

FISCAL YEAR 2023

# Annual Comprehensive Financial Report

For the Year Ended September 30, 2023



City of Pensacola, Florida  
D.C. Reeves, Mayor

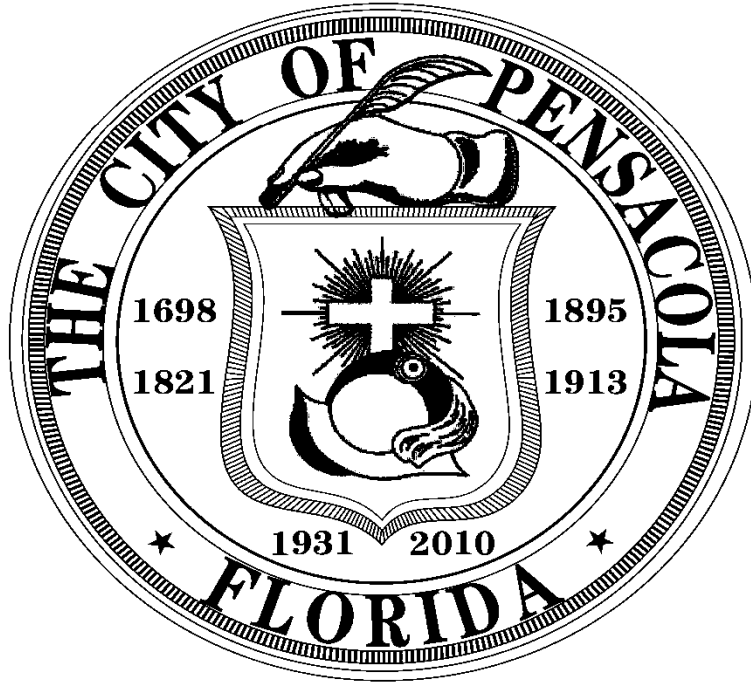




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**THE CITY OF PENSACOLA, FLORIDA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED SEPTEMBER 30, 2023**



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**CITY OF PENSACOLA, FLORIDA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2023  
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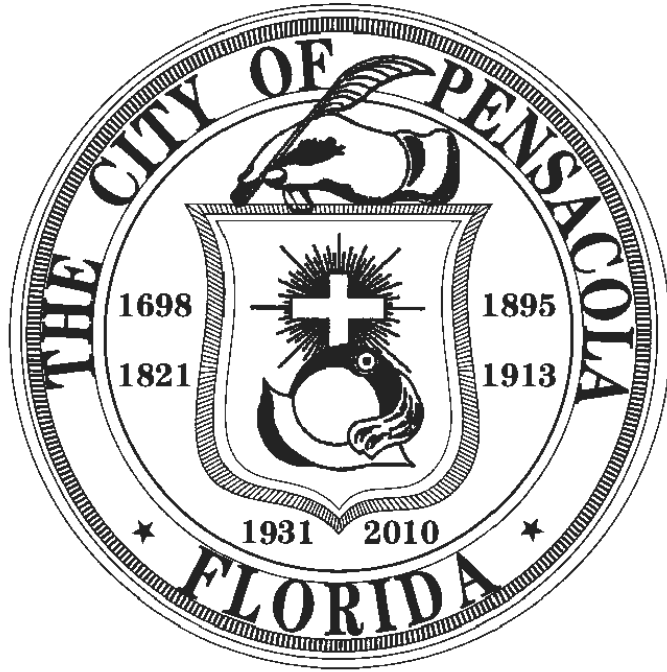
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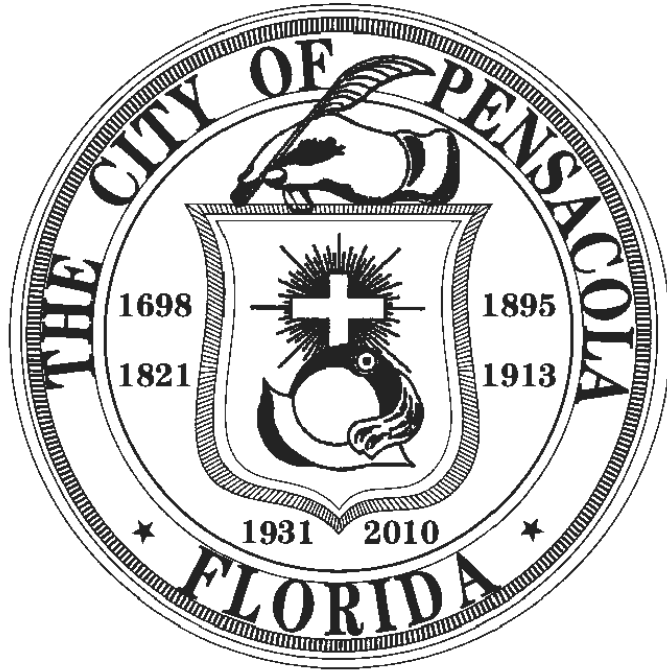
# **INTRODUCTORY SECTION**

LETTER OF TRANSMITTAL

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

CITY OF PENSACOLA ORGANIZATIONAL CHART

LIST OF ELECTED AND APPOINTED OFFICIALS



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**D.C. Reeves**  
Mayor

March 23, 2023

The Honorable Delarian Wiggins, President  
And Members of the City Council  
City of Pensacola  
Pensacola, Florida

Pursuant to applicable Florida Statutes and sound financial management practices, the Annual Comprehensive Financial Report (Annual Financial Report) of the City of Pensacola, Florida, for the fiscal year ended September 30, 2023, has been prepared and is submitted herewith.

The City of Pensacola's Annual Financial Report was prepared by the Financial Services Department. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the City. City management believes that the report is a fair presentation of the City's financial position and results of operations as measured by the financial activity of its various funds, that presented data is accurate in all material aspects and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

This report has been presented in accordance with Generally Accepted Accounting Principles (GAAP). These principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Pensacola's MD&A can be found immediately following the report of the independent auditors.

### **Mayor's Initiatives**

As the Chief Executive of the City of Pensacola, the Mayor and his staff serve to administer and enforce city ordinances, direct city employees providing services to citizens, and prepare and submit the city budget. In addition to these specific duties outlined in the City Charter, the Mayor also performs economic development, community outreach, and public awareness functions. Mayor D.C. Reeves was elected and sworn in as mayor in November 2022. He is the third Mayor under the City's strong mayor form of government.

Upon his election in November 2022, Mayor Reeves formed a transition team of 29 volunteers to make recommendations to advance the City in multiple areas including neighborhoods, crime, economic development, and environment. The transition team focused and studied the following areas:

- **Attainable Housing**
- **Citizen Engagement**
- **City Construction & Development**
- **Education**
- **Employee Engagement & Culture**
- **Environment**
- **Finance**
- **Livability**
- **Measurable Performance**
- **Military Relations**
- **Public Safety**
- **Strategic Planning**

The implementation of the recommendations made by the transition team resulted in development of a Strategic Plan and will be a multi-year endeavor. Several of the recommendations were completed within the first six months in the office. The City’s mission is to provide the highest quality of life for all our citizens by providing cost effective municipal services, including public safety, infrastructure and public amenities, and working together with the community to create a healthier environment and growing economy. The Mayor and staff have prioritized the recommendations and are diligently working to implement them. The City’s fiscal year 2024 approved annual budget document details the goals and objectives of the City of Pensacola in the upcoming year.

### **The Reