several updates to the actuarial assumptions. The impact to the total pension liability (TPL) resulting from these assumptions is first reflected in TPL as of September 30, 2020.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

C. Firefighters' Retirement Plan (Continued)

Pension expense, Deferred Outflows and Deferred Inflows of Resources

For the year ended September 30, 2023, the City recognized pension expense of \$5,552,807 as the result of implementing GASB No. 68. Contributions made after the measurement date in the amount of \$4,090,424 will be recognized as a reduction of net pension liability in the subsequent fiscal period. As of September 30, 2023, based on a measurement date of September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows

Difference between expected and actual experience	\$ 2,870,820
Changes in assumptions	3,117,999
Difference between expected and actual earnings on investments	8,826,338
Contributions subsequent to the measurement date	4,090,424
Total deferred outflows	<u>\$ 18,905,581</u>

Deferred Inflows

Difference between expected and actual experience	134,981
Total deferred inflows	<u>\$ 134,981</u>

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

2024	\$ 4,394,780
2025	3,385,760
2026	2,600,718
2027	4,298,918
Thereafter	-
	<u>\$ 14,680,176</u>

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

C. Firefighters' Retirement Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. 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, 2023 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	
	2023	2022
Domestic Fixed Income	2.50%	2.50%
Domestic Equity / Mutual Funds	7.50%	7.50%
International Equity	8.50%	8.50%
International Fixed Income	3.50%	3.50%
Real Estate	4.50%	4.50%

Discount Rate:

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Measurement Date	1% Decrease	Current Discount Rate	1% lincrease
	6.00%	7.00%	8.00%
Sponsor's Net Position Liability 09/30/23			
Measurement Date	\$ 32,788,135	\$ 20,616,901	\$ 10,530,376
Sponsor's Net Position Liability 09/30/22			
Measurement Date	\$ 34,477,003	\$ 22,866,063	\$ 13,248,965

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

C. Firefighters' Retirement Plan (Continued)

Net Pension Liability

The following table shows the changes in net pension liability along with the breakdown detailing the changes since September 30, 2021.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Beginning balances 9/30/21	\$ 93,974,927	\$ 89,922,575	\$ 4,052,352
Service Cost	1,573,269	-	1,573,269
Interest	6,542,516	-	6,542,516
Differences between Expected and Actual Experience	1,717,962	-	1,717,962
Contributions - Employer	-	3,334,160	(3,334,160)
Contributions - State	-	614,717	(614,717)
Contributions- Employee	-	677,091	(677,091)
Net Investment Income	-	(13,470,714)	13,470,714
Benefit Payments	(4,167,351)	(4,167,351)	-
Administrative Expenses	-	(135,218)	135,218
Net Change	<u>5,666,396</u>	<u>(13,147,315)</u>	<u>18,813,711</u>
Ending balance 9/30/22	<u>99,641,323</u>	<u>76,775,260</u>	<u>22,866,063</u>
Beginning balances 9/30/22	\$ 99,641,323	\$ 76,775,260	\$ 22,866,063
Service Cost	1,641,437	-	1,641,437
Interest	6,936,273	-	6,936,273
Differences between Expected and Actual Experience	1,503,363	-	1,503,363
Contributions - Employer	-	3,398,109	(3,398,109)
Contributions - State	-	692,315	(692,315)
Contributions- Employee	-	754,044	(754,044)
Net Investment Income	-	7,650,113	(7,650,113)
Benefit Payments	(4,386,298)	(4,386,298)	-
Administrative Expenses	-	(164,346)	164,346
Net Change	<u>5,694,775</u>	<u>7,943,937</u>	<u>(2,249,162)</u>
Ending balance 9/30/23	<u>\$ 105,336,098</u>	<u>\$ 84,719,197</u>	<u>\$ 20,616,901</u>

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 9 – PENSION PLANS (Continued)

D. Other Pension Plan Information

Summary of Pension Plan Information

Below is a summary of deferred inflows, outflows, and net pension liability for all three employee pension plans:

	General Employees	Police Plan	Firefighters' Plan	Total
Deferred outflows of resources	\$ 30,681,460	\$ 19,772,760	\$ 18,905,581	\$ 69,359,801
Deferred inflows of resources	-	1,089,737	134,981	1,224,718
Net pension liability	73,770,565	30,633,260	22,866,063	127,269,888
Pension expense	6,761,856	5,500,290	5,552,807	17,814,953

The following is the net position for each pension trust fund as of September 30, 2023:

	General Employees' Retirement	Police Officers' Retirement System	Firefighters' Retirement Plan	Total
Assets				
Cash and cash equivalents	\$ 2,260,222	\$ 1,689,400	\$ 1,239,127	\$ 5,188,749
Receivables:				
Accrued interest receivable	3,795	123,294	170,907	297,996
Accounts receivable	1,790	227,478	66,210	295,478
Total receivables	5,585	350,772	237,117	593,474
Investments, at fair value	172,900,134	81,810,052	83,401,102	338,111,288
Total investments	172,900,134	81,810,052	83,401,102	338,111,288
Total Assets	175,165,941	83,850,224	84,877,346	343,893,511
Liabilities				
Accounts payable	72,450	166,894	158,149	397,493
Total liabilities	72,450	166,894	158,149	397,493
Net Position Restricted for Pensions	\$ 175,093,491	\$ 83,683,330	\$ 84,719,197	\$ 343,496,018

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 9 – PENSION PLANS (Continued)

D. Other Pension Plan Information (Continued)

The following is the statement of changes in net position for each pension trust fund for the fiscal year ended September 30, 2023:

	General Employees' Retirement	Police Officers' Retirement System	Firefighters' Retirement Plan	Total
Additions:				
Contributions:				
Employer	\$ 7,848,969	\$ 2,855,748	\$ 3,398,109	\$ 14,102,826
State	-	877,590	692,315	1,569,905
Employee	434,332	1,185,777	754,044	2,374,153
Total Contributions	<u>8,283,301</u>	<u>4,919,115</u>	<u>4,844,468</u>	<u>18,046,884</u>
Investment income:				
Investment income (loss)	17,357,769	7,663,087	7,871,079	32,891,935
Less: Investment management fees	(847,200)	(397,214)	(220,966)	(1,465,380)
Net investment income (loss)	<u>16,510,569</u>	<u>7,265,873</u>	<u>7,650,113</u>	<u>31,426,555</u>
Total additions (reductions)	<u>24,793,870</u>	<u>12,184,988</u>	<u>12,494,581</u>	<u>49,473,439</u>
Deductions:				
Pension payments	15,695,682	5,431,417	4,314,922	25,442,021
Refund to employees	-	151,420	71,376	222,796
Administration	178,809	107,292	164,345	450,446
Total deductions	<u>15,874,491</u>	<u>5,690,129</u>	<u>4,550,643</u>	<u>26,115,263</u>
Net Increase (Decrease)	8,919,379	6,494,859	7,943,938	23,358,176
Net Assets Reserved for Employees' Pension Benefits				
Beginning of the year	<u>166,174,112</u>	<u>77,188,471</u>	<u>76,775,259</u>	<u>320,137,842</u>
End of year	<u>\$ 175,093,491</u>	<u>\$ 83,683,330</u>	<u>\$ 84,719,197</u>	<u>\$ 343,496,018</u>

NOTE 10 – LONG-TERM OBLIGATIONS

Revenue bonds and other long-term liabilities directly related to and intended to be paid from Proprietary Funds (of the Primary Government) are included in the accounts of such funds. All other long-term indebtedness of the Primary Government is accounted for in the governmental activities column of the government-wide statement of net position. The City's outstanding long-term debt includes bonds payable, notes payable, claims payable and compensated absences payable.

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

Schedule of Long Term Debt

Long term liability activity for the year ended September 30, 2023 was as follows:

	Beginning Balance *	Increases	Decrease	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Direct borrowing					
2012 Refdg Capital Improvement Certificates	\$ 910,000	\$ -	\$ (910,000)	\$ -	\$ -
2015 Capital Improvement Certificates	18,010,000	-	(1,145,000)	16,865,000	1,470,000
2022 Bank Loan	60,000,000	-	-	60,000,000	2,895,000
Total direct borrowing	78,920,000	-	(2,055,000)	76,865,000	4,365,000
Other liabilities:					
Lease payable	495,824	-	(42,304)	453,520	45,312
SBITA payable	2,660,427	-	(945,456)	1,714,971	983,740
Net Pension Liability	32,586,096	57,968,185	-	90,554,281	-
Compensated Absences	4,371,821	3,267,706	(3,108,336)	4,531,191	2,642,313
OPEB Liability	13,411,473	-	(3,308,658)	10,102,815	511,849
Liability for fire fees	7,857,139	-	(4,834,915)	3,022,224	-
Claims and Judgment	8,062,559	2,403,733	(1,665,014)	8,801,278	2,908,621
Total other liabilities	69,445,339	63,639,624	(13,904,683)	119,180,280	7,091,835
Total Governmental Activities	<u>\$ 148,365,339</u>	<u>\$ 63,639,624</u>	<u>\$ (15,959,683)</u>	<u>\$ 196,045,280</u>	<u>\$ 11,456,835</u>
Business-type Activities:					
Direct borrowing					
2014A Utility Systems Bonds	\$ 13,870,000	\$ -	\$ (25,000)	\$ 13,845,000	\$ 25,000
2014B Utility Systems Bonds	17,535,000	-	(1,995,000)	15,540,000	2,050,000
2015 Utility Systems Bonds	52,570,000	-	(3,180,000)	49,390,000	3,275,000
2017 Utility Systems Bonds	15,975,000	-	(2,475,000)	13,500,000	2,545,000
Total direct borrowing	99,950,000	-	(7,675,000)	92,275,000	7,895,000
Other liabilities					
Lease payable	254,371	-	(81,518)	172,853	73,897
SBITA payable	1,003,110	-	(325,672)	677,438	343,558
Net Pension Liability	20,430,263	16,285,344	-	36,715,607	-
Compensated Absences	1,995,306	1,476,821	(1,398,404)	2,073,723	1,684,113
OPEB Liability	6,504,528	-	(1,370,343)	5,134,185	242,193
Total other liabilities	30,187,578	17,762,165	(3,175,937)	44,773,806	2,343,761
Total Business-type Activities	<u>\$ 130,137,578</u>	<u>\$ 17,762,165</u>	<u>\$ (10,850,937)</u>	<u>\$ 137,048,806</u>	<u>\$ 10,238,761</u>

* Beginning balance restated for addition of software subscription liability due to GASB Statement No. 96 implementation.

Compensated absences, OPEB payable and Net pension liabilities from the governmental funds are typically liquidated in the General Fund.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

Debt issued by the City

On March 18, 2022, the City issued \$60,000,000 Taxable Revenue Bonds, Series 2022 (Fire Fee Reimbursement). Proceeds were used to finance refunds to customers as a result of a lawsuit settled in 2021. Interest on the bank loan will be paid semi-annually on each April 1 and October 1. Principal will be paid annually commencing October 2023 through October 2038. The City will covenant to budget and appropriate in each fiscal year an amount of non-ad valorem revenues sufficient to provide for timely payment of principal and interest. This debt will be accounted for in the Governmental Activities Fund.

Bond Series	True Interest Cost	Average Coupon Rate	Maturity Date	Net Proceeds	Cost of Issuance
Bank Loan, Series 2022	3.9822%	3.9822%	10/01/38	\$ 60,000,000	\$ 14,500

Fiscal Year	Principal	Interest
2024	\$ 2,895,000	\$ 2,258,671
2025	2,990,000	2,272,144
2026	3,090,000	2,152,976
2027	3,195,000	2,029,827
2028	3,305,000	1,902,496
2029-2033	18,255,000	7,447,511
2034-2038	21,525,000	3,559,091
2039	4,745,000	280,446
	<u>\$ 60,000,000</u>	<u>\$ 21,903,162</u>

Bonds Payable Collateral:

The City has gas tax revenue bonds, capital improvement certificates, water and sewer revenue bonds and utility systems revenue bonds outstanding at year-end. Gas tax revenue bonds are collateralized by a pledge of the City's sixth cent optional gas tax; the capital improvement certificates are collateralized by a pledge of certain non-ad valorem revenues of the City; and the enterprise revenue bonds are collateralized by a pledge of the net revenues generated by the issuing fund or by a pledge of the net revenues of the combined utility systems.

Pledged Revenue:

The City has pledged certain revenues, to repay certain bonds and notes outstanding as of September 30, 2023. Information related to the revenues, sometimes net of related operating expenses, pledged for each debt issue,

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

the amounts of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2023 has been incorporated into the schedules which show the debt service requirements to maturity for the City's bonded indebtedness for the City's governmental activities and for the City's business-type activities.

The following is a schedule of bonds outstanding at September 30, 2023:

Direct Borrowing		Purpose Of	Amount	Amount	Interest Rates
		Issue	Issued	Outstanding	
Governmental Activities:					
2015	Capital Improvement Certificate	Refunding	\$ 21,440,000	\$ 16,865,000	3.67%
2022	Bank Loan Series 2022	Bank Loan	60,000,000	<u>60,000,000</u>	3.98%
Total Governmental Activities				<u>\$ 76,865,000</u>	
Business-Type Activities					
2014A	Utility Systems Bonds	Refunding	\$ 24,165,000	\$ 13,845,000	3.67%
2014B	Utility Systems Bonds	Refunding	28,465,000	15,540,000	3.069%
2015	Utility Systems Bonds	Refunding	65,635,000	49,390,000	3.67%
2017	Utility Systems Bonds	Refunding	18,565,000	<u>13,500,000</u>	2.705%
Total Business-Type Activities				<u>\$ 92,275,000</u>	

For the year ended September 30, 2023, principal and interest payments were as follows:

	Governmental	Business-Type
	Activities	Activities
Interest Paid	\$ 1,725,611	\$ 3,044,227
Principal Paid	<u>2,055,000</u>	<u>7,675,000</u>
	<u>\$ 3,780,611</u>	<u>\$ 10,719,227</u>

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

The following schedules show debt service requirements maturity for the City's bonded indebtedness for the City's governmental activities and for the City's business-type activities as well as pledged revenue information:

Governmental Activities		
Direct Borrowing		
Fiscal Year	Principal	Interest
2024	\$ 4,225,000	\$ 2,818,365
2025	4,380,000	2,661,690
2026	4,535,000	2,499,285
2027	4,705,000	2,330,875
2028	4,875,000	2,156,162
2029-2033	27,170,000	7,925,605
2034-2038	22,030,000	3,246,090
2039	4,945,000	98,460
Total	<u>\$ 76,865,000</u>	<u>\$ 23,736,532</u>

Pledged revenue description

Local government half-cent sales tax, franchise fees, business tax receipts, fines and forfeitures, communications services tax, guaranteed entitlement portion of State revenue sharing, mobile home licenses.

Fiscal year 2023 pledged revenues	\$ 10,991,230
Fiscal year 2023 principal and interest paid	\$ 2,585,951
Outstanding principal and interest not including principal and interest Series 2022 Bank Loan	\$ 19,517,975
Pledged through fiscal year	2033
Estimated percentage pledged	17.76%

Business-Type Activities		
Direct Borrowing		
Fiscal Year	Principal	Interest
2024	\$ 7,895,000	\$ 2,675,256
2025	8,125,000	2,443,620
2026	8,355,000	2,205,322
2027	8,600,000	1,960,128
2028	8,850,000	1,707,719
2029-2033	50,450,000	4,120,365
Total	<u>\$ 92,275,000</u>	<u>\$ 15,112,410</u>

Pledged revenue description

Net revenues of the combined Electric Revenue System and the Water and Sewer System (as defined in bond resolution)

Fiscal year 2023 pledged revenues	\$ 49,830,794
Fiscal year 2023 principal and interest paid	\$ 10,719,227
Outstanding principal and interest	\$ 107,387,410
Pledged through fiscal year	2033
Estimated percentage pledged	21.55%

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

Bond Arbitrage

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the U.S. Treasury of investment income received at yields that exceed the issuer's tax-exempt borrowing rates or pay a calculated penalty. Rebates are paid to the Internal Revenue Service every fifth year after the year of issuance. Within the five-year period, any positive arbitrage (liability) can be offset by any negative arbitrage (non-liability). At September 30, 2023, the City had no arbitrage rebate liability.

Disclosure of Legal Debt Margin

The City has no legal debt margin requirements set forth by State Statute; however, the City's charter limits the aggregate amount of general obligation bonds outstanding to 20% of the assessed valuation of the taxable real and personal property in the City. At September 30, 2023, there was no general obligation debt outstanding.

Synopsis of Revenue Bond Covenants, Revenue Bonds Debt Service and Transfer Requirements

Provisions of revenue bonds require monthly sinking fund contributions for debt service of one-twelfth and one-sixth of the next maturing principal and interest payment, respectively.

NOTE 11 – COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

Various suits and claims arising in the ordinary course of City operations are pending against the City of Ocala. While the ultimate effect of such litigation cannot be ascertained at this time, the City does not expect any of these items except for an ongoing lawsuit for Fire Service Fees (discussed below) to have a material impact on the financial condition of the City.

Fire Service Fees

Since 2014, the City has been the defendant in a lawsuit related to Fire Service Fees. In January 2014, Discount Sleep of Ocala LLC d/b/a Mattress Barn and Dale W. Birch filed a lawsuit alleging the City was illegally charging fire user fees in violation of the State Constitution (Case No: 5D19-1899). After numerous appeals, the Florida Fifth District Court of Appeals ruled in favor of the plaintiff. The final judgement awarded to the plaintiff was \$79,282,090 including attorneys' fees of \$6,393,188. The court also ordered the City establish a separate bank account, a/k/a The Common Fund to disperse claims incurred. As a result, a line of credit has been established in the amount of \$60 million and the closing date was March 17, 2022. Details of the bank loan can be found in Note 10.

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 11 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

Other Commitments

The City has outstanding commitments on various contracts for construction and other projects. These commitments, as of September 30, 2023, in the respective funds are as follows:

General Fund	\$ 1,805,227
Electric	358,932
Water and Sewer	3,166,599
Nonmajor Business Type Funds	4,995,805
Nonmajor Governmental Funds	4,943,762
Total	<u>\$ 15,270,325</u>

FMPA All Requirements Project (ARP)

The City purchases power exclusively from the Florida Municipal Power Agency (FMPA) through FMPA's All Requirements Power Supply Project (ARP). The City and FMPA have entered into an ARP Power Supply Contract (effective March 22, 1985, as amended on May 24, 1991, and January 22, 1999) which requires: 1) FMPA to sell and deliver to the City, and 2) the City to purchase from FMPA, all electric power that the City requires. The initial term of the ARP contract had an expiration date of October 1, 2030, however, on each October 1st, after the effective date, the contract automatically extends for an additional one-year period unless either party, at least one year prior to such automatic extension date, notifies the other party in writing of its decision not to extend the contract.

The City pays for electric power under the contract at the rates set forth in the rate schedules to the ARP contract, which FMPA may revise from time to time in accordance with the contract. The contract provides the option for the City to withdraw from the All-requirements Project after notice and making the debt payment, provided for in Section 29 of the contract (which, generally, is equal to the City's portion of the ARP Debt and other costs incurred, or expected to be incurred, by the ARP because of the City's withdrawal).

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Post-employment benefits extended to retirees include the continued coverage for the retiree and their dependents in the City's health insurance plan, dental plan, vision plan and life insurance plan. A portion of the health insurance benefits for family coverage is currently being subsidized by the City, but the subsidy is being phased out over time. No other form of direct subsidy is offered to retirees accepting medical coverage. There are currently 266 retirees participating in the plan. Premiums for insurances other than health insurance are fully paid by the retiree.

Plan Description

The Other Postemployment Benefit Plan is a single-employer benefit plan administered by the City. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees. Since the older retirees have higher costs which means that the City is subsidizing the cost of the retiree coverage because it pays all or a significant portion of that premium on behalf of the active

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

employees. Accounting standards calls this the “implicit rate subsidy”. This subsidy is only available until the retiree becomes Medicare eligible.

Retirees and their dependents are permitted to remain covered under the City’s respective medical and insurance plans if they pay a full premium applicable to coverage elected, subject to direct subsidies discussed above. The postemployment benefits are extended to retirees and continued at the discretion of the City, which reserves the right (subject to State Statute and any collective bargaining agreements) to change or terminate benefits, and to change contributions required from retirees in the future as circumstances change. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The Other Postemployment Benefit Plan does not issue a stand-alone report and does not accumulate assets in a GASB-compliant trust.

Funding Policy

The contribution requirements of the plan members and the City are established and may be amended by the City Council. Because “funding” the OPEB obligations would involve using an irrevocable trust fund, the City did not “fund” the OPEB obligation. Contributions are being made based on a pay-as-you-go financing requirement. Each fund was assessed its share of OPEB costs based on the number of employees in the fund divided by the total number of City employees.

Plan Membership

As of October 1, 2022 (the valuation date) the following employees were covered by the benefit terms:

	Count	Total OPEB Liability
Inactive employees or beneficiaries currently receiving benefits	279	\$ 8,522,000
Active employees	1,073	6,715,000
Total	1,352	\$ 15,237,000

Total OPEB Liability

The employer’s total OPEB liability is reported herein as of September 30, 2023 for the employer fiscal year and reporting period of October 1, 2022 to September 30, 2023. The values shown for this fiscal year and reporting period are based on a measurement date of October 1, 2022 and the corresponding measurement period of October 1, 2021 to October 1, 2022. The measurement of the total OPEB liability is based on a valuation date of October 1, 2022.

Actuarial Assumptions and Actuarial Methods

The total OPEB liability in the October 1, 2022 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Expected Return on Assets	None
Discount Rate	4.40%
Salary Scale	5.35%
Healthcare Cost Trend Rates	7.00% for fiscal year ended 2023, then decreasing 0.25% per year to an ultimate rate of 5.00%

Mortality - General Employees

RP-2000 Fully Generational Mortality Table for females with 100% annuitant white collar adjustment, using improvement scale BB. RP-2000 Fully Generational Mortality Table for males with 50% annuitant white collar adjustment and 50% annuitant blue collar adjustment, using improvement scale BB.

Mortality - Police Officers and Firefighters

RP-2000 Fully Generational Mortality table for females with 100% white collar adjustment, using improvement scale BB. RP-2000 Fully Generational Mortality Table for males with 10% white collar adjustment and 90% blue collar adjustment, using improvement scale BB.

Actuarial Cost Method: Entry Age

Discount rate

The discount rate has been set equal to 4.40% and represents the Municipal GO AA 20-year yield curve rate as of the measurement date.

Total OPEB liability

The following table shows the changes in total OPEB liability along with the breakdown detailing the changes in the current fiscal year.

	Plan OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Beginning balances 10/01/22	\$ 19,916,000	\$ -	\$ 19,916,000
Service Cost	772,000	-	772,000
Interest	434,000	-	434,000
Differences between expected and actual experience	1,617,000	-	1,617,000
Contributions-employer	-	1,741,000	(1,741,000)
Benefit Payments	(1,741,000)	(1,741,000)	-
Assumption changes	(5,761,000)	-	(5,761,000)
Net Changes	(4,679,000)	-	(4,679,000)
Ending Balance 09/30/23	<u>\$ 15,237,000</u>	<u>\$ -</u>	<u>\$ 15,237,000</u>

CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the City calculated using the discount rate of 4.40% as what the City's total OPEB liability would be if it were calculated using a trend rate that is 1% lower and 1% higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Employer's Total OPEB Liability	\$ 17,474,000	\$ 15,237,000	\$ 13,444,000

Sensitivity of the total OPEB liability to changes in the trend rate:

The following presents the total OPEB liability of the City as of the measurement date calculated using the discount, as well as what the employer's total OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Employer's Total OPEB Liability	\$ 13,352,000	\$ 15,237,000	\$ 17,629,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2023, the City recognized OPEB expense of \$1,251,000 as the result of implementing GASB No.75. Contributions made after the measurement date in the amount of \$1,741,000 will be recognized as a reduction of OPEB liability in the subsequent fiscal period.

The deferred outflows of resources and deferred inflows of resources related to OPEB as of September 30, 2023 from various sources are as follows:

Deferred outflows

Differences between expected and actual experience	\$ 1,962,000
Changes of assumptions	3,122,000
Contributions subsequent to the measurement date	1,741,000
Total deferred outflows	<u>\$ 6,825,000</u>

Deferred inflows

Differences between expected and actual experience	651,000
Changes of assumptions	5,286,000
Total deferred inflows	<u>\$ 5,937,000</u>

**CITY OF OCALA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2024	\$	36,000
2025		36,000
2026		44,000
2027		79,000
2028		(149,000)
Thereafter		(899,000)
	\$	<u>(853,000)</u>

NOTE 13 – CHANGES IN ACCOUNTING STANDARDS

A. Adoption of New Accounting Standard

The City adopted GASB Statement No. 96, *Subscription-Based IT Arrangements (SBITA)*, in Fiscal Year 2023. This statement enhances the relevance and consistency of information of the City's subscription software. It establishes requirements for SBITA accounting based on the principle that SBITAs are financings of the right to use an underlying asset, in this case software. A subscriber is required to recognize a SBITA liability and an intangible right to use SBITA asset. These changes were incorporated in the City's 2023 financial statements.

B. Future Adoption of New Accounting Standards

The City, where applicable anticipates adopting the following new accounting standards in future years:

GASB Statement No. 100, *Accounting Changes and Error Corrections* The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends September 30, 2024.

GASB Statement No. 101, *Compensated Absences*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends September 30, 2025.

GASB Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends September 30, 2025.

NOTE 14 – TAX ABATEMENTS

As of September 30, 2023, the City currently has Economic Investment Program agreements with 17 active participants. There are no agreements that have current tax abatements as required by GASB 77.



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CITY OF OCALA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts (GAAP Basis)		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property tax	\$ 39,795,044	\$ 39,795,044	\$ 40,458,650	\$ 663,606
Utility service tax	9,050,000	9,050,000	14,460,925	5,410,925
Communication service tax	2,691,617	2,691,617	2,959,834	268,217
Other tax	1,645,269	1,645,269	1,995,824	350,555
State shared revenues	8,034,806	8,034,806	9,586,355	1,551,549
Permits and fees	2,610,750	2,610,750	3,130,316	519,566
Intergovernmental revenues	110,000	16,254,103	4,472,382	(11,781,721)
Charges for services	18,368,345	18,368,345	20,023,760	1,655,415
Fines and forfeitures	276,678	284,678	198,167	(86,511)
Investment income (loss)	(1,050,000)	1,150,000	1,836,153	686,153
Miscellaneous	391,659	1,654,365	3,672,729	2,018,364
Total revenues	81,924,168	101,538,977	102,795,095	1,256,118
Expenditures				
Current:				
General government	14,887,240	16,921,477	12,937,801	3,983,676
Public safety	69,778,808	81,355,413	74,465,953	6,889,460
Physical Environment	80,000	653,922	113,626	540,296
Transportation	5,890,950	6,424,454	4,105,851	2,318,603
Economic environment	3,411,275	8,523,819	3,253,433	5,270,386
Culture and recreation	11,902,437	12,495,350	10,354,444	2,140,906
Capital outlay	5,296,613	25,802,995	7,505,083	18,297,912
Debt service:				
Principal payments	-	-	987,760	(987,760)
Interest and fees	-	-	94,115	(94,115)
Total expenditures	111,247,323	152,177,430	113,818,066	38,359,364
Excess (deficiency) of revenues over expenditures	(29,323,155)	(50,638,453)	(11,022,971)	39,615,482
Other Financing Sources (Uses)				
Transfers in	29,112,798	46,068,221	43,294,176	(2,774,045)
Transfers out	(6,126,018)	(6,760,520)	(6,660,942)	99,578
Total other financing sources (uses)	22,986,780	39,307,701	36,633,234	(2,674,467)
Net change in fund balance	(6,336,375)	(11,330,752)	25,610,263	36,941,015
Fund balance - beginning	44,165,649	44,165,649	44,165,649	-
Fund balance - ending	\$ 37,829,274	\$ 32,834,897	\$ 69,775,912	\$ 36,941,015

CITY OF OCALA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' RETIREMENT SYSTEM

Last 10 Fiscal Years

Reporting Period Ending Measurement Date	9/30/2024 9/30/2023	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020
Total pension liability				
Service cost	\$ 750,899	\$ 831,827	\$ 901,990	\$ 986,562
Interest	15,836,398	16,152,980	16,089,455	16,021,917
Changes of benefit terms	3,603,325	-	-	-
Differences between expected and actual experience	(9,581,404)	(5,188,968)	(112,857)	(1,001,087)
Changes of assumptions	2,428,274	2,516,081	2,543,358	(414,750)
Contributions - buy back	-	-	-	-
Benefit payments, including refunds of employee contributions	(15,697,889)	(15,190,015)	(15,009,928)	(14,076,564)
Net change in total pension liability	(2,660,397)	(878,095)	4,412,018	1,516,078
Total pension liability - beginning	239,986,252	240,864,347	236,452,329	234,936,251
Total pension liability- ending	<u>\$ 237,325,855</u>	<u>\$ 239,986,252</u>	<u>\$ 240,864,347</u>	<u>\$ 236,452,329</u>
Plan fiduciary net position				
Contributions - employer	7,848,969	10,006,355	10,222,493	13,799,155
Contributions - employee	434,332	452,786	477,170	511,521
Contributions - buy back	-	-	-	-
Net investment income	16,514,391	(28,662,814)	31,044,311	13,352,784
Benefit payments, including refunds of employee contributions	(15,697,889)	(15,190,015)	(15,009,928)	(14,076,564)
Administrative expense	(178,809)	(205,613)	(187,212)	(137,131)
Net change in plan fiduciary net position	8,920,994	(33,599,301)	26,546,834	13,449,765
Plan fiduciary net position - beginning	166,215,687	199,814,988	173,268,154	159,818,389
Plan fiduciary net position - ending	<u>175,136,681</u>	<u>166,215,687</u>	<u>199,814,988</u>	<u>173,268,154</u>
Net pension liability - ending	<u>\$ 62,189,174</u>	<u>\$ 73,770,565</u>	<u>\$ 41,049,359</u>	<u>\$ 63,184,175</u>
Plan fiduciary net position as a percentage of the total pension liability	73.80%	69.26%	82.96%	73.28%
Covered payroll	\$ 8,735,081	\$ 9,055,666	\$ 9,543,908	\$ 10,229,855
Net pension liability as a percentage of covered payroll	711.95%	814.63%	430.11%	617.64%

The City has used the alternate measurement date to record the net pension liability

9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
\$ 1,133,206 15,765,056 -	\$ 1,288,820 15,359,295 -	\$ 1,567,489 14,832,634 -	\$ 1,852,029 14,160,117 -	\$ 1,955,680 13,857,718 -	\$ 2,122,184 13,643,262 (1,321,935)
552,340 - -	2,072,529 - -	1,126,640 3,182,088 -	1,198,983 5,202,901 -	1,329,173 - -	- - 114,387
(13,192,455) 4,258,147 230,678,104	(12,344,439) 6,376,205 224,301,899	(13,468,466) 7,240,385 217,061,514	(11,575,745) 10,838,285 206,223,229	(13,862,112) 3,280,459 202,942,770	(11,437,247) 3,120,651 199,822,119
<u>\$ 234,936,251</u>	<u>\$ 230,678,104</u>	<u>\$ 224,301,899</u>	<u>\$ 217,061,514</u>	<u>\$ 206,223,229</u>	<u>\$ 202,942,770</u>
14,822,313 540,161 -	15,482,762 608,171 -	14,802,319 740,871 -	14,187,965 574,059 -	13,053,609 584,624 -	10,253,005 675,791 114,387
4,173,467	6,324,077	13,427,988	10,585,043	(2,523,690)	10,569,771
(13,192,455) (204,769) 6,138,717	(12,344,439) (225,097) 9,845,474	(13,468,466) (224,873) 15,277,839	(11,575,745) (225,101) 13,546,221	(13,862,112) (172,861) (2,920,430)	(11,437,247) (159,258) 10,016,449
153,679,672 159,818,389	143,834,198 153,679,672	128,556,359 143,834,198	115,010,138 128,556,359	117,930,568 115,010,138	107,914,119 117,930,568
<u>\$ 75,117,862</u>	<u>\$ 76,998,432</u>	<u>\$ 80,467,701</u>	<u>\$ 88,505,155</u>	<u>\$ 91,213,091</u>	<u>\$ 85,012,202</u>
68.03%	66.62%	64.13%	59.23%	55.77%	58.11%
\$ 10,785,500	\$ 11,804,951	\$ 13,747,075	\$ 14,722,210	\$ 21,970,446	\$ 15,593,924
696.47%	652.26%	585.34%	601.17%	415.16%	545.16%

**CITY OF OCALA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

Last 10 Fiscal Years

At the fiscal year end	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Actuarially determined contribution	\$ 7,874,648	\$ 9,497,997	\$ 9,716,181	\$ 13,858,120
Contributions in relation to the				
Actuarially determined contribution	7,848,969	10,006,355	10,222,493	13,858,120
Contribution Deficiency (Excess)	<u>\$ 25,679</u>	<u>\$ (508,358)</u>	<u>\$ (506,312)</u>	<u>\$ -</u>
Covered payroll	\$ 8,735,081	\$ 9,055,666	\$ 9,543,908	\$ 10,229,855
Contributions as a percentage of				
Covered payroll	89.86%	110.50%	107.11%	135.47%

<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
\$ 14,822,313	\$ 15,254,002	\$ 14,802,319	\$ 14,186,322	\$ 13,053,609	\$ 10,253,005
<u>14,894,139</u>	<u>15,482,762</u>	<u>14,802,319</u>	<u>14,187,965</u>	<u>13,053,609</u>	<u>10,253,005</u>
<u>\$ (71,826)</u>	<u>\$ (228,760)</u>	<u>\$ -</u>	<u>\$ (1,643)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 10,785,500	\$ 11,804,951	\$ 13,747,075	\$ 14,722,210	\$ 21,970,446	\$ 15,593,924
138.09%	131.15%	107.68%	96.37%	59.41%	65.75%

**CITY OF OCALA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
GENERAL EMPLOYEES' RETIREMENT SYSTEM**

Last 10 Fiscal Years

<u>For the Year Ending</u>	<u>Weighted Rate Of Returns ⁽¹⁾</u>
9/30/2014	9.86%
9/30/2015	-0.21%
9/30/2016	9.08%
9/30/2017	10.46%
9/30/2018	4.41%
9/30/2019	2.59%
9/30/2020	8.03%
9/30/2021	17.61%
9/30/2022	-14.20%
9/30/2023	9.93%

(1) Net of investment expense



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CITY OF OCALA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
POLICE OFFICERS' RETIREMENT SYSTEM

Last 10 Fiscal Years

Reporting Period Ending Measurement Date	9/30/2024 9/30/2023	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020
Total pension liability				
Service cost	\$ 2,455,497	\$ 2,110,794	\$ 2,146,200	\$ 2,006,052
Interest	7,792,189	7,560,734	7,321,459	7,171,736
Changes of benefit terms	-	-	-	-
Change in Funding Standard Account	-	-	-	-
Differences between expected and actual experience	7,145,545	(1,191,428)	278,283	(116,394)
Changes of assumptions	-	3,198,090	1,043,477	382,036
Contributions - buy back	39,638	5,761	27,555	-
Benefit payments, including refunds of employee contributions	(5,592,737)	(5,127,217)	(7,486,310)	(5,289,742)
Net change in total pension liability	11,840,132	6,556,734	3,330,664	4,153,688
Total pension liability - beginning	\$ 107,819,338	\$ 101,262,604	\$ 97,931,940	\$ 93,778,252
Total pension liability- ending	<u>\$ 119,659,470</u>	<u>\$ 107,819,338</u>	<u>\$ 101,262,604</u>	<u>\$ 97,931,940</u>
Plan fiduciary net position				
Contributions - employer	2,850,400	2,990,891	2,450,000	2,783,760
Contributions - State	877,590	763,084	683,980	688,440
Contributions - employee	1,185,777	1,057,924	885,087	901,945
Contributions - buy back	39,638	5,761	27,555	-
Net investment income	7,233,744	(15,762,887)	15,961,589	6,830,174
Benefit payments, including refunds of employee contributions	(5,592,737)	(5,127,217)	(7,486,310)	(5,289,742)
Administrative expense	(105,487)	(89,434)	(88,551)	(92,774)
Net change in plan fiduciary net position	6,488,925	(16,161,878)	12,433,350	5,821,803
Plan fiduciary net position - beginning	<u>77,186,078</u>	<u>93,347,956</u>	<u>80,914,606</u>	<u>75,092,803</u>
Plan fiduciary net position - ending	<u>83,675,003</u>	<u>77,186,078</u>	<u>93,347,956</u>	<u>80,914,606</u>
Net pension liability - ending	<u>\$ 35,984,467</u>	<u>\$ 30,633,260</u>	<u>\$ 7,914,648</u>	<u>\$ 17,017,334</u>
Plan fiduciary net position as a percentage of the total pension liability	69.93%	71.59%	92.18%	82.62%
Covered payroll	\$ 14,822,209	\$ 13,224,044	\$ 11,063,586	\$ 11,274,315
Net pension liability as a percentage of covered payroll	242.77%	231.65%	71.54%	150.94%

The City has used the alternate measurement date to record the net pension liability

	9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
\$	1,741,664	\$ 1,558,052	\$ 1,579,043	\$ 1,629,468	\$ 1,639,535	\$ 1,688,742
	6,952,007	6,630,559	6,600,886	6,316,211	6,207,407	5,940,330
	-	-	-	(1,150,613)	-	-
	-	-	-	-	-	56,039
	(450,176)	1,433,941	(252,579)	(727,086)	(971,456)	-
	1,421,185	-	(35,707)	1,741,528	-	-
	34,025	-	-	-	83,865	-
	<u>(5,478,770)</u>	<u>(5,943,808)</u>	<u>(5,888,193)</u>	<u>(4,814,327)</u>	<u>(4,062,918)</u>	<u>(4,531,980)</u>
	4,219,935	3,678,744	2,003,450	2,995,181	2,896,433	3,153,131
\$	<u>89,558,317</u>	<u>\$ 85,879,573</u>	<u>\$ 83,876,123</u>	<u>\$ 80,880,942</u>	<u>77,984,509</u>	<u>74,831,378</u>
\$	<u>93,778,252</u>	<u>\$ 89,558,317</u>	<u>\$ 85,879,573</u>	<u>\$ 83,876,123</u>	<u>\$ 80,880,942</u>	<u>\$ 77,984,509</u>
	3,014,876	4,077,869	3,582,817	3,469,395	3,111,881	2,961,297
	636,601	584,334	530,026	516,594	471,520	440,294
	823,654	731,022	669,044	672,201	629,554	632,728
	34,025	-	-	-	83,865	-
	2,344,271	6,110,450	6,716,321	5,151,384	(1,046,879)	5,733,534
	(5,478,770)	(5,943,808)	(5,888,193)	(4,814,327)	(4,062,918)	(4,531,980)
	(79,693)	(89,863)	(88,507)	(83,196)	(72,024)	(72,694)
	1,294,964	5,470,004	5,521,508	4,912,051	(885,001)	5,163,179
	<u>73,797,839</u>	<u>68,327,835</u>	<u>62,806,327</u>	<u>57,894,276</u>	<u>58,779,277</u>	<u>53,616,098</u>
	75,092,803	73,797,839	68,327,835	62,806,327	57,894,276	58,779,277
\$	<u>18,685,449</u>	<u>\$ 15,760,478</u>	<u>\$ 17,551,738</u>	<u>\$ 21,069,796</u>	<u>\$ 22,986,666</u>	<u>\$ 19,205,232</u>
	80.07%	82.40%	79.56%	74.88%	71.58%	75.37%
\$	10,295,675	\$ 9,137,770	\$ 8,363,052	\$ 8,402,515	\$ 9,288,611	\$ 7,909,106
	181.49%	172.48%	209.87%	250.76%	247.47%	242.82%

**CITY OF OCALA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
POLICE OFFICERS' RETIREMENT SYSTEM**

Last 10 Fiscal Years

At the fiscal year end	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Actuarially determined contribution	\$ 3,446,048	\$ 4,131,191	\$ 3,534,816	\$ 3,716,014
Contributions in relation to the				
Actuarially determined contribution	3,727,990	3,753,975	3,133,980	3,472,200
Contribution Deficiency (Excess)	<u>\$ (281,942)</u>	<u>\$ 377,216</u>	<u>\$ 400,836</u>	<u>\$ 243,814</u>
Covered payroll	\$ 14,822,209	\$ 13,224,044	\$ 11,063,586	\$ 11,274,315
Contributions as a percentage of				
Covered payroll	25.15%	28.39%	28.33%	30.80%

<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
\$ 4,250,054	\$ 4,076,359	\$ 3,582,731	\$ 3,762,646	\$ 3,505,831	\$ 3,345,551
3,651,477	4,662,203	4,112,843	3,985,989	3,583,401	3,345,551
<u>\$ 598,577</u>	<u>\$ (585,844)</u>	<u>\$ (530,112)</u>	<u>\$ (223,343)</u>	<u>\$ (77,570)</u>	<u>\$ -</u>
\$ 10,295,675	\$ 9,137,770	\$ 8,363,052	\$ 8,402,515	\$ 9,288,611	\$ 7,909,106
35.47%	51.02%	49.18%	47.44%	38.58%	42.30%

**CITY OF OCALA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
POLICE OFFICERS' RETIREMENT SYSTEM**

Last 10 Fiscal Years

<u>For the Year Ending</u>	<u>Weighted Rate Of Returns ⁽¹⁾</u>
9/30/2014	10.63%
9/30/2015	-1.76%
9/30/2016	8.95%
9/30/2017	10.82%
9/30/2018	9.04%
9/30/2019	3.14%
9/30/2020	9.04%
9/30/2021	19.91%
9/30/2022	-16.74%
9/30/2023	9.30%

(1) Net of investment expense



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CITY OF OCALA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' RETIREMENT PLAN

Last 10 Fiscal Years

Reporting Period Ending Measurement Date	9/30/2024 9/30/2023	9/30/2023 9/30/2022	9/30/2022 9/30/2021	9/30/2021 9/30/2020
Total pension liability				
Service cost	\$ 1,641,437	\$ 1,573,269	\$ 1,534,997	\$ 1,394,105
Interest	6,936,273	6,542,516	6,205,220	5,853,602
Changes of benefit terms	-	-	-	58,566
Differences between expected and actual experience	1,503,363	1,717,962	1,062,384	310,138
Changes of assumptions	-	-	-	6,753,635
Benefit payments, including refunds of employee contributions	(4,386,298)	(4,167,351)	(3,877,368)	(3,948,542)
Net change in total pension liability	5,694,775	5,666,396	4,925,233	10,421,504
Total pension liability - beginning	99,641,323	93,974,927	89,049,694	78,628,190
Total pension liability- ending	<u>\$ 105,336,098</u>	<u>\$ 99,641,323</u>	<u>\$ 93,974,927</u>	<u>\$ 89,049,694</u>
Plan fiduciary net position				
Contributions - employer	3,398,109	3,334,160	2,960,648	2,627,755
Contributions - State	692,315	614,717	734,643	520,367
Contributions - employee	754,044	677,091	541,289	673,724
Net investment income	7,650,113	(13,470,714)	14,803,229	9,444,624
Benefit payments, including refunds of employee contributions	(4,386,298)	(4,167,351)	(3,877,368)	(3,948,542)
Administrative expense	(164,346)	(135,218)	(116,404)	(109,725)
Other	-	-	-	(73,667)
Net change in plan fiduciary net position	7,943,937	(13,147,315)	15,046,037	9,134,536
Plan fiduciary net position - beginning	76,775,260	89,922,575	74,876,538	65,742,002
Plan fiduciary net position - ending	<u>84,719,197</u>	<u>76,775,260</u>	<u>89,922,575</u>	<u>74,876,538</u>
Net pension liability - ending	<u>\$ 20,616,901</u>	<u>\$ 22,866,063</u>	<u>\$ 4,052,352</u>	<u>\$ 14,173,156</u>
Plan fiduciary net position as a percentage of the total pension liability	80.43%	77.05%	95.69%	84.08%
Covered payroll	\$ 9,225,858	\$ 8,244,756	\$ 7,703,127	\$ 7,367,409
Net pension liability as a percentage of covered payroll	223.47%	277.34%	52.61%	192.38%

The City has used the alternate measurement date to record the net pension liability

9/30/2020 9/30/2019	9/30/2019 9/30/2018	9/30/2018 9/30/2017	9/30/2017 9/30/2016	9/30/2016 9/30/2015	9/30/2015 9/30/2014
\$ 1,455,310 5,479,962 -	\$ 1,326,905 5,276,956 -	\$ 1,317,786 4,878,081 -	\$ 1,227,874 4,637,901 (556,590)	\$ 1,121,980 4,471,685 -	\$ 1,163,818 4,274,720 -
1,406,892 165,836	(809,914) -	1,862,026 2,528,873	258,882 -	(904,013) -	142,133 -
(2,981,313) 5,526,687 73,101,503	(3,449,899) 2,344,048 70,757,455	(2,909,019) 7,677,747 63,079,708	(2,208,735) 3,359,332 59,720,376	(3,092,921) 1,596,731 58,123,645	(2,901,757) 2,678,914 55,444,731
<u>\$ 78,628,190</u>	<u>\$ 73,101,503</u>	<u>\$ 70,757,455</u>	<u>\$ 63,079,708</u>	<u>\$ 59,720,376</u>	<u>\$ 58,123,645</u>
2,299,394 488,640 638,372 2,012,954	2,495,113 472,989 736,600 5,087,763	1,945,055 434,616 664,806 6,250,958	2,490,684 434,473 643,628 4,770,021	2,180,098 467,838 554,915 13,508	2,117,780 553,787 450,140 3,792,085
(2,981,313) (84,759) 157,698	(3,449,899) (85,835) -	(2,909,019) (67,415) -	(2,208,735) (84,143) -	(3,092,921) (77,503) -	(2,901,757) (67,517) -
<u>2,530,986</u>	<u>5,256,731</u>	<u>6,319,001</u>	<u>6,045,928</u>	<u>45,935</u>	<u>3,944,518</u>
63,211,016 65,742,002	57,954,285 63,211,016	51,635,284 57,954,285	45,589,356 51,635,284	45,543,421 45,589,356	41,598,903 45,543,421
<u>\$ 12,886,188</u>	<u>\$ 9,890,487</u>	<u>\$ 12,803,170</u>	<u>\$ 11,444,424</u>	<u>\$ 14,131,020</u>	<u>\$ 12,580,224</u>
83.61%	86.47%	81.91%	81.86%	76.34%	78.36%
\$ 7,366,658	\$ 7,657,531	\$ 6,886,009	\$ 7,333,107	\$ 6,507,660	\$ 6,311,053
174.93%	129.16%	185.93%	156.07%	217.14%	199.34%

**CITY OF OCALA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FIREFIGHTERS' RETIREMENT PLAN**

Last 10 Fiscal Years

At the fiscal year end	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Actuarially determined contribution	\$ 3,844,266	\$ 3,741,519	\$ 3,331,293	\$ 2,987,939
Contributions in relation to the				
Actuarially determined contribution	3,844,266	3,741,519	3,331,293	2,987,939
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,215,346	\$ 8,244,756	\$ 7,703,127	\$ 7,367,409
Contributions as a percentage of				
Covered payroll	41.72%	45.38%	43.25%	40.56%

<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>
\$ 2,816,168	\$ 2,881,523	\$ 2,236,606	\$ 2,370,353	\$ 2,355,312	\$ 2,482,131
2,643,714	2,968,102	2,185,456	2,731,085	2,420,499	2,358,181
<u>\$ 172,454</u>	<u>\$ (86,579)</u>	<u>\$ 51,150</u>	<u>\$ (360,732)</u>	<u>\$ (65,187)</u>	<u>\$ 123,950</u>
\$ 7,366,658	\$ 7,657,531	\$ 6,886,009	\$ 7,333,107	\$ 6,507,660	\$ 6,311,053
35.89%	38.76%	31.74%	37.24%	37.19%	37.37%

**CITY OF OCALA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' RETIREMENT SYSTEM**

Last 10 Fiscal Years

<u>For the Year Ending</u>	<u>Weighted Rate Of Returns ⁽¹⁾</u>
9/30/2014	9.31%
9/30/2015	0.06%
9/30/2016	10.88%
9/30/2017	12.80%
9/30/2018	9.22%
9/30/2019	3.42%
9/30/2020	14.31%
9/30/2021	19.78%
9/30/2022	-14.99%
9/30/2023	9.95%

(1) Net of investment expense

CITY OF OCALA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2023

Last 10 Fiscal Years

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB liability						
Service cost	\$ 772,000	\$ 667,000	\$ 611,000	\$ 462,000	\$ 498,000	\$ 473,000
Interest	434,000	446,000	459,000	568,000	527,000	518,000
Differences between expected and actual experience	1,617,000	(202,000)	828,000	(1,029,000)	131,000	-
Changes of assumptions	(5,761,000)	1,928,000	917,000	2,339,000	(675,000)	-
Benefit payments, including refunds of employee contributions	(1,741,000)	(1,477,000)	(656,000)	(606,000)	(763,000)	(748,000)
Net change in total OPEB liability	(4,679,000)	1,362,000	2,159,000	1,734,000	(282,000)	243,000
Total OPEB liability - beginning	19,916,000	18,554,000	16,395,000	14,661,000	14,943,000	14,700,000
Total OPEB liability- ending	<u>\$ 15,237,000</u>	<u>\$ 19,916,000</u>	<u>\$ 18,554,000</u>	<u>\$ 16,395,000</u>	<u>\$ 14,661,000</u>	<u>\$ 14,943,000</u>
Contributions- employer	\$ 1,741,000	\$ 1,477,000	\$ 656,000	\$ 606,000	\$ 763,000	\$ 748,000
Benefit payments, including refunds of employee contributions	(1,741,000)	(1,477,000)	(656,000)	(606,000)	(763,000)	(748,000)
Net change in plan fiduciary net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's total OPEB liability	<u>\$ 15,237,000</u>	<u>\$ 19,916,000</u>	<u>\$ 18,554,000</u>	<u>\$ 16,395,000</u>	<u>\$ 14,661,000</u>	<u>\$ 14,943,000</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0%	0%	0%	0%	0%	0%
Covered employee payroll	\$ 69,276,000	\$ 51,712,000	\$ 51,712,000	\$ 55,028,000	\$ 55,028,000	\$ 50,556,000
Employer's total OPEB liability as a percentage of covered employee payroll	21.99%	38.51%	35.88%	29.79%	26.64%	29.56%

Notes to Schedule:

The City has elected not to fund the OPEB liability, therefore no assets are held in trust for payment of the OPEB liability.

*10 years of data will be presented as it becomes available

**CITY OF OCALA, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
OPEB PLAN**

Last 10 Fiscal Years *

	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Actuarially determined contribution	\$ 1,741,000	\$ 1,477,000	\$ 656,000	\$ 606,000	\$ 763,000	\$ 748,000
Contributions in relation to the						
Actuarially determined contribution	1,741,000	1,477,000	656,000	606,000	763,000	748,000
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 69,276,000	\$ 51,712,000	\$ 51,712,000	\$ 55,028,000	\$ 55,028,000	\$ 50,556,000
Contributions as a percentage of						
Covered employee payroll	2.51%	2.86%	1.27%	1.10%	1.39%	1.48%

Notes to Schedule:

The employer has elected to make an annual contribution equal to the benefit payments. The employer share of net benefits is the difference between the expected benefit payments and the retiree contributions. It is sometimes referred to as "pay-as-you go."

The expected benefit payments are actuarially determined to reflect the age difference between the overall covered group and the retiree group.

Actuarially determined contributions, which are based on the "pay-as-you-go" cost, and actual contributions are from the measurement periods ending June 30 of the year prior to the year-end of the reporting periods shown.

* Information prior to fiscal year 2018 is not available.

**CITY OF OCALA, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023**

NOTE 1 - BUDGETARY INFORMATION

A. Budgeting Policy

An annual budget is prepared for all governmental and proprietary funds. The City Council annually adopts the budget through a Budget Resolution. Budgetary control is legally maintained at the fund level. The budget amounts presented in the accompanying financial statements for the governmental funds are as originally adopted, or as legally amended, by the City Council during the year ended September 30, 2023.

The City's Budget Resolution provides transfer authority to the City Manager to transfer budgeted amounts between departments within any fund; however, any budget amendments that alter the total expenditures of any fund must be approved by the City Council. During 2023, the City Council approved various supplemental budget appropriations to provide for unanticipated requirements of the period. Budget appropriations may not be legally exceeded on a fund basis. Appropriations lapse at the end of each fiscal year. The budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budgetary comparisons reflect only those activities for which legally adopted budgets are prepared. For the year ended September 30, 2023, no expenditures exceeded the budget at the fund level.

B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable budget appropriation, is utilized by the governmental funds of the City. Appropriations lapse at year end and outstanding encumbrances are re-appropriated as part of the subsequent year's budget. See Liabilities Note 11, Other Commitments, for a breakdown of significant encumbrances in total by each major fund and nonmajor fund.

NOTE 2 – CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

GENERAL EMPLOYEES' RETIREMENT SYSTEM:

Valuation Date: October 1, 2021

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost Method (level percentage of pay).

Amortization Method: Layered 10-year periods.

Remaining Amortization Period: 16 Years (as of 10/01/2021 valuation).

Actuarial Asset Method: The Actuarial Value of Assets is based upon a 5-year straight line recognition of the difference between expected earnings on the net market value of assets and actual earnings on the net market value of assets. The net market value of assets shall be the total fiduciary net position as defined by GASB 67/68, excluding any reserves held which are not designated for currently adopted plan benefits valued as part of the plan liabilities. The resulting value shall be adjusted if it does not fall between 120% and 80% of the market value of assets. This change shall be made assuming that this 5-year recognition method applies to differences between the expected and actual investment returns for the years ending September 30, 2009 and later. This method is mandated by Ordinance 2013-48.

CITY OF OCALA, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

NOTE 2 – CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (Continued)

GENERAL EMPLOYEES' RETIREMENT SYSTEM (Continued)

Prior Method:	The Actuarial Value of Assets was brought forward using the historical five-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in an insignificant bias that is above or below the Market Value.
Inflation:	2.0% per year.
Salary Increases:	Service based
Payroll Increase:	None
Interest Rate:	6.90% per year, compounded annually, net of investment related expenses. The interest rate is mandated by Ordinance 2013-48.
Cost of Living Increases:	3% automatic lifetime COLA, beginning one year after retirement for all categories except pre-retirement death. Applies to future retirees on and after October 1, 2008 to the frozen accrued benefit as of September 30, 2013 only. The grandfathered Members maintain this provision on their entire benefit. No COLA on the variable benefit earned for Credited Service on and after October 1, 2013.

Normal Retirement:	<u>Age</u>	<u>Probability of Retirement</u>
	65	50%
	66-67	33%
	68 +	100%

Members with at least 30 years of Credited Service are assumed to retire immediately.

	<u>25 or More Years Credited Service</u>		<u>Less than 25 Years Credited Service</u>	
	<u>Credited Service</u>	<u>Assumption</u>	<u>Age</u>	<u>Assumption</u>
	25	10.50%	55-60	5.75%
	26	5.50%	61	6.50%
	27	11.50%	62	12.00%
	28	7.50%	63	5.00%
Early Retirement:	29	4.00%	64	3.00%

	<u>Service</u>	<u>Termination Rate</u>
	0	20.00%
	1-4	15.00%
	5-9	7.50%
	10-19	4.00%
Termination Rates:	20 +	6.50%

CITY OF OCALA, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

NOTE 2 – CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (Continued)

GENERAL EMPLOYEES' RETIREMENT SYSTEM (Continued)

Disability Rates: See Table Below. 75% of disablements are assumed to be service incurred.

Mortality: PubG.H-2010 projected generationally with Mortality Improvement Scale MP-2018.

Other Information: Disability Rate Table.

	<u>% Becoming Disabled During</u>
<u>Age</u>	<u>the Year</u>
20	0.051%
30	0.058%
40	0.121%
50	0.429%
60	1.611%

POLICE OFFICERS' RETIREMENT SYSTEM

Valuation Date: October 1, 2021

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

Methods and assumptions used to determine contribution rates:

Funding Method: Entry Age Normal Actuarial Cost

Amortization Method: New UAAL are amortized over the following amortization periods:

Experience:	10 years
Assumption/Method changes:	20 years
Benefit changes:	30 years

Actuarial Asset Method: Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 5-year average Market Value return and is then diminished by the Funding Standard Account Credit Balance and further adjusted for the Administrative Expense Account. It is possible that over time this technique will produce an insignificant bias that is above or below the Market Value.

Inflation: 2.70% per year.

Salary Increases:	<u>Years of Credited Service</u>	<u>Salary Scale</u>
	<3	6.50%
	3-9	6.00%
	10-19	5.00%
	20-24	4.50%
	>25	4.00%

**CITY OF OCALA, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023**

NOTE 2 – CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (Continued)

POLICE OFFICERS' RETIREMENT SYSTEM (Continued)

Partial Lump Sums:	For valuation purposes, no future retirees are assumed to opt for a partial lump sum.
Payroll Growth:	0.00%
Interest Rate:	7.5% per year, compounded annually, net of investment related expenses.
Retirement Age:	Earlier of 1) Age 52 and 10 years of service or 2) 25 years of service, regardless of age. Also, any member who has reached Normal Retirement is assumed to continue employment for one additional year.
Early Retirement:	Commencing with the earliest Retirement Age, Members are assumed to retire with an immediate subsidized benefit at the rate of 10% per year.
Termination Rates:	See Table Below.
Disability Rates:	See Table Below. 75% of disablements are assumed to be service related.
Mortality:	Healthy Active Lives: PubS.H-2010 (Below Median) for employees set forward one year. Retiree Lives: PubS.H-2010 for healthy retirees set forward one year.
Other Information:	Termination and Disability Rate Table.

	<u>% Terminating</u>	<u>% Becoming Disabled During</u>
<u>Age</u>	<u>During the Year</u>	<u>the Year</u>
20	10.00%	0.14%
30	10.00%	0.18%
40	9.00%	0.30%
50	7.00%	1.00%

FIREFIGHTERS' RETIREMENT PLAN:

Valuation Date: October 1, 2021

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

Methods and assumptions used to determine contribution rates:

Funding Method:	Entry Age Normal Method	
Amortization Method:	Unfunded liability	25 years
	Benefit improvements for actives	25 years
	Benefit improvements for inactives	15 years
	Actuarial gains/losses	20 years
	Changes in assumptions	20 years

CITY OF OCALA, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2023

NOTE 2 – CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (Continued)

FIREFIGHTERS' RETIREMENT PLAN (Continued)

Actuarial Asset Method: 20% Phase-In Method with a fresh start methodology as of October 1, 2019 and a 80%/120% corridor.

Inflation: 2.5%

Salary Increases:	Age	General
	<= 25	5.50%
	<= 30	4.10%
	<= 35	3.10%
	<= 40	2.10%
	<= 45	1.10%
	> 50	0.00%

Partial Lump Sums: For valuation purposes, no future retirees are assumed to opt for a partial lump sum.

Interest Rate: 7% net of investment expenses.

Retirement Age: Age 55 and 10 years of service, Rule of 70, or 25 years of service.

Early Retirement: Age 50 and 10 years of credited service. Benefits are reduced by 2% for each year prior to normal retirement date.

Termination Rates: See Table Below.

Disability Rates: See Table Below. 75% of disablements are assumed to be service related

Mortality: Pub-201 generationally using scale MP-2018.

Disabled: Pub-2010 Mortality Table.

Other Information: Termination and Disability Rate Table.

<u>Age</u>	<u>% Terminating During the Year</u>	<u>% Becoming Disabled During the Year</u>
20	6.68%	0.10%
30	4.18%	0.14%
40	2.28%	0.29%
50	0.98%	0.92%



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**CITY OF OCALA, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

SPECIAL REVENUE FUNDS:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted or committed to expenditure for specific purposes. Special Revenue Funds used by the City are:

Downtown Development Fund – This fund accounts for property taxes levied against downtown property owners.

Local Gasoline Tax Fund – This fund accounts for street-related maintenance and improvement projects financed by the City's share of local gasoline taxes. These taxes are required by law to be used to maintain streets.

Community Redevelopment Agency Fund – This fund accounts for City and County resources collected that are to be used for additions to certain redevelopment projects.

Stormwater Utility Fund – This fund accounts for resources collected that are to be used for additions to, improvements to, and maintenance of the storm damage system.

SHIP Local Housing Assistance Fund – This fund accounts for the receipt and uses of funds received from the Florida Local Housing Assistance Trust Fund for the State Housing Initiative Partnership (SHIP) for low income housing programs.

Infrastructure Sales Surtax Fund – This fund accounts for public safety capital needs and road projects.

DEBT SERVICE FUNDS:

Debt Service Funds are used to account for the accumulation of resources for the payment of principal, interest and related costs of the City's general long-term debt. Debt Service Funds of the City are:

2007A/2015 Improvement Certificates Fund – This fund is used for the payment of principal, interest and related costs of the Capital Improvement Revenue Certificates, Series 2015, which refunded the Capital Improvement Revenue Certificates, Series 2007A.

2012 Improvement Certificates Fund – This fund is used for payment of principal, interest and related costs of the Capital Improvement Refunding Revenue Certificates, Series 2012.

Bank Loan Series 2022 Fund – This fund is used to account for payment of principal, interest and related costs for \$60 million bank loan in fiscal year 2022.

**CITY OF OCALA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Assets			
Equity in pooled cash fund	\$ 54,986,508	\$ 8,386,576	\$ 63,373,084
Accounts and notes receivables	1,041,683	-	1,041,683
Accrued interest receivable	160,453	-	160,453
Prepaid expenses	1,139,057	-	1,139,057
Due from other governments	1,224,516	-	1,224,516
Total assets	<u>58,552,217</u>	<u>8,386,576</u>	<u>66,938,793</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable and accrued liabilities	864,347	-	864,347
Due to other funds	400,000	-	400,000
Escrow/Deposits	628,987	-	628,987
Unearned revenue	379,079	-	379,079
Advances from Other Funds	6,000,000	-	6,000,000
Total liabilities	<u>8,367,286</u>	<u>-</u>	<u>8,367,286</u>
Deferred inflows of resources			
Deferred inflows from future revenues	67,751	-	67,751
Total deferred inflows of resources	<u>67,751</u>	<u>-</u>	<u>67,751</u>
Fund Balances:			
Nonspendable	1,139,057	-	1,139,057
Restricted	39,387,915	8,386,576	47,774,491
Committed	13,396,637	-	13,396,637
Unassigned (Deficit)	(3,806,429)	-	(3,806,429)
Total fund balances	<u>50,117,180</u>	<u>8,386,576</u>	<u>58,503,756</u>
Total liabilities and fund balances	<u>\$ 58,552,217</u>	<u>\$ 8,386,576</u>	<u>\$ 66,938,793</u>

CITY OF OCALA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues			
Property tax	\$ 1,386,952	\$ -	\$ 1,386,952
Local option gas tax	3,986,545	-	3,986,545
Infrastructure Sales Surtax	11,954,606	-	11,954,606
Permits and fees	5,382	-	5,382
Intergovernmental revenues	1,258,611	-	1,258,611
Fines and forfeitures	87,471	-	87,471
Charges for services	8,343,670	-	8,343,670
Investment income	1,705,126	13,224	1,718,350
Miscellaneous	226,048	-	226,048
Total revenues	<u>28,954,411</u>	<u>13,224</u>	<u>28,967,635</u>
Expenditures			
Current:			
General government	33,532	-	33,532
Physical environment	5,309,579	-	5,309,579
Public safety	127,654	-	127,654
Transportation	4,951,838	-	4,951,838
Economic environment	744,370	-	744,370
Capital outlay	7,492,458	-	7,492,458
Debt service:			
Principal payments	-	2,055,000	2,055,000
Interest and fees	81,060	2,866,117	2,947,177
Total expenditures	<u>18,740,491</u>	<u>4,921,117</u>	<u>23,661,608</u>
Excess (deficiency) of revenues over expenditures	<u>10,213,920</u>	<u>(4,907,893)</u>	<u>5,306,027</u>
Other financing sources (uses)			
Transfers in	1,957,175	4,303,695	6,260,870
Transfers out	(164,793)	(14,103,799)	(14,268,592)
Total other financing sources (uses)	<u>1,792,382</u>	<u>(9,800,104)</u>	<u>(8,007,722)</u>
Net change in fund balances	12,006,302	(14,707,997)	(2,701,695)
Fund balances - beginning	38,110,878	23,094,573	61,205,451
Fund balances - ending	<u>\$ 50,117,180</u>	<u>\$ 8,386,576</u>	<u>\$ 58,503,756</u>

**CITY OF OCALA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2023**

	Downtown Development	Local Gasoline Tax
Assets		
Equity in pooled cash and investment fund	\$ 338,157	\$ 4,813,032
Accrued interest receivable	984	14,116
Accounts and notes receivable	-	-
Prepaid expenses	-	670
Due from other governments	495	351,146
Total assets	339,636	5,178,964
Liabilities and fund balances		
Liabilities:		
Accounts payable and accrued liabilities	-	303,516
Due to other funds	-	-
Retainage on contracts	-	-
Interfund advances payable	-	-
Unearned revenue	-	379,079
Escrow	-	628,987
Total liabilities	-	1,311,582
Deferred inflows of resources		
Deferred inflows from future revenues	-	-
Total deferred inflows from resources	-	-
Fund Balances (Deficit):		
Nonspendable	-	670
Restricted	339,636	3,866,712
Committed	-	-
Unassigned (deficit)	-	-
Total fund balances (deficit)	339,636	3,867,382
Total liabilities and fund balances	\$ 339,636	\$ 5,178,964

Community Redevelopment Agency	Stormwater Utility	SHIP Local Housing Assistance	Infrastructure Sales Surtax	Total
\$ 8,144,131	\$ 12,603,189	\$ 724,869	\$ 28,363,130	\$ 54,986,508
23,941	36,738	2,110	82,564	160,453
-	891,064	74,605	76,014	1,041,683
1,435	4,526	-	1,132,426	1,139,057
-	138,000	-	734,875	1,224,516
<u>8,169,507</u>	<u>13,673,517</u>	<u>801,584</u>	<u>30,389,009</u>	<u>58,552,217</u>
34,785	272,354	77,398	176,294	864,347
400,000	-	-	-	400,000
-	-	-	94,873	94,873
6,000,000	-	-	-	6,000,000
-	-	-	-	379,079
-	-	-	-	628,987
<u>6,434,785</u>	<u>272,354</u>	<u>77,398</u>	<u>271,167</u>	<u>8,367,286</u>
-	-	67,751	-	67,751
<u>-</u>	<u>-</u>	<u>67,751</u>	<u>-</u>	<u>67,751</u>
1,435	4,526	-	1,132,426	1,139,057
5,539,716	-	656,435	28,985,416	39,387,915
-	13,396,637	-	-	13,396,637
<u>(3,806,429)</u>				<u>(3,806,429)</u>
<u>1,734,722</u>	<u>13,401,163</u>	<u>656,435</u>	<u>30,117,842</u>	<u>50,117,180</u>
<u>\$ 8,169,507</u>	<u>\$ 13,673,517</u>	<u>\$ 801,584</u>	<u>\$ 30,389,009</u>	<u>\$ 58,552,217</u>

CITY OF OCALA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Downtown Development	Local Gasoline Tax
Revenues		
Property taxes	\$ 118,191	\$ -
Local option gas tax	-	3,986,545
Infrastructure sales surtax	-	-
Permits, fees and special assessments	-	-
Intergovernmental revenues	-	422,047
Charges for services	-	-
Fines and forfeitures	-	78,529
Investment income	11,360	139,394
Miscellaneous	-	22,661
Total revenues	<u>129,551</u>	<u>4,649,176</u>
Expenditures		
Current:		
General government	-	-
Public safety	-	-
Physical environment	-	-
Transportation	-	4,311,499
Economic environment	8,360	-
Capital outlay	-	460,686
Debt service:		
Interest and paying agents' fees	-	-
Total expenditures	<u>8,360</u>	<u>4,772,185</u>
Excess (deficiency) of revenues over expenditures	<u>121,191</u>	<u>(123,009)</u>
Other financing sources (uses)		
Transfers in	-	-
Transfers out	(85,632)	-
Total other financing sources (uses)	<u>(85,632)</u>	<u>-</u>
Net change In fund balances	35,559	(123,009)
Fund balances (deficit) - beginning	<u>304,077</u>	<u>3,990,391</u>
Fund balances - ending	<u>\$ 339,636</u>	<u>\$ 3,867,382</u>

Community Redevelopment Agency	Stormwater Utility	SHIP Local Housing Assistance	Infrastructure Sales Surtax	Total
\$ 1,268,761	\$ -	\$ -	\$ -	\$ 1,386,952
-	-	-	-	3,986,545
-	-	-	11,954,606	11,954,606
-	5,382	-	-	5,382
-	328,096	508,468	-	1,258,611
-	8,343,670	-	-	8,343,670
-	8,942	-	-	87,471
315,911	382,011	21,406	835,044	1,705,126
70,216	108,263	24,908	-	226,048
<u>1,654,888</u>	<u>9,176,364</u>	<u>554,782</u>	<u>12,789,650</u>	<u>28,954,411</u>
-	33,532	-	-	33,532
-	-	-	127,654	127,654
-	5,309,579	-	-	5,309,579
-	-	-	640,339	4,951,838
248,123	-	487,887	-	744,370
320,302	1,157,842	-	5,553,628	7,492,458
81,060	-	-	-	81,060
<u>649,485</u>	<u>6,500,953</u>	<u>487,887</u>	<u>6,321,621</u>	<u>18,740,491</u>
<u>1,005,403</u>	<u>2,675,411</u>	<u>66,895</u>	<u>6,468,029</u>	<u>10,213,920</u>
1,957,175	-	-	-	1,957,175
(79,161)	-	-	-	(164,793)
<u>1,878,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,792,382</u>
2,883,417	2,675,411	66,895	6,468,029	12,006,302
(1,148,695)	10,725,752	589,540	23,649,813	38,110,878
<u>\$ 1,734,722</u>	<u>\$ 13,401,163</u>	<u>\$ 656,435</u>	<u>\$ 30,117,842</u>	<u>\$ 50,117,180</u>

CITY OF OCALA, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
DOWNTOWN DEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Property taxes	\$ 118,191	\$ 116,733	\$ 1,458
Investment income (loss)	11,360	-	11,360
Total revenues	<u>129,551</u>	<u>116,733</u>	<u>12,818</u>
Expenditures			
Current:			
Economic environment	<u>8,360</u>	<u>138,360</u>	<u>130,000</u>
Total expenditures	<u>8,360</u>	<u>138,360</u>	<u>130,000</u>
Excess (deficiency) of revenues over expenditures	<u>121,191</u>	<u>(21,627)</u>	<u>142,818</u>
Other financing (uses)			
Transfers out	<u>(85,632)</u>	<u>(85,632)</u>	<u>-</u>
Total other financing (uses)	<u>(85,632)</u>	<u>(85,632)</u>	<u>-</u>
Net change in fund balance	35,559	(107,259)	142,818
Fund balance - beginning	<u>304,077</u>	<u>304,077</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 339,636</u></u>	<u><u>\$ 196,818</u></u>	<u><u>\$ 142,818</u></u>

CITY OF OCALA, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
LOCAL GASOLINE TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Local option gas tax	\$ 3,986,545	\$ 4,099,747	\$ (113,202)
Intergovernmental revenues	422,047	421,880	167
Fines and forfeitures	78,529	5,000	73,529
Investment income (loss)	139,394	-	139,394
Miscellaneous	22,661	20,000	2,661
Total revenues	<u>4,649,176</u>	<u>4,546,627</u>	<u>102,549</u>
Expenditures			
Current:			
Transportation	4,311,499	5,983,708	1,672,209
Capital outlay	460,686	1,348,671	887,985
Total expenditures	<u>4,772,185</u>	<u>7,332,379</u>	<u>2,560,194</u>
Excess (deficiency) of revenues over expenditures	<u>(123,009)</u>	<u>(2,785,752)</u>	<u>2,662,743</u>
Net change in fund balance	(123,009)	(2,785,752)	2,662,743
Fund balance - beginning	<u>3,990,391</u>	<u>3,990,391</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 3,867,382</u></u>	<u><u>\$ 1,204,639</u></u>	<u><u>\$ 2,662,743</u></u>

CITY OF OCALA, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY (CRA) FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Actual	Final Budget	Variance with Final Budget Positive (Negative)
Revenues			
Property tax	\$ 1,268,761	\$ 1,268,761	\$ -
Investment income	315,911	-	315,911
Miscellaneous	70,216	-	70,216
Total revenues	<u>1,654,888</u>	<u>1,268,761</u>	<u>386,127</u>
Expenditures			
Current:			
Economic environment	248,123	2,098,690	1,850,567
Culture and recreation	-	75,000	75,000
Debt service			
Principal	-	478,065	478,065
Interest	81,060	81,060	-
Capital outlay	320,302	3,808,221	3,487,919
Total expenditures	<u>649,485</u>	<u>6,541,036</u>	<u>5,891,551</u>
Excess (deficiency) of revenues over expenditures	<u>1,005,403</u>	<u>(5,272,275)</u>	<u>6,277,678</u>
Other Financing Sources (Uses)			
Transfers in	1,957,175	1,957,175	-
Transfers out	(79,161)	-	(79,161)
Total other financing sources (uses)	<u>1,878,014</u>	<u>1,957,175</u>	<u>(79,161)</u>
Net change in fund balance	2,883,417	(3,315,100)	6,198,517
Fund balance (deficit) - beginning	<u>(1,148,695)</u>	<u>(1,148,695)</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,734,722</u>	<u>\$ (4,463,795)</u>	<u>\$ 6,198,517</u>

CITY OF OCALA, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
STORMWATER UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Permits, fees and special assessments	\$ 5,382	\$ 80,000	\$ (74,618)
Intergovernmental revenues	328,096	871,802	(543,706)
Charges for services	8,343,670	8,000,000	343,670
Fines and forfeitures	8,942	-	8,942
Investment income (loss)	382,011	-	382,011
Other	108,263	-	108,263
Total revenues	<u>9,176,364</u>	<u>8,951,802</u>	<u>224,562</u>
Expenditures			
Current:			
General government	33,532	18,000	(15,532)
Physical environment	5,309,579	6,107,773	798,194
Capital outlay	1,157,842	4,634,475	3,476,633
Total expenditures	<u>6,500,953</u>	<u>10,760,248</u>	<u>4,259,295</u>
Excess (deficiency) of revenues over expenditures	<u>2,675,411</u>	<u>(1,808,446)</u>	<u>4,483,857</u>
Net change in fund balance	2,675,411	(1,808,446)	4,483,857
Fund balance - beginning	<u>10,725,752</u>	<u>10,725,752</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 13,401,163</u></u>	<u><u>\$ 8,917,306</u></u>	<u><u>\$ 4,483,857</u></u>

CITY OF OCALA, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SHIP LOCAL HOUSING ASSISTANCE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental revenues	\$ 508,468	\$ 1,148,908	\$ (640,440)
Investment income (loss)	21,406	-	21,406
Other	24,908	23,651	1,257
Total revenues	<u>554,782</u>	<u>1,172,559</u>	<u>(617,777)</u>
Expenditures			
Current:			
Economic environment	487,887	1,172,559	684,672
Total expenditures	<u>487,887</u>	<u>1,172,559</u>	<u>684,672</u>
Excess (deficiency) of revenues over expenditures	66,895	-	66,895
Net change in fund balance	66,895	-	66,895
Fund balance - beginning	<u>589,540</u>	<u>589,540</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 656,435</u></u>	<u><u>\$ 589,540</u></u>	<u><u>\$ 66,895</u></u>

CITY OF OCALA, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
INFRASTRUCTURE SALES SURTAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental revenues	\$ 11,954,606	\$ 9,109,473	\$ 2,845,133
Investment income (loss)	835,044	-	835,044
Total revenues	<u>12,789,650</u>	<u>9,109,473</u>	<u>3,680,177</u>
Expenditures			
Current:			
Public safety	127,654	167,321	39,667
Transportation	640,339	1,731,261	1,090,922
Capital outlay	5,553,628	17,185,722	11,632,094
Total expenditures	<u>6,321,621</u>	<u>19,084,304</u>	<u>12,762,683</u>
Excess (deficiency) of revenues over expenditures	<u>6,468,029</u>	<u>(9,974,831)</u>	<u>16,442,860</u>
Net change in fund balance	6,468,029	(9,974,831)	16,442,860
Fund balance - beginning	<u>23,649,813</u>	<u>23,649,813</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 30,117,842</u></u>	<u><u>\$ 13,674,982</u></u>	<u><u>\$ 16,442,860</u></u>

**CITY OF OCALA, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
SEPTEMBER 30, 2023**

	<u>2007A/2015 Improvement Certificates</u>	<u>2012 Refunded Improvement Certificates</u>	<u>2022 Bank Loan</u>	<u>Total</u>
Assets				
Equity in pooled cash and investment fund	<u>\$ 1,722,975</u>	<u>\$ -</u>	<u>\$ 6,663,601</u>	<u>\$ 8,386,576</u>
Total restricted assets	<u><u>\$ 1,722,975</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,663,601</u></u>	<u><u>\$ 8,386,576</u></u>
Fund balances				
Fund balances: Restricted	<u>\$ 1,722,975</u>	<u>\$ -</u>	<u>\$ 6,663,601</u>	<u>\$ 8,386,576</u>
Total fund balances	<u><u>\$ 1,722,975</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,663,601</u></u>	<u><u>\$ 8,386,576</u></u>

CITY OF OCALA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2007A/2015 Improvement Certificates	2012 Refunded Improvement Certificates	2022 Bank Loan	Total
Revenues				
Investment income (loss)	\$ 24,656	\$ (11,432)	\$ -	\$ 13,224
Total Revenues	<u>24,656</u>	<u>(11,432)</u>	<u>-</u>	<u>13,224</u>
Expenditures				
Debt service:				
Principal payments	1,145,000	910,000	-	2,055,000
Interest and paying agents' fees	523,125	9,512	2,333,480	2,866,117
Total expenditures	<u>1,668,125</u>	<u>919,512</u>	<u>2,333,480</u>	<u>4,921,117</u>
(Deficiency) of revenues over expenditures	<u>(1,643,469)</u>	<u>(930,944)</u>	<u>(2,333,480)</u>	<u>(4,907,893)</u>
Other financing sources (uses)				
Transfers in	1,975,950	11,432	2,316,313	4,303,695
Transfers out	(25,706)	-	(14,078,093)	(14,103,799)
Total other financing sources (uses)	<u>1,950,244</u>	<u>11,432</u>	<u>(11,761,780)</u>	<u>(9,800,104)</u>
Net change in fund balances	306,775	(919,512)	(14,095,260)	(14,707,997)
Fund balances - beginning	<u>1,416,200</u>	<u>919,512</u>	<u>20,758,861</u>	<u>23,094,573</u>
Fund balances - ending	<u>\$ 1,722,975</u>	<u>\$ -</u>	<u>\$ 6,663,601</u>	<u>\$ 8,386,576</u>

CITY OF OCALA, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
2007A/2015 IMPROVEMENT CERTIFICATES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Investment income (loss)	\$ 24,656	\$ 4,120	\$ 20,536
Total revenues	<u>24,656</u>	<u>4,120</u>	<u>20,536</u>
Expenditures			
Debt service:			
Principal payments	1,145,000	1,145,000	-
Interest and paying agents' fees	523,125	523,725	600
Total expenditures	<u>1,668,125</u>	<u>1,668,725</u>	<u>600</u>
Excess (deficiency) of revenues over expenditures	<u>(1,643,469)</u>	<u>(1,664,605)</u>	<u>21,136</u>
Other financing sources (uses)			
Transfers in	1,975,950	1,975,950	-
Transfers out	(25,706)	(3,520)	(22,186)
Total other financing sources (uses)	<u>1,950,244</u>	<u>1,972,430</u>	<u>(22,186)</u>
Net change in fund balance	306,775	307,825	(1,050)
Fund balance - beginning	<u>1,416,200</u>	<u>1,416,200</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 1,722,975</u></u>	<u><u>\$ 1,724,025</u></u>	<u><u>\$ (1,050)</u></u>

CITY OF OCALA, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
2012 IMPROVEMENT CERTIFICATES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Investment income (loss)	\$ (11,432)	\$ 5,000	\$ (16,432)
Total revenues	<u>(11,432)</u>	<u>5,000</u>	<u>(16,432)</u>
Expenditures			
Debt service:			
Principal payments	910,000	910,000	-
Interest and paying agents' fees	9,512	9,512	-
Total expenditures	<u>919,512</u>	<u>919,512</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(930,944)</u>	<u>(914,512)</u>	<u>(16,432)</u>
Other financing sources (uses)			
Transfers in	11,432	-	11,432
Transfers out	-	(5,000)	5,000
Total other financing sources (uses)	<u>11,432</u>	<u>(5,000)</u>	<u>16,432</u>
Net change in fund balance	(919,512)	(919,512)	-
Fund balance - beginning	<u>919,512</u>	<u>919,512</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF OCALA, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
2022 BANK LOAN
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Actual</u>	<u>Final Budget</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Investment income (loss)	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Debt service:			
Principal payments	-	2,755,000	2,755,000
Interest and paying agents' fees	2,333,480	3,528,140	1,194,660
Total expenditures	<u>2,333,480</u>	<u>6,283,140</u>	<u>3,949,660</u>
Excess (deficiency) of revenues over expenditures	<u>(2,333,480)</u>	<u>(6,283,140)</u>	<u>3,949,660</u>
Other financing sources (uses)			
Transfers in	2,316,313	2,316,313	-
Transfers out	(14,078,093)	(16,792,034)	2,713,941
Total other financing sources (uses)	<u>(11,761,780)</u>	<u>(14,475,721)</u>	<u>2,713,941</u>
Net change In fund balance	(14,095,260)	(20,758,861)	6,663,601
Fund balance - beginning	<u>20,758,861</u>	<u>20,758,861</u>	<u>-</u>
Fund balance - ending	<u>\$ 6,663,601</u>	<u>\$ -</u>	<u>\$ 6,663,601</u>

**CITY OF OCALA, FLORIDA
NONMAJOR BUSINESS-TYPE FUNDS
SEPTEMBER 30, 2023**

NONMAJOR BUSINESS-TYPE FUNDS:

Sanitation Fund – This fund accounts for the operation and maintenance of the City's refuse collection system.

Municipal Golf Course Fund – This fund accounts for the construction, operation and maintenance of the City's golf course.

Ocala International Airport Fund – This fund accounts for the construction, operation and maintenance of the City's airport and the Foreign Trade Zone #217.

Ocala Fiber Network Fund – This fund accounts for the construction, operation and maintenance of the City's broadband communications (fiber optics) network.

SunTran Fund – This fund accounts for the operation and maintenance of the regional mass transit system that began operations in 1999.

**CITY OF OCALA, FLORIDA
STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
SEPTEMBER 30, 2023**

	Non-Major Enterprise Funds					
	Sanitation	Municipal Golf Course	Ocala International Airport	Ocala Fiber Network	SunTran	Total
Assets						
Current Assets:						
Cash and investments	\$ -	\$ 73,013	\$ -	\$ -	\$ -	\$ 73,013
Equity in pooled cash and investment fund	9,815,507	480,019	1,684,948	8,474,456	-	20,454,930
Receivables (net, where applicable, of allowances for uncollectibles):						
Accounts and notes	989,821	451,411	136,428	415,149	2,889	1,995,698
Accrued interest	28,971	1,447	7,223	24,708	-	62,349
Unbilled revenues	769,147	-	-	404,336	-	1,173,483
Prepays	804	21,721	1,166	5,300	24,487	53,478
Inventories	-	115,130	-	1,247,205	-	1,362,335
Due from other governments	-	-	782,178	3,767	810,133	1,596,078
Total current assets	11,604,250	1,142,741	2,611,943	10,574,921	837,509	26,771,364
Noncurrent Assets:						
Capital assets:						
Capital assets not being depreciated	-	23,797	5,888,159	438,237	300,168	6,650,361
Capital assets being depreciated, net	7,573,757	328,235	25,826,689	9,974,105	4,909,947	48,612,733
Total capital assets (net)	<u>7,573,757</u>	<u>352,032</u>	<u>31,714,848</u>	<u>10,412,342</u>	<u>5,210,115</u>	<u>55,263,094</u>
Total noncurrent assets	7,573,757	352,032	31,714,848	10,412,342	5,210,115	55,263,094
Total assets	\$ 19,178,007	\$ 1,494,773	\$ 34,326,791	\$ 20,987,263	\$ 6,047,624	\$ 82,034,458
Deferred outflows of resources:						
Deferred amount pension related	2,007,719	-	282,430	592,493	-	2,882,642
Deferred amount OPEB related	351,131	-	52,047	119,955	-	523,133
Total deferred outflows of resources	\$ 2,358,850	\$ -	\$ 334,477	\$ 712,448	\$ -	\$ 3,405,775
Liabilities						
Current Liabilities:						
Payable from unrestricted assets:						
Accounts payable and accrued liabilities	\$ 1,103,720	\$ 676,074	\$ 114,596	\$ 180,167	\$ 67,582	2,142,139
Contract retainage	-	-	-	-	15,008	15,008
Compensated absences payable	143,846	-	39,616	129,088	-	312,550
OPEB obligation payable	40,334	-	6,594	12,373	-	59,301
Leases payable	-	-	-	73,897	-	73,897
Due to other governments	-	7,181	346	10,419	-	17,946
Due to other funds	-	-	-	-	971,927	971,927
Customer deposits	-	27,259	105,049	-	-	132,308
Unearned revenue	28,590	42,785	1,725,949	-	-	1,797,324
Total current liabilities	1,316,490	753,299	1,992,150	405,944	1,054,517	5,522,400
Noncurrent Liabilities:						
Compensated absences payable	133,820	-	-	6,970	-	140,790
OPEB obligation payable	832,030	-	142,672	228,964	-	1,203,666
Leases payable	-	-	-	98,956	-	98,956
Net pension liability	4,824,595	-	678,688	1,423,771	-	6,927,054
Total noncurrent liabilities	5,790,445	-	821,360	1,758,661	-	8,370,466
Total liabilities	\$ 7,106,935	\$ 753,299	\$ 2,813,510	\$ 2,164,605	\$ 1,054,517	\$ 13,892,866
Deferred Inflows of Resources:						
Deferred inflows OPEB related	270,522	-	24,656	128,060	-	423,238
Total deferred inflows of resources	270,522	-	24,656	128,060	-	423,238
Net Position						
Net investment in capital assets	7,573,757	352,032	31,714,848	10,239,489	5,195,107	55,075,233
Unrestricted (accumulated deficit)	6,585,643	389,442	108,254	9,167,557	(202,000)	16,048,896
Total net position	\$ 14,159,400	\$ 741,474	\$ 31,823,102	\$ 19,407,046	\$ 4,993,107	\$ 71,124,129

CITY OF OCALA, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Non-Major Enterprise Funds					
	Sanitation	Municipal Golf Course	Ocala International Airport	Ocala Fiber Network	SunTran	Total
Operating Revenues:						
Charges for services	\$ 15,863,854	\$ 1,704,801	\$ 1,927,701	\$ 9,079,438	\$ 212,146	\$ 28,787,940
Other	47,513	-	-	68,475	1,900	117,888
Total operating revenues	<u>15,911,367</u>	<u>1,704,801</u>	<u>1,927,701</u>	<u>9,147,913</u>	<u>214,046</u>	<u>28,905,828</u>
Operating Expenses:						
Operation and maintenance	7,502,202	226,062	647,148	1,439,293	3,589,397	13,404,102
Administration	5,126,067	1,778,358	665,312	3,087,013	18,204	10,674,954
Amortization expense	-	-	-	81,420	-	81,420
Depreciation	742,151	54,472	1,556,121	1,956,591	484,468	4,793,803
Total operating expenses	<u>13,370,420</u>	<u>2,058,892</u>	<u>2,868,581</u>	<u>6,564,317</u>	<u>4,092,069</u>	<u>28,954,279</u>
Operating income (loss)	<u>2,540,947</u>	<u>(354,091)</u>	<u>(940,880)</u>	<u>2,583,596</u>	<u>(3,878,023)</u>	<u>(48,451)</u>
Non-Operating Revenues (Expenses):						
Investment income	295,625	19,449	70,163	261,901	-	647,138
Interest expense	-	-	-	(6,514)	-	(6,514)
Other non-operating revenue	155,400	-	-	14,222	3,291,580	3,461,202
Total non-operating revenues (expenses)	<u>451,025</u>	<u>19,449</u>	<u>70,163</u>	<u>269,609</u>	<u>3,291,580</u>	<u>4,101,826</u>
Income (loss) before capital contributions and transfers	<u>2,991,972</u>	<u>(334,642)</u>	<u>(870,717)</u>	<u>2,853,205</u>	<u>(586,443)</u>	<u>4,053,375</u>
Capital Contributions	105,269	-	995,283	-	-	1,100,552
Transfers in	-	210,080	60,000	-	302,992	573,072
Transfers out	(2,314,950)	(173,000)	-	(888,033)	-	(3,375,983)
Total transfers	<u>(2,314,950)</u>	<u>37,080</u>	<u>60,000</u>	<u>(888,033)</u>	<u>302,992</u>	<u>(2,802,911)</u>
Change in net position	<u>782,291</u>	<u>(297,562)</u>	<u>184,566</u>	<u>1,965,172</u>	<u>(283,451)</u>	<u>2,351,016</u>
Net position - October 1	<u>\$ 13,377,109</u>	<u>\$ 1,039,036</u>	<u>\$ 31,638,536</u>	<u>\$ 17,441,874</u>	<u>\$ 5,276,558</u>	<u>\$ 68,773,113</u>
Net position - September 30	<u>\$ 14,159,400</u>	<u>\$ 741,474</u>	<u>\$ 31,823,102</u>	<u>\$ 19,407,046</u>	<u>\$ 4,993,107</u>	<u>\$ 71,124,129</u>

**CITY OF OCALA, FLORIDA
STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Non-Major Enterprise Funds					
	Sanitation	Municipal Golf Course	Ocala International Airport	Ocala Fiber Network	SunTran	Total
Cash Flows from Operating Activities:						
Cash received from customers	\$ 15,753,984	\$ 1,715,712	\$ 1,826,628	\$ 8,960,941	\$ 213,985	\$ 28,471,250
Cash paid to suppliers for goods and services	(7,816,020)	(1,993,566)	(976,301)	(2,015,373)	(6,762,189)	(19,563,449)
Cash paid to employees for services	(4,254,495)	-	(542,508)	(2,703,196)	(299,368)	(7,799,567)
Net cash provided by (used in) operating activities	3,683,469	(277,854)	307,819	4,242,372	(6,847,572)	1,108,234
Cash Flows from Non-Capital Financing Activities:						
Transfers in	-	210,080	60,000	-	302,992	573,072
Transfers out	(2,314,950)	(173,000)	-	(888,033)	-	(3,375,983)
Operating grants	183,990	-	-	27,955	3,907,411	4,119,356
Net cash provided by (used in) non-capital financing activities	(2,130,960)	37,080	60,000	(860,078)	4,210,403	1,316,445
Cash Flows from Capital and Related Financing Activities:						
Lease principal payments	-	-	-	(81,518)	-	(81,518)
Lease interest payments	-	-	-	(6,514)	-	(6,514)
Acquisition and construction of capital assets	(1,250,241)	(43,194)	(1,119,481)	(2,307,321)	(370,451)	(5,090,688)
Contributions received from other governments and developers	105,269	-	959,194	-	-	1,064,463
Net cash (used in) capital and related financing activities	(1,144,972)	(43,194)	(160,287)	(2,395,353)	(370,451)	(4,114,257)
Cash Flows from Investing Activities:						
Investment income	295,922	20,333	68,961	260,030	-	645,246
Net cash provided by investing activities	295,922	20,333	68,961	260,030	-	645,246
Net increase (decrease) in cash and cash equivalents	703,459	(263,635)	276,493	1,246,971	(3,007,620)	(1,044,332)
Cash and cash equivalents, beginning	\$ 9,112,048	\$ 816,667	\$ 1,408,455	\$ 7,227,485	\$ 3,007,620	\$ 21,572,275
Cash and cash equivalents, ending	\$ 9,815,507	\$ 553,032	\$ 1,684,948	\$ 8,474,456	\$ -	\$ 20,527,943

CITY OF OCALA, FLORIDA
STATEMENT OF CASH FLOWS (Continued)
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Non-Major Enterprise Funds

	<u>Sanitation</u>	<u>Municipal Golf Course</u>	<u>Ocala International Airport</u>	<u>Ocala Fiber Network</u>	<u>SunTran</u>	<u>Total</u>
Reconciliation of Cash and Cash Equivalents to Balance Sheet:						
Total current cash and investments per the balance sheet	\$ 9,815,507	\$ 553,032	\$ 1,684,948	\$ 8,474,456	\$ -	\$ 20,527,943
Cash and cash equivalents, end of year	<u>9,815,507</u>	<u>553,032</u>	<u>1,684,948</u>	<u>8,474,456</u>	<u>-</u>	<u>20,527,943</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Operating income (loss)	2,540,947	(354,091)	(940,880)	2,583,596	(3,878,023)	(48,451)
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:						
Depreciation & amortization	742,151	54,472	1,556,121	2,038,011	484,468	4,875,223
(Increase) decrease in assets and deferred outflow of resources:						
Accounts and notes receivable	(157,383)	(676)	(24,363)	(186,972)	(61)	(369,455)
Inventories	-	(13,424)	-	(239,121)	-	(252,545)
Other current assets	721	(1,828)	(586)	-	(8,622)	(10,315)
Deferred outflows pension	(1,354,326)	-	(190,564)	(399,773)	-	(1,944,663)
Deferred outflow OPEB	(38,194)	-	(3,395)	(19,521)	-	(61,110)
Increase (decrease) in liabilities and deferred inflow of resources:						
Accounts and contracts payable	663,989	18,925	(200,164)	46,831	(198,909)	330,672
Compensated absences payable	(2,784)	-	6,996	27,495	-	31,707
OPEB obligation payable	(202,847)	-	(18,031)	(103,677)	-	(324,555)
Due to other funds	-	-	-	-	(3,246,425)	(3,246,425)
Due to other governments	-	7,181	346	10,419	-	17,946
Net pension liability	2,139,967	-	301,035	631,519	-	3,072,521
Deferred inflows pension	(856,734)	-	(120,472)	(252,727)	-	(1,229,933)
Customer deposits	-	3,902	3,500	-	-	7,402
Deferred inflows OPEB	207,962	-	18,486	106,292	-	332,740
Unearned revenue	-	7,685	(80,210)	-	-	(72,525)
Net cash provided by (used in) operating activities	<u>\$ 3,683,469</u>	<u>\$ (277,854)</u>	<u>\$ 307,819</u>	<u>\$ 4,242,372</u>	<u>\$ (6,847,572)</u>	<u>\$ 1,108,234</u>

**CITY OF OCALA, FLORIDA
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2023**

INTERNAL SERVICE FUNDS:

The Internal Service Funds account for the operation of departments which exist solely to provide services to other City departments. The revenues of the Internal Services Funds are derived from user fees and self-insurance premiums charged to other City funds. The Internal Service Funds used by the City are:

Fleet & Facilities and Information Technology Management Fund – This fund formally accounted for the operation of the fleet and facilities management department. Fleet and facilities management are now accounted for in the General Fund. The fund was closed in FY23.

Self-Insurance Fund – This fund accounts for the operation of the risk management department and for the costs of the City's insurance and self-insurance plans.

**CITY OF OCALA, FLORIDA
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2023**

	Fleet, Facilities and Information Technology Management	Self- Insurance	Total
Assets			
Current Assets:			
Equity in pooled cash and investment fund	\$ -	\$ 28,928,617	\$ 28,928,617
Accrued interest receivable	-	84,318	84,318
Total assets	<u>-</u>	<u>29,012,935</u>	<u>29,012,935</u>
 Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities	-	1,257,225	1,257,225
Claims payable	-	2,908,621	2,908,621
Total current liabilities	<u>-</u>	<u>4,165,846</u>	<u>4,165,846</u>
 Noncurrent Liabilities:			
Claims payable	-	5,892,657	5,892,657
Total noncurrent liabilities	<u>-</u>	<u>5,892,657</u>	<u>5,892,657</u>
 Total liabilities	<u>-</u>	<u>10,058,503</u>	<u>10,058,503</u>
 Net Position			
Unrestricted	-	18,954,432	18,954,432
Total net position	<u>\$ -</u>	<u>\$ 18,954,432</u>	<u>\$ 18,954,432</u>

CITY OF OCALA, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Fleet, Facilities and Information Technology Management	Self- Insurance	Total
Operating Revenues:			
City insurance contributions	\$ -	\$ 14,066,993	\$ 14,066,993
Employee insurance contributions	-	2,970,953	2,970,953
Other	-	1,229,120	1,229,120
Total operating revenues	<u>-</u>	<u>18,267,066</u>	<u>18,267,066</u>
Operating Expenses:			
Insurance, administration and other	-	18,044,354	18,044,354
Total operating expenses	<u>-</u>	<u>18,044,354</u>	<u>18,044,354</u>
Operating income	<u>-</u>	<u>222,712</u>	<u>222,712</u>
Non-Operating Revenues:			
Investment income	18,379	878,303	896,682
Total non-operating revenues	<u>18,379</u>	<u>878,303</u>	<u>896,682</u>
Income before operating transfers	<u>18,379</u>	<u>1,101,015</u>	<u>1,119,394</u>
Transfers:			
Transfers out	(1,123,820)	-	(1,123,820)
Total transfers	<u>(1,123,820)</u>	<u>-</u>	<u>(1,123,820)</u>
Change in net position	<u>(1,105,441)</u>	<u>1,101,015</u>	<u>(4,426)</u>
Net position - October 1	<u>\$ 1,105,441</u>	<u>\$ 17,853,417</u>	<u>\$ 18,958,858</u>
Net position - September 30	<u>\$ -</u>	<u>\$ 18,954,432</u>	<u>\$ 18,954,432</u>

**CITY OF OCALA, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Fleet, Facilities and Information Technology Management	Self- Insurance	Total
Cash Flows from Operating Activities:			
Cash received from employees	\$ -	\$ 2,970,953	\$ 2,970,953
Cash received from customers		1,229,120	1,229,120
Cash paid to suppliers for goods and services	-	(2,962,752)	(2,962,752)
Cash received from other funds	-	14,066,993	14,066,993
Cash paid for insurance claims	-	(15,254,492)	(15,254,492)
Net cash provided by operating activities	-	49,822	49,822
Cash Flows from Non-Capital Financing Activities:			
Transfers out	(1,123,820)	-	(1,123,820)
Net cash used in non-capital financing activities	(1,123,820)	-	(1,123,820)
Cash Flows from Investing Activities:			
Investment income	21,852	879,004	900,856
Net cash provided by investing activities	21,852	879,004	900,856
Net increase (decrease) in cash and cash equivalents	(1,101,968)	928,826	(173,142)
Cash and cash equivalents, beginning	\$ 1,101,968	\$ 27,999,791	\$ 29,101,759
Cash and cash equivalents, ending	\$ -	\$ 28,928,617	\$ 28,928,617

(Continued)

CITY OF OCALA, FLORIDA
COMBINING STATEMENT OF CASH FLOWS (Continued)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Fleet, Facilities and Information Technology Management</u>	<u>Self- Insurance</u>	<u>Total</u>
Reconciliation of Operating Income to Cash Provided by Operating Activities:			
Operating income	\$ -	\$ 222,712	\$ 222,712
Adjustment to reconcile operating income to cash flows provided by operating activities:			
Increase (decrease) in liabilities:			
Accounts payable	-	(911,609)	(911,609)
Claims payable	-	738,719	738,719
	<u>-</u>	<u>738,719</u>	<u>738,719</u>
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ 49,822</u>	<u>\$ 49,822</u>

**CITY OF OCALA, FLORIDA
STATISTICAL SECTION
SEPTEMBER 30, 2023**

This part of the City of Ocala, Florida's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant years.

CITY OF OCALA, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities				
Net invested in capital assets	\$ 138,868,835	\$ 136,345,185	\$ 142,447,242	\$ 142,579,197
Restricted	16,443,002	14,253,874	8,975,960	13,711,945
Unrestricted	<u>(11,486,172)</u>	<u>(6,091,460)</u>	<u>(4,629,276)</u>	<u>(9,538,921)</u>
Total governmental activities net position	<u>143,825,665</u>	<u>144,507,599</u>	<u>146,793,926</u>	<u>146,752,221</u>
Business-type activities				
Net invested in capital assets	217,624,156	226,332,226	228,909,169	205,989,676
Restricted	14,661,259	12,975,219	12,966,465	33,647,458
Unrestricted	<u>54,698,310</u>	<u>56,262,159</u>	<u>49,974,407</u>	<u>41,988,027</u>
Total business-type activities net position	<u>286,983,725</u>	<u>295,569,604</u>	<u>291,850,041</u>	<u>281,625,161</u>
Primary government				
Net invested in capital assets (1)	356,492,991	362,677,411	371,356,411	348,568,873
Restricted (3)	31,104,261	27,229,093	21,942,425	47,359,403
Unrestricted (2) (4) (5)	<u>43,212,138</u>	<u>50,170,699</u>	<u>45,345,131</u>	<u>32,449,106</u>
Total primary government net position	<u>\$ 430,809,390</u>	<u>\$ 440,077,203</u>	<u>\$ 438,643,967</u>	<u>\$ 428,377,382</u>

(1) Fiscal year 2013 net invested in capital assets has been restated due to adjustment of the City's capital assets.

(2) Fiscal year 2014 unrestricted net position has been restated due to the implementation of GASB 68.

(3) Fiscal year 2016 unrestricted net position has been restated due to change in accrued interest payable.

(4) Fiscal year 2018 unrestricted net position has been restated due to the implementation of GASB 75.

(5) Fiscal year 2019 unrestricted net position has been restated due to interfund loan.

2018	2019	2020	2021	2022	2023
\$ 144,116,288	\$ 140,551,684	\$ 144,263,587	\$ 141,919,068	\$ 144,120,074	\$ 147,284,538
12,538,873	15,994,010	17,847,468	24,680,544	35,467,317	52,713,662
(3,874,746)	16,002,683	(55,735,218)	(41,956,351)	(29,101,959)	(19,852,033)
<u>152,780,415</u>	<u>156,554,367</u>	<u>106,375,837</u>	<u>124,643,261</u>	<u>150,485,432</u>	<u>180,146,167</u>
208,016,157	219,640,297	229,806,945	229,459,133	226,283,800	234,962,733
40,452,063	39,985,327	40,316,227	46,553,961	53,792,169	56,317,228
33,787,661	22,368,955	24,981,348	31,284,269	31,730,343	34,296,276
<u>282,255,881</u>	<u>281,994,579</u>	<u>295,104,520</u>	<u>307,297,363</u>	<u>311,806,312</u>	<u>325,576,237</u>
352,132,445	360,191,981	374,070,532	371,378,201	370,403,874	382,247,271
52,990,936	55,979,337	58,163,695	71,234,505	89,259,486	109,030,890
29,912,915	38,371,638	(30,753,870)	(10,672,082)	2,628,384	14,444,243
<u>\$ 435,036,296</u>	<u>\$ 454,542,956</u>	<u>\$ 401,480,357</u>	<u>\$ 431,940,624</u>	<u>\$ 462,291,744</u>	<u>\$ 505,722,404</u>

CITY OF OCALA, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2014	2015	2016	2017
Expenses				
Governmental Activities:				
General government	\$ 19,534,066	\$ 12,098,361	\$ 11,597,693	\$ 15,103,102
Public safety	40,478,307	39,867,780	42,665,312	42,095,725
Physical environment	3,237,167	4,827,696	6,154,252	6,413,857
Transportation	13,795,747	16,251,420	17,375,706	18,046,664
Economic environment	1,161,368	2,145,278	3,778,358	1,182,204
Human services	16,097	2,825	5,247	5,113
Culture and recreation	6,344,312	5,982,171	7,159,916	8,747,638
Interest on long-term debt	1,081,931	768,408	2,417,186	863,436
Total Governmental Activities	<u>85,648,995</u>	<u>81,943,939</u>	<u>91,153,670</u>	<u>92,457,740</u>
Business-type Activities:				
Electric	139,883,927	131,540,076	136,853,553	144,857,424
Water and sewer	29,073,065	29,444,099	30,830,593	32,970,648
Sanitation	8,500,528	8,218,564	8,933,087	9,271,356
Municipal Golf Course	1,713,929	1,791,935	1,938,067	1,999,735
International airport	1,559,991	1,718,391	1,838,267	1,829,899
Fiber Network	1,867,882	2,472,288	2,695,714	3,315,091
SunTran	3,064,160	3,213,971	3,059,382	3,118,029
Total Business-type Activities	<u>185,663,482</u>	<u>178,399,324</u>	<u>186,148,663</u>	<u>197,362,182</u>
Total Expenses	<u><u>271,312,477</u></u>	<u><u>260,343,263</u></u>	<u><u>277,302,333</u></u>	<u><u>289,819,922</u></u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government	12,573,121	11,976,789	12,961,644	13,247,342
Public safety	9,222,433	9,316,289	9,401,196	9,790,569
Physical environment	-	6,621	128	442
Culture and recreation	615,502	625,997	585,640	547,225
Others	73,697	33,269	61,865	103,597
Operating grants and contributions	1,730,087	2,080,103	2,429,040	3,941,191
Capital grants and contributions	2,055,142	101,321	1,867,635	1,707,662
Total governmental activities	<u>26,269,982</u>	<u>24,140,389</u>	<u>27,307,148</u>	<u>29,338,028</u>
Business-type Activities:				
Charges for services:				
Electric	149,081,307	143,366,578	143,790,825	149,362,971
Water and sewer	26,343,265	26,665,395	28,267,876	28,841,424
Sanitation	10,226,021	10,212,366	10,598,109	11,235,445
Municipal golf courses	1,162,307	1,014,454	1,227,082	1,456,241
International airport	771,685	988,125	1,065,576	1,103,267
Fiber Network	2,709,641	3,100,306	3,588,651	4,095,942
SunTran	381,085	430,559	365,528	420,010
Operating grants and contributions	2,096,501	2,495,443	2,027,718	2,739,807
Capital grants and contributions	3,105,852	7,548,606	2,879,731	5,390,271
Total Business-type Activities	<u>195,877,664</u>	<u>195,821,832</u>	<u>193,811,096</u>	<u>204,645,378</u>
Total Program Revenues	<u><u>\$ 222,147,646</u></u>	<u><u>\$ 219,962,221</u></u>	<u><u>\$ 221,118,244</u></u>	<u><u>\$ 233,983,406</u></u>

2018	2019	2020	2021	2022	2023
\$ 16,541,510	\$ 14,173,067	\$ 12,539,845	\$ 12,543,745	\$ 11,952,518	\$ 14,790,497
45,582,373	47,822,519	138,112,349	57,613,575	57,827,557	73,652,568
7,012,507	6,132,488	6,629,347	6,990,456	7,522,112	6,176,550
19,400,855	20,192,533	17,937,405	16,513,398	19,538,618	18,891,969
1,595,196	2,954,852	3,604,606	3,665,074	3,207,917	4,079,129
17,021	-	-	-	-	-
9,856,771	10,225,166	9,746,534	9,143,439	10,043,079	11,303,090
816,261	846,853	797,420	746,729	1,833,538	3,188,320
100,822,494	102,347,478	189,367,506	107,216,416	111,925,339	132,082,123
139,377,776	141,562,509	134,900,874	137,572,943	188,453,689	177,586,080
34,326,111	35,295,692	35,235,871	34,001,912	36,343,504	35,544,613
10,932,803	11,035,028	11,648,985	11,786,769	11,792,441	13,370,420
2,139,314	2,111,379	1,792,709	1,658,800	1,783,802	2,058,892
1,752,284	2,118,597	1,490,607	1,518,031	2,925,026	2,868,581
3,819,983	4,299,046	4,657,453	5,232,092	6,080,816	6,570,831
2,929,334	3,144,422	3,227,376	3,585,371	4,233,781	4,092,069
195,277,605	199,566,673	192,953,875	195,355,918	251,613,059	242,091,486
296,100,099	301,914,151	382,321,381	302,572,334	363,538,398	374,173,609
15,323,733	14,881,579	8,113,682	8,545,958	10,777,935	12,174,289
10,339,923	10,865,438	11,052,473	9,842,226	15,186,680	12,326,722
135,074	103,704	7,178,037	8,100,060	8,330,631	8,334,781
671,332	818,514	427,141	485,134	608,760	715,948
-	-	54,897	56,294	259,532	161,086
2,093,493	4,366,727	2,193,649	2,561,616	7,173,153	5,116,121
2,231,867	897,270	951,787	297,732	820,242	272,567
30,795,422	31,933,232	29,971,666	29,889,020	43,156,933	39,101,514
151,400,553	150,735,604	155,074,881	158,037,816	206,625,372	194,411,347
29,574,011	31,065,814	31,400,930	34,340,257	38,070,524	43,141,483
12,507,267	13,390,517	14,369,835	15,415,424	15,596,566	15,911,367
1,442,187	1,463,600	1,276,066	1,711,086	1,595,230	1,704,801
1,107,269	1,114,247	1,265,518	1,571,302	1,758,906	1,927,701
5,203,224	6,782,699	7,150,454	7,885,925	8,498,919	9,147,913
342,775	315,487	255,155	168,842	151,498	214,046
2,964,470	2,040,475	7,466,671	3,236,285	3,512,878	4,205,775
6,509,675	7,858,521	7,619,198	9,248,394	8,848,928	10,820,191
211,051,431	214,766,964	225,878,708	231,615,331	284,658,821	281,484,624
\$ 241,846,853	\$ 246,700,196	\$ 255,850,374	\$ 261,504,351	\$ 327,815,754	\$ 320,586,138

(Continued)

CITY OF OCALA, FLORIDA
CHANGES IN NET POSITION (continued)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Net (Expense)/Revenue:				
Governmental Activities	\$ (59,379,013)	\$ (57,803,550)	\$ (63,846,522)	\$ (63,119,712)
Business-type Activities	10,214,182	17,422,508	7,662,433	7,283,196
Total net expense	<u>(49,164,831)</u>	<u>(40,381,042)</u>	<u>(56,184,089)</u>	<u>(55,836,516)</u>
General Revenues				
Governmental Activities:				
Property taxes	21,894,229	22,160,053	25,500,381	26,579,539
Utility service tax	8,664,000	9,786,858	9,144,899	9,083,731
Other taxes	7,689,252	7,494,498	7,470,991	12,163,357
Unrestricted revenues	5,163,266	5,465,229	5,917,854	6,194,657
Investment income	1,061,063	1,424,026	1,760,743	438,878
Miscellaneous	375,033	1,339,232	853,394	654,463
Transfers	14,789,361	10,815,588	13,914,315	14,804,493
Total governmental revenues and transfers	<u>59,636,204</u>	<u>58,485,484</u>	<u>64,562,577</u>	<u>69,919,118</u>
Business-type Activities:				
Investment income	1,507,101	1,978,959	2,532,319	665,920
Gain on sale of capital assets	-	-	-	-
Transfers	(14,789,361)	(10,815,588)	(13,914,315)	(14,804,493)
Total business-type activities	<u>(13,282,260)</u>	<u>(8,836,629)</u>	<u>(11,381,996)</u>	<u>(14,138,573)</u>
Total primary government	<u>46,353,944</u>	<u>49,648,855</u>	<u>53,180,581</u>	<u>55,780,545</u>
Change in Net Position				
Governmental Activities	257,191	681,934	716,055	6,799,406
Business-type Activities	<u>(3,068,078)</u>	<u>8,585,879</u>	<u>(3,719,563)</u>	<u>(6,855,377)</u>
Total Change in Net Position	<u>\$ (2,810,887)</u>	<u>\$ 9,267,813</u>	<u>\$ (3,003,508)</u>	<u>\$ (55,971)</u>

2018	2019	2020	2021	2022	2023
\$ (70,027,072)	\$ (70,414,246)	\$ (159,395,840)	\$ (77,327,396)	\$ (68,768,406)	\$ (92,980,609)
15,773,826	15,200,291	32,924,833	36,259,413	33,045,762	39,393,138
(54,253,246)	(55,213,955)	(126,471,007)	(41,067,983)	(35,722,644)	(53,587,471)
28,086,252	30,390,304	32,306,598	34,874,426	36,949,326	41,845,602
9,767,251	10,373,092	9,319,912	9,319,912	9,319,912	14,460,925
14,996,501	15,927,031	15,767,325	14,706,970	17,025,274	20,896,809
6,428,967	6,761,150	6,315,818	6,315,818	6,315,818	9,586,355
86,514	4,838,095	5,142,603	(183,469)	(8,504,610)	4,451,185
1,479,744	1,101,835	733,753	1,429,765	1,197,714	3,898,776
15,205,236	21,170,701	23,637,291	23,933,547	24,106,826	27,501,692
76,050,465	90,562,208	93,223,300	90,396,969	86,410,260	122,641,344
62,130	5,329,108	3,822,399	(133,023)	(4,429,987)	1,851,595
-	-	-	-	-	26,884
(15,205,236)	(21,170,701)	(23,637,291)	(23,933,547)	(24,106,826)	(27,501,692)
(15,143,106)	(15,841,593)	(19,814,892)	(24,066,570)	(28,536,813)	(25,623,213)
60,907,359	74,720,615	73,408,408	66,330,399	57,873,447	97,018,131
6,028,194	20,147,962	(66,172,540)	18,267,424	25,842,171	29,660,735
630,720	(641,302)	13,109,941	12,192,843	4,508,949	13,769,925
\$ 6,658,914	\$ 19,506,660	\$ (53,062,599)	\$ 30,460,267	\$ 30,351,120	\$ 43,430,660

CITY OF OCALA, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General fund				
Nonspendable	\$ 356,272	\$ 269,708	\$ 545,193	\$ 1,147,780
Restricted	2,244,478	2,247,645	1,097,701	1,573,949
Committed	2,111,603	2,150,167	1,521,527	1,545,781
Assigned	21,092,119	25,530,135	20,553,148	14,105,173
Unassigned	17,566,179	15,535,866	17,096,287	18,645,544
Total general fund	<u>43,370,651</u>	<u>45,733,521</u>	<u>40,813,856</u>	<u>37,018,227</u>
CRA fund				
Nonspendable	-	-	-	-
Restricted	4,054,507	4,251,696	1,678,833	1,824,463
Unassigned	-	-	-	-
Total CRA fund	<u>4,054,507</u>	<u>4,251,696</u>	<u>1,678,833</u>	<u>1,824,463</u>
All other governmental funds				
Nonspendable	-	-	-	-
Restricted	12,696,455	8,789,576	6,574,272	10,783,703
Committed	5,235,565	5,830,170	5,397,900	5,187,862
Total all other governmental funds	<u>\$ 17,932,020</u>	<u>\$ 14,619,746</u>	<u>\$ 11,972,172</u>	<u>\$ 15,971,565</u>

2018	2019	2020	2021	2022	2023
\$ 818,773	\$ 2,299,121	\$ 2,827,844	\$ 3,525,048	\$ 3,077,887	\$ 2,551,294
1,999,031	2,362,000	2,588,494	2,748,786	3,322,068	3,624,534
1,825,787	2,954,841	3,910,065	2,872,695	2,744,106	2,093,001
15,712,693	22,362,272	26,139,813	35,126,233	14,121,678	16,303,753
19,067,511	21,801,107	20,587,032	22,699,503	20,899,910	45,203,330
<u>39,423,795</u>	<u>51,779,341</u>	<u>56,053,248</u>	<u>66,972,265</u>	<u>44,165,649</u>	<u>69,775,912</u>
-	-	-	-	1,113	1,435
2,394,248	2,855,528	3,123,102	979,557	3,795,337	5,539,716
-	-	-	-	(4,945,145)	(3,806,429)
<u>2,394,248</u>	<u>2,855,528</u>	<u>3,123,102</u>	<u>979,557</u>	<u>(1,148,695)</u>	<u>1,734,722</u>
62,293	66,547	950	6,354	1,109,178	1,137,622
8,521,664	11,133,200	12,466,884	21,220,672	50,527,255	33,848,199
4,603,096	5,342,040	6,538,710	8,699,554	10,717,713	13,396,637
<u>\$ 13,187,053</u>	<u>\$ 16,541,787</u>	<u>\$ 19,006,544</u>	<u>\$ 29,926,580</u>	<u>\$ 62,354,146</u>	<u>\$ 48,382,458</u>

CITY OF OCALA, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2014	2015	2016	2017
Revenues:				
Property tax	\$ 21,894,229	\$ 22,160,053	\$ 25,500,381	\$ 26,579,539
Utility service tax	8,664,000	9,786,858	9,144,899	9,083,731
Communication service tax	2,950,539	2,695,896	2,643,849	2,467,314
Local option gas tax	3,848,278	3,866,844	3,453,019	3,523,965
Other tax	890,435	931,758	1,374,123	1,391,683
Infrastructure Sales Surtax	-	-	-	4,780,395
State revenue sharing	5,163,266	5,465,229	5,917,854	6,194,657
Other intergovernmental revenue	4,015,546	2,485,782	4,286,325	5,648,852
Licenses, permits and fees	2,322,118	2,263,047	2,306,800	2,860,444
Fines and forfeitures	662,904	795,029	544,354	790,722
Charges for services	19,269,414	18,462,867	20,169,669	20,038,009
Investment income	745,075	939,000	1,223,380	275,234
Gifts	113,672	72,643	-	-
Miscellaneous	258,860	1,304,467	789,782	737,810
Total revenues	<u>70,798,336</u>	<u>71,229,473</u>	<u>77,354,435</u>	<u>84,372,355</u>
Expenditures:				
General government	17,883,219	12,551,399	11,709,642	14,998,495
Public safety	39,180,970	41,668,300	43,252,530	43,692,227
Physical environment	3,142,876	4,181,600	4,992,613	5,065,131
Transportation	5,897,941	8,652,943	9,853,517	10,307,913
Economic environment	1,162,813	2,149,273	3,746,782	1,225,350
Human services	10,119	-	-	-
Culture and recreation	5,301,046	5,744,114	6,659,803	8,112,809
Capital outlay	5,426,673	4,590,914	12,397,566	7,189,104
Debt service				
Principal payments	765,000	2,300,000	2,340,000	2,380,000
Issuance Costs	-	143,920	-	-
Interest and fees	1,043,746	1,051,611	640,869	783,863
Total expenditures	<u>79,814,403</u>	<u>83,034,074</u>	<u>95,593,322</u>	<u>93,754,892</u>
Excess of revenues over (under) expenditures	<u>(9,016,067)</u>	<u>(11,804,601)</u>	<u>(18,238,887)</u>	<u>(9,382,537)</u>
Other financing sources (uses):				
Transfers in	16,020,763	15,532,524	14,284,779	19,091,037
Transfers out	(4,268,138)	(4,595,045)	(6,185,994)	(9,359,106)
Issuance of debt	-	21,440,000	-	-
Payment to bond escrow agent	-	(21,325,093)	-	-
Total other financing sources (uses)	<u>11,752,625</u>	<u>11,052,386</u>	<u>8,098,785</u>	<u>9,731,931</u>
Net change in fund balances	<u>\$ 2,736,558</u>	<u>\$ (752,215)</u>	<u>\$ (10,140,102)</u>	<u>\$ 349,394</u>
Debt service as a percentage of noncapital expenditures	2.43%	4.27%	3.58%	3.65%

2018	2019	2020	2021	2022	2023
\$ 28,086,252	\$ 30,390,304	\$ 32,306,598	\$ 34,874,426	\$ 36,949,326	\$ 41,845,602
9,767,251	10,373,092	9,319,912	10,179,971	11,842,744	14,460,925
2,543,312	2,557,723	2,437,867	2,713,821	2,681,273	2,959,834
3,557,305	3,713,340	3,585,041	3,809,521	3,919,597	3,986,545
1,519,756	1,524,808	8,142,311	9,271,128	11,270,239	11,954,606
7,376,128	8,131,160	1,602,106	1,626,321	1,835,438	1,995,824
6,428,967	6,761,150	6,315,818	7,939,789	9,312,030	9,586,355
4,427,716	5,344,740	3,065,761	2,893,433	8,033,509	5,730,993
3,828,575	3,254,885	3,048,184	3,075,675	4,349,468	3,135,698
1,212,005	488,023	799,415	414,781	378,668	285,638
21,327,125	22,845,586	23,058,307	23,505,131	30,395,288	28,367,430
59,281	3,319,355	3,574,849	(139,785)	(6,607,849)	3,554,503
-	-	-	-	-	-
1,705,551	1,113,517	1,508,208	1,431,298	1,200,842	3,898,777
91,839,224	99,817,683	98,764,377	101,595,510	115,560,573	131,762,730
16,494,605	14,097,158	12,108,761	12,234,823	12,473,273	12,971,333
47,376,895	49,563,254	56,187,681	56,710,296	133,689,312	74,593,607
5,920,590	5,088,532	5,101,065	4,883,834	5,131,374	5,423,205
12,041,985	12,220,874	9,275,080	8,040,624	10,309,633	9,057,689
1,498,538	2,954,396	3,573,962	3,674,463	3,266,572	3,997,803
-	-	-	-	-	-
9,206,055	9,731,547	8,965,184	8,318,670	9,366,271	10,354,444
12,621,118	9,031,688	17,631,768	9,482,577	14,203,439	14,997,541
2,405,000	2,625,000	1,910,000	1,955,000	2,005,000	3,042,760
-	-	-	-	144,500	-
755,634	731,799	686,740	636,679	585,328	3,041,292
108,320,420	106,044,248	115,440,241	105,936,966	191,174,702	137,479,674
(16,481,196)	(6,226,565)	(16,675,864)	(4,341,456)	(75,614,129)	(5,716,944)
21,004,954	27,361,341	28,098,024	28,356,280	67,957,742	49,555,046
(4,332,917)	(4,583,216)	(4,415,922)	(4,319,316)	(44,850,915)	(20,929,534)
-	-	-	-	60,000,000	-
-	-	-	-	-	-
16,672,037	22,778,125	23,682,102	24,036,964	83,106,827	28,625,512
\$ 190,841	\$ 16,551,560	\$ 7,006,238	\$ 19,695,508	\$ 7,492,698	\$ 22,908,568
3.30%	3.46%	2.65%	2.69%	1.46%	4.97%

**CITY OF OCALA, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year Ended Sept. 30, ⁽²⁾	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Institutional Property	Governmental Property
2014	\$ 1,790,978,723	\$ 1,148,270,533	\$ 412,041,209	\$ 75,561,748	\$ 293,035,789	\$ 444,745,227
2015	1,865,190,878	1,200,011,918	414,249,269	82,114,250	341,278,836	495,473,914
2016	1,936,663,122	1,258,421,706	425,141,543	80,989,470	459,505,926	433,974,369
2017	2,075,318,777	1,300,793,552	429,896,092	71,907,136	466,059,673	425,331,897
2018	2,226,552,442	1,341,027,871	479,805,999	75,645,866	502,373,632	453,292,378
2019	2,409,763,238	1,420,625,688	503,312,729	93,474,099	512,933,752	456,604,710
2020	3,320,824,971	1,509,240,756	603,111,766	98,011,908	549,012,657	503,839,353
2021	2,889,340,875	1,597,056,294	662,125,022	106,868,311	590,697,021	540,729,599
2022	3,261,281,018	1,612,861,332	760,841,053	105,757,858	609,423,243	536,887,880
2023	4,158,667,883	1,760,051,161	863,285,699	105,005,600	684,494,016	595,833,632

Source: Marion County, Florida, Property Appraiser

Notes:

⁽¹⁾ Property in the City of Ocala is reassessed each year by the Marion County Property Appraiser.

Tax rates are per \$1,000 of assessed value.

⁽²⁾ All property assessed value for the specified fiscal year-end are obtained from the previous year's tax roll.

⁽³⁾ Includes tax-exempt property

Vacant Land/Other	Total Real Estate Property	Tangible Personal Property	Total Tax Exempt	Total Assessed Value	Total Direct Rate ⁽¹⁾	Estimated Actual Taxable Value	Assessed Value ⁽³⁾ as a Percentage of Actual Value
\$ 145,917,091	\$ 4,310,550,320	\$ 528,584,657	\$ 1,273,547,950	\$ 3,565,587,027	6.250	\$ 3,687,266,832	96.70%
148,895,802	4,547,214,867	528,032,771	1,401,872,609	3,673,375,029	6.164	3,899,548,863	94.20%
141,256,751	4,735,952,887	586,397,669	1,388,167,060	3,934,183,496	6.617	4,154,364,832	94.70%
139,970,995	4,909,278,122	588,586,529	1,408,960,525	4,088,904,126	6.618	4,322,308,801	94.60%
145,751,903	5,224,450,091	645,347,634	1,517,867,206	4,351,930,519	6.618	4,600,349,386	94.60%
156,827,352	5,553,541,568	671,045,422	1,628,173,937	4,596,413,053	6.618	4,974,473,001	92.40%
166,570,852	6,750,612,263	718,766,651	1,930,247,158	6,848,549,775	6.618	7,239,481,792	94.60%
176,184,025	6,563,001,147	800,813,779	2,061,733,427	7,382,800,477	6.618	7,804,228,834	94.60%
182,517,189	7,069,569,573	807,920,573	2,284,020,245	7,854,578,184	6.618	8,302,936,770	94.60%
242,917,805	8,410,255,796	779,538,066	3,004,162,711	9,322,128,383	6.618	10,121,746,344	92.10%

CITY OF OCALA, FLORIDA
PROPERTY TAX RATES AND LEVIES -
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)

MILLAGE RATES

Fiscal Year ⁽¹⁾	<u>Direct</u>	<u>Overlapping</u>			<u>Total</u>
	<u>City</u>	<u>County</u>	<u>School</u>	<u>Water Mgmt Districts</u>	
2014	6.25	3.90	7.34	0.33	17.82
2015	6.25	3.90	7.30	0.32	17.76
2016	6.16	3.90	8.17	0.30	18.53
2017	6.62	3.89	7.90	0.29	18.70
2018	6.62	4.02	7.56	0.27	18.47
2019	6.62	3.98	7.32	0.26	18.17
2020	6.62	4.42	7.18	0.24	18.46
2021	6.62	4.42	7.02	0.23	18.29
2022	6.62	4.42	6.90	0.22	18.16
2023	6.62	4.29	6.51	0.20	17.61

Source: Marion County, Florida, Property Appraiser.

Note:

- (1) All property valuations for the specified fiscal year-end are obtained from the previous year's tax roll.
- (2) The Florida Constitution limits the City millage capacity (non debt related) to 10.000 mills.

**CITY OF OCALA, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO**

Taxpayer	2023			2014		
	Taxable Assessed Valuation Value	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total Taxable Assessed Value
Marion Community Hospital	\$ 134,649,723	1	1.44%	\$ 46,090,857	2	1.30%
Fedex Ground package System	112,157,765	2	1.20%	-	-	-
TL IP Ocala Industrial Owner	92,445,317	3	0.99%	-	-	-
Cardinal LG Company	90,255,191	4	0.97%	-	-	-
Northland Saddleworth LLC	61,996,895	5	0.67%	-	-	-
Carlton Arms Apartments	55,481,788	6	0.60%	26,395,483	7	0.74%
Paddock Mall Associates	48,002,135	7	0.51%	38,555,606	4	1.09%
Northland and Heathbrook LLC	47,783,834	8	0.51%	-	-	-
Mclane Ocala LLC	43,732,229	9	0.47%	-	-	-
West Shore Deerwood LLC	40,833,664	10	0.44%	-	-	-
K-Mart Corporation	-	-	-	\$ 53,017,209	1	1.50%
Embarq	-	-	-	41,535,485	3	1.17%
Heathbrook Ocala Associates	-	-	-	26,346,940	8	0.74%
Wal-Mart	-	-	-	27,059,078	6	0.76%
Closetmaid Corporation	-	-	-	35,799,372	5	1.01%
Morgan Ocala Center	-	-	-	21,006,918	9	0.59%
C.C. Ocala Joint Venture	-	-	-	19,510,365	10	0.55%
Total	<u>\$ 727,338,541</u>		<u>7.79%</u>	<u>\$ 335,317,313</u>		<u>9.45%</u>

Source: Marion County Property Appraiser

Note: City of Ocala taxpayers pay City, County, School Board and certain water district levies.

Only the City levy is shown here.

Excludes property tax levies of the Downtown Development Districts.

**CITY OF OCALA, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended September 30	Taxes Levied For Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2014	\$ 22,285,641	\$ 21,479,733	96.38%	\$ 152,997	\$ 21,632,730	97.07%
2015	22,630,418	21,803,282	96.35%	97,409	21,900,691	96.78%
2016	26,103,617	25,107,454	96.18%	122,978	25,230,432	96.65%
2017	27,099,003	25,794,595	95.19%	140,037	25,934,632	95.70%
2018	28,825,142	27,468,776	95.29%	121,204	27,589,980	95.71%
2019	30,417,039	29,678,027	97.57%	179,222	29,857,249	98.16%
2020	32,547,847	31,328,051	96.25%	130,305	31,458,356	96.65%
2021	35,213,221	34,050,151	96.70%	174,387	34,224,537	97.19%
2022	37,059,886	35,743,813	96.45%	97,571	35,841,384	96.71%
2023	41,737,560	40,004,583	95.85%	454,067	40,458,650	96.94%

Source: Marion County, Florida, Property Appraiser and City of Ocala Office of Business and Financial Services.

Note: Property in the City of Ocala is reassessed each year by the Marion County Property Appraiser.
Actual tax collections received in each fiscal year are from the prior year's tax levy.

Excludes property tax levies of the Downtown Development Commission.



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CITY OF OCALA, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In thousands)

Fiscal Year	Governmental Activities				Business-Type Activities		
	Capital Improvement Certificates	SBITA and Leases Payable	Bank loan	Total	Utility Systems Revenue Bonds	SBITA and Leases payable	Total
2014	\$ 34,940	\$ 1,296	\$ -	\$ 36,236	\$ 145,795	\$ -	\$ 145,795
2015	34,540	175		34,715	146,545	-	146,545
2016	32,200	121		32,321	141,060	-	141,060
2017	29,820	65		29,885	134,780	-	134,780
2018	27,415	-		27,415	128,405	-	128,405
2019	24,790	-		24,790	121,675	-	121,675
2020	22,880	-		22,880	114,645	-	114,645
2021	20,925	535		21,460	107,410	-	107,410
2022	18,920	496	60,000	79,416	99,950	254	100,204
2023	16,865	2,168	60,000	79,033	92,275	850	93,125

Source: The City of Ocala Office of Business and Financial Services.

Per Capita Income - Florida Research and Economic Database.

Population - The City of Ocala Office of Budget and Finance, Bureau of Economic and Business Research, University of Florida

Total Primary Government		Percentage of Personal Income	Per Capita	
\$	182,031	9.65%	\$	3,166
	181,260	9.06%		3,106
	173,381	8.10%		2,903
	164,665	7.37%		2,760
	155,820	6.63%		2,595
	146,465	5.82%		2,380
	137,525	5.18%		2,215
	128,870	4.56%		2,037
	179,620	5.94%		2,772
	172,158	5.32%		2,594

**CITY OF OCALA, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

The City of Ocala had no outstanding general obligation debt during the fiscal years ending September 30, 2014-2023.

CITY OF OCALA, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1)
SEPTEMBER 30, 2023

<u>Governmental Unit</u>	<u>Bonds Outstanding</u>	<u>Applicable to City of Ocala</u>	
		<u>Percent ⁽²⁾</u>	<u>Amount</u>
Marion County			
Limited Ad Valorem Refunding Tax Bonds, Series 1998	\$ -	24.58%	\$ -
Total Overlapping Debt			-
The City's total direct debt			<u>77,318,520</u>
Total direct and overlapping debt			<u>\$ 77,318,520</u>

(1) The City of Ocala had no outstanding general obligation debt during the fiscal year ended September 30, 2022.

(2) Represents the fraction of assessed valuation of taxable property in the City of Ocala over the assessed valuation of taxable property in the governmental unit.

**CITY OF OCALA, FLORIDA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Assessed Value (100% at market as of January 1, 2020)	<u>\$ 3,565,587,027</u>	<u>\$ 3,671,502,621</u>	<u>\$ 3,944,515,628</u>	<u>\$ 4,094,928,360</u>
Debt Limit: 20% of Assessed Value	713,117,405	734,300,524	788,903,126	818,985,672
Amount of General Obligation Debt Outstanding	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 713,117,405</u>	<u>\$ 734,300,524</u>	<u>\$ 788,903,126</u>	<u>\$ 818,985,672</u>

In accordance with Article IX, §9.02 of the City of Ocala Charter, the "aggregate amount of general obligation bonds of the City outstanding at any one time shall not be greater than twenty percent (20%) of the assessed valuation of the taxable real and personal property in the City according to the latest assessment of such real and personal property."

2018	2019	2020	2021	2022	2023
<u>\$ 4,355,765,086</u>	<u>\$ 4,604,476,504</u>	<u>\$ 4,918,302,617</u>	<u>\$ 5,321,067,050</u>	<u>\$ 5,600,116,125</u>	<u>\$ 6,306,959,303</u>
871,153,017	920,895,301	983,660,523	1,064,213,410	1,120,023,225	1,261,391,861
-	-	-	-	-	-
<u>\$ 871,153,017</u>	<u>\$ 920,895,301</u>	<u>\$ 983,660,523</u>	<u>\$ 1,064,213,410</u>	<u>\$ 1,120,023,225</u>	<u>\$ 1,261,391,861</u>

**CITY OF OCALA, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

	2014	2015	2016	2017
Capital Improvement Bonds and Certificates:				
Net revenue available for debt service	\$ 8,261,105	\$ 8,333,770	\$ 8,359,167	\$ 8,271,340
Debt Service payments:				
Principal	765,000	2,300,000	2,340,000	2,380,000
Interest	1,043,246	1,088,305	639,269	783,309
Total debt service payments	\$ 1,808,246	\$ 3,388,305	\$ 2,979,269	\$ 3,163,309
Coverage (times)	4.57	2.46	2.81	2.61
Electric System Bonds:				
Gross revenues	\$ 149,817,925	\$ 144,341,225	\$ 145,415,283	\$ 149,789,455
Less: operating expenses	129,528,370	121,428,949	126,925,324	134,847,261
Net revenue available for debt service	20,289,555	22,912,276	18,489,959	14,942,194
Water & Sewer Bonds:				
Gross revenues	\$ 26,974,511	\$ 27,477,111	\$ 28,907,441	\$ 29,008,377
Less: operating expenses	14,908,787	15,383,110	17,069,840	19,278,182
Net revenue available for debt service	12,065,724	12,094,001	11,837,601	9,730,195
Utility System Bonds:				
Net revenue available for debt service	\$ 32,355,279	\$ 35,006,277	\$ 30,327,560	\$ 24,672,389
Debt Service payments:				
Principal	5,245,000	5,360,000	5,485,000	6,265,000
Interest	6,763,874	6,146,150	3,787,146	4,507,063
Total debt service payments	\$ 12,008,874	\$ 11,506,150	\$ 9,272,146	\$ 10,772,063
Coverage (times)	2.69	3.04	3.27	2.29

Source: The City of Ocala Office of Business and Financial Services.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

2018	2019	2020	2021	2022	2023
\$ 8,682,982	\$ 8,662,889	\$ 8,238,069	\$ 9,856,947	\$ 10,585,026	\$ 10,585,026
2,405,000	2,625,000	1,910,000	1,955,000	2,005,000	3,042,760
755,634	731,798	686,741	636,679	585,328	3,041,292
\$ 3,160,634	\$ 3,356,798	\$ 2,596,741	\$ 2,591,679	\$ 2,590,328	\$ 6,084,052
2.75	2.58	3.17	3.80	4.09	1.74
\$ 151,438,543	\$ 154,082,760	\$ 157,341,827	\$ 157,704,984	\$ 205,000,602	\$ 195,786,924
129,812,504	130,967,706	123,859,220	126,386,440	177,291,788	166,208,084
21,626,039	23,115,054	33,482,607	31,318,544	27,708,814	29,578,840
\$ 29,580,210	\$ 32,378,191	\$ 32,339,993	\$ 33,883,410	\$ 36,328,047	\$ 44,095,075
21,072,860	21,841,494	21,915,827	20,663,551	23,362,397	22,859,413
8,507,350	10,536,697	10,424,166	13,219,859	12,965,650	21,235,662
\$ 30,133,389	\$ 33,651,751	\$ 43,906,773	\$ 44,538,403	\$ 40,674,464	\$ 50,814,502
6,375,000	6,730,000	7,030,000	7,235,000	7,460,000	7,460,000
3,839,465	3,921,634	3,879,227	3,636,830	3,398,141	3,398,141
\$ 10,214,465	\$ 10,651,634	\$ 10,909,227	\$ 10,871,830	\$ 10,858,141	\$ 10,858,141
2.95	3.16	4.02	4.10	3.75	4.68

**CITY OF OCALA, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita Personal Income ⁽⁴⁾	Median Household Income ^(3,4)	County Unemployment Rate ⁽³⁾
2014	57,494	\$ 1,958,593,423	\$ 34,066	\$ 51,915	7.1%
2015	58,355	2,077,404,623	35,599	53,213	6.3%
2016	59,720	2,221,636,226	37,201	54,543	5.9%
2017	59,668	2,319,588,360	38,875	55,907	4.8%
2018	60,042	2,439,163,319	40,624	57,305	4.1%
2019	61,549	2,612,901,402	42,452	58,737	3.5%
2020	62,023	2,751,509,901	44,363	60,206	5.3%
2021	63,250	2,932,210,411	46,359	61,711	5.3%
2022	64,809	3,139,685,970	48,445	63,254	3.2%
2023	66,368	3,359,896,604	50,625	64,835	3.4%

¹⁾ The City of Ocala Office of Business and Financial Services, Bureau of Economic and Business Research, University of Florida.

²⁾ Amount computed from population and per capita personal income statistics for Marion County, Florida.

³⁾ Bureau of Labor Statistics. Amounts indicated are for Ocala Metropolitan area.

⁴⁾ Estimated Per Capita and Median Household Income.

**CITY OF OCALA, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO**

Employer	September 30, 2023			September 30, 2015		
	Total Employees	Rank	Percent of Total City/County Employment	Total Employees	Rank	Percent of Total City/County Employment
Marion County School Board	6,306	1	6.21%	6,070	1	4.99%
Munroe Regional Medical Center				2,648	2	2.18%
HCA Florida Ocala Hospital	2,712	2	2.67%			
AdventHealth Ocala ⁽¹⁾	2,648	3	2.61%			
State of Florida	2,600	4	2.56%	2,600	3	2.14%
Wal-Mart	2,583	5	2.54%	2,370	4	1.95%
Ocala Health				2,200	5	1.66%
Lockheed Martin	1,600	6	1.58%	981	10	0.81%
FedEx Ground	1,500	7	1.48%			
Publix Supermarkets	1,488	8	1.47%	1,488	6	1.22%
Marion County Board of Commissioners	1,368	9	1.35%	1,462	7	1.20%
City of Ocala	1,214	10	1.20%	941	9	0.80%
AT&T				1,000	8	0.84%
Total	24,019		23.65%	21,760		18.36%
Ocala MSA Labor Force			101,545			118,517

⁽¹⁾ Formerly Munroe Regional Medical Center

Source: Ocala/Marion County Chamber & Economic Partnership.

Note: Total labor force for Marion County which includes the City of Ocala.

CITY OF OCALA, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION
LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018
Legislative.....	6.00	6.00	6.00	6.00	8.00
Executive.....	14.00	14.00	18.00	23.00	16.00
Business and Financial Services.....	23.63	26.63	28.00	30.00	30.00
Procurement.....	-	-	-	-	-
Human Resources and Risk.....	7.00	8.00	9.00	9.00	10.00
Development Services.....	35.25	36.38	40.68	44.55	43.55
Planning.....	-	-	-	1.00	2.00
Police					
Officers.....	164.00	151.64	147.19	155.00	165.00
Civilians.....	81.50	96.00	103.00	103.19	102.00
Fire					
Firefighters and Officers.....	125.00	129.63	128.88	130.00	130.00
Civilians.....	6.00	4.00	4.00	4.00	4.00
Engineering	19.00	19.00	19.00	30.00	40.00
Recreation.....	53.41	63.41	58.25	71.66	74.85
Public Works.....	107.00	101.25	102.00	110.00	116.00
Fleet/Facilities.....	28.56	22.04	36.43	39.43	39.43
Airport.....	5.00	5.00	5.00	5.38	5.38
Water & Sewer.....	89.30	84.70	85.40	91.10	92.10
Telecommunications.....	7.00	7.00	11.00	15.00	19.00
Electric.....	153.25	150.55	159.80	159.00	161.00
Information & Technology.....	15.00	14.00	12.00	21.00	22.00
Community Programs.....	1.25	1.50	1.55	2.50	2.50
Total	941.15	940.73	975.18	1,050.81	1,082.81

Source: The City of Ocala Office of Business and Financial Services

Note: All numbers are assumed to be FTEs for all reporting categories

2019	2020	2021	2022	2023
8.00	8.00	8.00	8.00	8.00
16.00	15.00	16.00	16.00	19.00
18.20	16.00	16.00	16.00	16.00
8.00	10.00	12.00	12.00	13.00
12.00	12.00	13.00	13.00	12.00
47.36	52.63	57.50	57.50	63.23
2.13	1.75	1.75	1.75	1.75
157.00	178.00	192.00	192.00	194.00
106.00	108.00	114.00	118.00	124.00
130.00	133.00	136.00	136.00	136.00
4.00	4.00	4.00	4.00	7.00
41.00	42.00	41.00	41.00	41.00
81.70	80.10	94.27	94.27	92.57
102.00	103.00	103.00	103.00	103.00
38.14	36.39	38.39	38.39	38.39
5.50	5.50	5.50	5.50	5.63
94.15	95.00	95.00	95.00	99.25
20.00	27.00	25.00	24.00	26.20
167.29	172.04	164.04	164.04	161.33
19.00	21.04	21.04	21.04	22.04
1.50	-	-	-	-
1,078.97	1,120.45	1,157.49	1,160.49	1,183.39

CITY OF OCALA, FLORIDA
SCHEDULE OF AIRPORT SUBSIDY CASH FLOW ANALYSIS
FOR THE LAST NINE FISCAL YEARS

	<u>2015</u>	<u>2016</u>	<u>2017</u>
City Leases at Airport:			
Sports Complex Lease	\$ 160,960	\$ 165,760	\$ 165,788
Total Value of City Leases	<u>160,960</u>	<u>165,760</u>	<u>165,788</u>
City Leases	<u>160,960</u>	<u>165,760</u>	<u>165,788</u>
Net Subsidy	<u>\$ 160,960</u>	<u>\$ 165,760</u>	<u>\$ 165,788</u>

Pursuant to an agreement with the Federal Aviation Administration (FAA), the City has agreed to include a schedule of the subsidy to the Airport Fund annually in the Comprehensive Annual Financial Report.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>TOTAL</u>
\$ 165,788	\$ 151,972	\$ 179,604	\$ 165,788	\$ 225,000	\$ 225,000	\$ 1,380,660
<u>165,788</u>	<u>151,972</u>	<u>179,604</u>	<u>165,788</u>	<u>225,000</u>	<u>225,000</u>	<u>1,380,660</u>
<u>165,788</u>	<u>151,972</u>	<u>179,604</u>	<u>165,788</u>	<u>225,000</u>	<u>225,000</u>	<u>1,155,660</u>
<u>\$ 165,788</u>	<u>\$ 151,972</u>	<u>\$ 179,604</u>	<u>\$ 165,788</u>	<u>\$ 225,000</u>	<u>\$ 225,000</u>	<u>\$ 1,155,660</u>

**CITY OF OCALA, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	2013	2014	2015	2016
Police				
Number of calls for service	239,167	233,516	272,552	249,085
Traffic citations issued	11,887	14,114	12,210	12,306
Cases investigated	6,099	7,208	10,010	5,672
Arrests	2,959	3,105	2,766	3,398
Fire				
Number of calls for service	19,802	17,309	19,238	24,358
Fires reported	178	262	238	337
Inspections	2,469	2,816	2,595	2,416
Building Permits				
Building permits issued	1,616	1,630	1,738	1,840
Value of permits issued (in thousands)	\$ 68,726,914	\$ 169,265,866	\$ 111,252,423	\$ 82,956,019
New Construction - Units and Value:				
Commercial - Number of Units	31	41	49	28
Commercial - Value	\$ 11,551,770	\$ 76,095,142	\$ 10,050,568	\$ 14,365,711
Residential - Number of Units	76	81	121	91
Residential - Value	\$ 17,730,674	\$ 22,875,600	\$ 29,516,113	\$ 17,725,394
Streets and Drainage				
Street Resurfacing (miles)	2.50	4.60	9.77	19
Potholes repaired	566	745	1,345	731
Parks and Recreation				
Athletic field permits issued	116	83	177	95
Participants using the pools	26,130	39,733	28,705	28,109
Golf rounds	83,612	81,746	73,580	81,846
Fleet Maintenance				
Vehicles owned by the City	1,213	1,223	1,274	1,447
Percent maintained by Fleet	40	51	96	99
Preventive maintenance completed	854	1,255	693	1,268
Solid Waste				
Number of customers	15,312	15,236	15,486	15,668
Residential refuse collected (in tons)	14,655	15,079	15,154	13,484
Residential recyclables collected (in tons)	3,788	3,925	3,777	3,804
Commercial refuse collected (in tons)	35,902	37,289	38,052	39,187
Electric				
Avg. Number of active customers	50,769	48,834	49,439	49,975
Avg. Monthly Consumption (in KWH)	1,954	2,037	2,086	2,140
Water				
Number of customers	23,699	23,250	23,353	23,696
Max. daily plant capacity (in gallons)	24,420	24,420	24,420	24,420
Avg. monthly consumption	10,419	10,455	10,726	11,230
Wastewater				
Number of customers	28,429	27,509	26,880	28,463
Sanitary/Storm Mains Cleaned (ft.)	156,398	16,029	29,887	25,992

Source: The City of Ocala

2017	2018	2019	2020	2021	2022
251,326	233,126	228,145	225,235	218,313	207,514
13,139	9,926	9,712	8,683	7,506	6,504
4,756	16,351	16,843	15,935	14,171	15,096
4,028	2,905	3,198	3,442	2,737	3,179
21,369	17,519	17,521	19,484	23,854	24,960
306	296	284	321	311	304
2,565	2,430	2,027	3,228	4,973	5,323
2,030	2,431	2,261	2,300	2,062	3,472
\$ 285,787,964	\$ 329,979,238	\$ 24,841,520	\$ 229,165,345	\$ 60,013,483	\$ 626,448,900
54	56	67	33	30	109
\$ 98,543,017	\$ 116,455,447	\$ 84,174,057	\$ 74,036,715	\$ 58,647,477	\$ 91,237,621
208	257	213	342	210	1,480
\$ 56,686,440	\$ 80,145,118	\$ 67,461,125	\$ 79,120,062	\$ 43,413,908	\$ 335,529,273
11	6	54.75	36.71	33.64	30.05
394	626	1,389	1,073	969	733
81	105	171	708	1,677	240
25,066	24,867	22,965	8,051	13,613	16,695
83,786	75,060	47,313	43,387	44,432	37,504
1,462	1,458	1,283	1,157	1,117	1,082
99	99	99	98	97	99
1,274	1,302	1,459	1,993	2,078	2,263
15,928	15,861	16,267	16,591	16,766	16,884
13,927	14,547	14,636	15,875	16,441	19,279
3,481	3,320	3,112	3,093	3,379	3,231
40,032	42,299	45,708	35,391	43,475	43,285
50,541	50,902	51,661	52,116	52,662	53,101
2,064	2,084	2,097	2,097	2,057	2,081
24,052	24,298	27,512	25,601	23,632	28,498
24,420	24,420	24,420	24,420	24,420	24,420
10,726	11,402	11,931	11,931	12,673	12,944
27,948	28,476	27,512	37,617	29,730	29,149
28,072	52,461	28,031	32,765	23,676	20,045

**CITY OF OCALA, FLORIDA
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

FUNCTION:	2013	2014	2015	2016
Area: Land (square miles)	44.72	44.79	44.79	44.79
Miles of Streets, Sidewalks and Bike Paths				
Streets - Paved	338.00	339.35	339.70	398.73
Streets - Unpaved	3.38	3.38	3.38	2.30
Sidewalks	223.30	242.20	242.20	242.20
Bike Paths	18.62	27.30	27.30	27.30
Miles of Sewers				
Storm	277.20	277.20	280.00	283.00
Sanitary	353.45	352.68	360.30	379.12
Force Main	91.50	90.00	90.00	96.82
Water Lines	562.5	568.2	575.5	589.16
	123	129	129	132.00
Fire Protection				
Stations	5	6	6	6
Employees - Sworn	129	129	129	130
Employees - Civilian	3	4	4	4
Fire and rescue response time (minutes)	6.3	6.3	6.7	6
Police Protection				
Stations	4	4	4	4
Employees - Sworn	164	164	165	165
Employees - Civilian	96	96	100	100
Vehicular Patrol Units - Marked Vehicles	124	124	126	125
Vehicular Patrol Units - Motorcycles	6	6	6	4
Vehicular Patrol Units - Other Vehicles	80	80	78	78
Recreation				
Land area (acres)	805	837	837	837
Activity centers	5	5	5	6
Pools	2	2	2	2
Playgrounds (not reported prior to 2004)	18	20	23	24

Source: The City of Ocala

2017	2018	2019	2020	2021	2022
46.95	46.95	46.95	46.95	46.95	47.37
374.19	357.47	358.77	358.77	357.47	379
2.30	1.49	1.49	1.49	1.49	1.49
242.20	244.12	245.43	246.04	177.08	172
53.33	55.03	55.40	55.50	35.53	35.53
283.83	290.49	293.10	294.35	296.44	298.30
373.90	380.00	380.00	395.00	362.32	362.45
96.97	97.63	97.63	99.00	94.42	94.48
539.85	589.00	589.00	598.00	563.41	562.88
132.00	134.00	137.00	137.00	137.00	140.00
6	6	7	7	7	7
130	130	133	136	136	139
4	4	4	4	4	4
5	6	7	5	6.25	6.33
4	4	4	4	3	3
165	157	178	192	194	194
102	106	108	114	121	126
135	133	145	159	169	188
9	9	9	9	6	6
78	78	79	81	91	119
837	839	839	841	841	842
6	6	6	6	6	6
2	2	2	2	2	2
24	25	25	25	25	25

COMPLIANCE SECTION

CITY OF OCALA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/ Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor Number	Federal Expenditures
FEDERAL AWARDS			
<u>U.S. Department of Housing and Urban Development:</u>			
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-17-0029	\$ 104,641
Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-12-0029	310,153
Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-12-0029	305,629
Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-12-0029	96,719
Covid-19 Community Development Block Grants/Entitlement Grants	14.218	B-20-MW-12-0029	137,405
<i>Total CDBG-Entitlement Grants</i>			<u>954,547</u>
<i>Passed through Marion County, Florida:</i>			
Emergency Solutions Grant Program	14.231	N/A	\$ 127,322
<i>Passed through Marion County, Florida:</i>			
HOME Investment Partnership Program	14.239	MC-19-DC-12-0232	\$ 254,958
HOME Investment Partnership Program	14.239	MC-20-DC-12-0232	90,469
<i>Total HOME Investment Partnership Program Grants</i>			<u>345,427</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 1,427,296</u>
<u>U.S. Department of Justice:</u>			
<i>Passed through State Office of Attorney General:</i>			
Crime Victim Assistance	16.575	VOCA-2022-762	\$ 61,229
Bulletproof Vest Partnership Program	16.607	2022-BUBX-18092553	\$ 23,300
<i>Passed through Florida Department of Law Enforcement</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0124	\$ 21,703
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01331-JAGX	11,611
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-02561-JAGX	36,500
Edward Byrne Memorial Justice Assistance Grant Program	16.738	3C150	25,100
<i>Total Edward Byrne Memorial Justice Assistance Grant Program</i>			<u>94,914</u>
Equitable Sharing Program	16.922	FL0420100	\$ 96,046
Total U.S. Department of Justice			<u>\$ 275,489</u>
<u>U.S. Department of Transportation:</u>			
Airport Improvement Program	20.106	3-12-0055-027-2019	\$ 254,507
Airport Improvement Program	20.106	3-12-0055-030-2021	268,469
Airport Improvement Program	20.106	3-12-0055-031-2022	69,327
Covid-19 Airport Improvement Program	20.106	3-12-0055-029-2021	2,841
<i>Total Airport Improvement Program</i>			<u>595,144</u>
<i>Passed through Florida Department of Transportation:</i>			
Highway Planning & Construction	20.205	G2466	\$ 864,014
<i>Passed through University of North Florida:</i>			
Highway Planning & Construction	20.205	N/A	8,589
<i>Total Highway Planning & Construction</i>			<u>872,603</u>
<i>Passed through Florida Department of Transportation:</i>			
Recreational Trails Program	20.219	T19023	\$ 123,885
Federal Transit Formula Grants	20.507	FL-2022-018-00	\$ 446,275
Federal Transit Formula Grants	20.507	FL-2018-121-00	303,250
Federal Transit Formula Grants	20.507	FL-2020-019-00	1,057,451
Federal Transit Formula Grants	20.507	FL-2023-053-00	31,380
Covid-19 Federal Transit Formula Grants	20.507	FL-2020-021-01	838,325
<i>Total Federal Transit Formula Grants</i>			<u>2,676,681</u>
Total U.S. Department of Transportation			<u>\$ 4,268,313</u>
<u>U.S. Department of Treasury</u>			
Coronavirus State and Local Government Fiscal Recovery Funds	21.027	N/A	\$ 3,091,906
Total The Department of Treasury			<u>\$ 3,091,906</u>
<u>U.S. Environmental Protection Agency</u>			
Diesel Emission Reduction Act (DERA) National Grants	66.039	01D14320	\$ 155,400
<i>Passed through Florida Department of Environmental Protection:</i>			
Nonpoint Source Implementation Grant	66.460	NF069	\$ 56,988
<i>Passed through Florida Department of Environmental Protection:</i>			
Brownfields Multipurpose, Assessment, Revolving Loan Fund and Cleanup Cooperative Agreements	66.818	BF #02D28522	\$ 28,590
Total U.S. Environmental Protection Agency			<u>\$ 240,978</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Passed through Florida Department of Health:</i>			
Injury Prevention and Control Research and State and Community Based Programs	93.136	C090E5	\$ 141,309
Injury Prevention and Control Research and State and Community Based Programs	93.136	MI092	201,061
Total U.S. Department of Health and Human Services			<u>\$ 342,370</u>
<u>U.S. Department of Homeland Security</u>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z3027	\$ 371,973
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Z3563	346,835
<i>Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)</i>			<u>718,808</u>
Hazard Mitigation Grant	97.039	FEMA-DR-4337-424-R/H0576	\$ 138,000
Assistance of Firefighters Grant	97.044	EMW-2021-FG-06074	\$ 346,500
Total U.S. Department of Homeland Security			<u>\$ 1,203,308</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS:			<u>\$ 10,849,660</u>

CITY OF OCALA, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(CONTINUED)

State Grantor/ Pass-Through Grantor/Program Title	CSFA Number	Pass-Through Grantor Number	State Expenditures
STATE FINANCIAL ASSISTANCE			
<u>Executive Office of the Governor:</u>			
Urban Search and Rescue Sustainment Program	31.078	T0254	\$ 10,313
Total Executive Office of the Governor			\$ 10,313
<u>Florida Department of Environmental Protection:</u>			
Statewide Surface Water Restoration and Wastewater Projects	37.039	NS069	\$ 175,883
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0198	119,444
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPA0416	370,026
Statewide Surface Water Restoration and Wastewater Projects	37.039	WG093	250,558
<i>Total Statewide Surface Water Restoration and Wastewater Projects</i>			<i>915,911</i>
<i>Passed through St. Johns River Water Management District</i>			
Florida Springs Grant Program	37.052	LPS0030	\$ 314,317
Total Florida Department of Environmental Protection			\$ 1,230,228
<u>Florida Housing Finance Corporation:</u>			
State Housing Initiatives Partnership Program	40.901	N/A	\$ 487,887
Total Florida Housing Finance Corporation			\$ 487,887
<u>Florida Department of Transportation:</u>			
Aviation Grant Programs	55.004	G2G96	\$ 125,276
Aviation Grant Programs	55.004	G1X53	54,176
Aviation Grant Programs	55.004	G2826	39,916
Aviation Grant Programs	55.004	G2825	59,937
Aviation Grant Programs	55.004	G2E24	98,211
Aviation Grant Programs	55.004	G1G24	22,623
<i>Total Aviation Grant Programs</i>			<i>400,139</i>
Public Transit Block Grant Program	55.010	G2H37	\$ 196,544
Public Transit Block Grant Program	55.010	G2215	554,652
<i>Total Public Transit Block Grant Program</i>			<i>751,196</i>
Local Transportation Projects	55.039	G2A71	\$ 1,000,000
Total Florida Department of Transportation			\$ 2,151,335
<u>Florida Department of Children and Families:</u>			
<i>Passed through Marion County Florida</i>			
Homeless Grant-In-Aid Project	60.021	N/A	\$ 70,244
Total Florida Department of Children and Families			\$ 70,244
<u>Florida Department of Law Enforcement:</u>			
FIBRS Implementation Assistance Program	71.043	2021-FBSFA-F2-010	\$ 1,799
Total Florida Department of Law Enforcement:			\$ 1,799
<u>Florida Department of Highway Safety and Motor Vehicles</u>			
Florida Arts License Plate Project	76.041	N/A	\$ 2,500
Total Florida Department of Highway Safety and Motor Vehicles			\$ 2,500
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE:			\$ 3,954,306
TOTAL EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE:			\$ 14,803,966

Notes:

Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the City of Ocala, Florida and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Federal OMB Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations* and Chapter 10.550, Rules of the Auditor General. Therefore some amounts presented in this schedule may differ from amounts presented in, or used in, the

Indirect Cost Rate

The City of Ocala did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Additional Information

Assistance Listing Number 97.036 Disaster Grants. Public Assistance (Presidentially Declared Disasters) include \$371,973 in expenditures that occurred prior to October 1, 2022.

**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 Members of the City Council
City of Ocala
Ocala, 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 Ocala, Florida (the City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 29, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material

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The Honorable Members of the City Council
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Ocala, Florida

**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***

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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



April 29, 2024
Ocala, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

The Honorable Members of the City Council
City of Ocala
Ocala, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Ocala, Florida's (the City) compliance 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 year ended September 30, 2023. 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.

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 year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program and State Project

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

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

Responsibility of Management for Compliance

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

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The Honorable Members of the City Council
City of Ocala
Ocala, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a major federal program or state project on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a major federal program or state project will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of

The Honorable Members of the City Council
City of Ocala
Ocala, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL***

deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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



April 29, 2024
Ocala, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF OCALA, FLORIDA**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued:	Unmodified
Internal Control Over Financial Reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Non-compliance material to financial statements noted?	No

Federal Awards and State Projects

Internal Control Over Major Programs/Projects:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of Auditor's Report Issued on Compliance for Major Programs/Projects:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a), or Chapter 10.557 for local government entities?	No
Identification of Major Programs:	

Federal Program or Cluster

U.S. Department of Housing and Urban Development: Community Development Block Grants/Entitlement Grants	Assistance Listing No.: 14.218
U.S. Department of Transportation: Federal Transit Formula Grants Highway Planning and Construction	Assistance Listing No.: 20.507 20.205
U.S. Department of Treasury: Coronavirus State and Local Grants Fiscal Recovery Funds	Assistance Listing No.: 21.027

State Projects

Florida Department of Environmental Protection: Statewide Water Quality Restoration Projects	CSFA No. 37.039
Florida Department of Transportation: Public Transit Block Grant Program Local Transportation Projects	CSFA No. 55.010 CSFA No. 55.039

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL AWARD PROGRAMS AND STATE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
CITY OF OCALA, FLORIDA**

Dollar Threshold Used to Distinguish Between Type A and Type B Programs – Federal Programs	\$750,000
Dollar Threshold Used to Distinguish Between Type A and Type B Programs – State Projects	\$750,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance?	Yes

Other Issues

- No summary schedule of prior audit findings is required because there were no prior audit findings related to federal programs or state projects.

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Members of the City Council
City of Ocala
Ocala, Florida

We have examined the City of Ocala, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2023, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specific requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with specific requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

This report 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 members of the City Council, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



April 29, 2024
Ocala, Florida

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MANAGEMENT LETTER

The Honorable Members of the City Council
City of Ocala
Ocala, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Ocala, Florida (the City) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 29, 2024.

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 of Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Other Reports Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for each Major Federal Program and State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with the American Institute of Certified Public Accountants *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April 29, 2024, should be considered in conjunction with this Management Letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government be disclosed in the Management Letter, unless disclosed in the notes to the financial statements (see Note 1 of the City's basic financial statements as of and for the year ended September 30, 2023, for this information).

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The Honorable Members of the City Council
City of Ocala
Ocala, Florida

MANAGEMENT LETTER

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 to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. 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, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipally, 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.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Ocala Community Redevelopment Agency (CRA) reported this information in the CRA's separately issued financial statements.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Ocala Downtown Development District (the District) reported this information in the District's separately issued financial statements.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires that we address non-compliance 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 have any such findings.

The Honorable Members of the City Council
City of Ocala
Ocala, Florida

MANAGEMENT LETTER

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 Honorable Mayor and City Council, and management, and is not intended to be, and should not be, used by anyone other than these specified parties.



April 29, 2024
Ocala, Florida

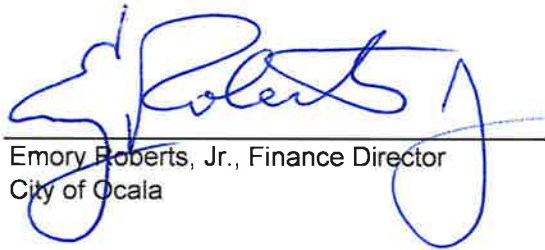


IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Emory Roberts, Jr., who being duly sworn deposes and says on oath that:

1. I am the Finance Director of the City of Ocala which is a local governmental entity of the State of Florida;
2. The governing body of the City of Ocala adopted Chapters 30, Section 1 and Chapter 70, Section 476 implementing and amending impact fees.
3. The City of Ocala has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.


Emory Roberts, Jr., Finance Director
City of Ocala

STATE OF FLORIDA
COUNTY OF MARION

SWORN TO AND SUBSCRIBED before me this 4th day of March, 2024.



KAREN CZECHOWICZ
Commission # HH 472526
Expires March 2, 2028


NOTARY PUBLIC

Print Name

Karen Czechowicz

Personally known ☒ or produced identification _____

Type of identification produced: _____

My Commission Expires:

3/2/28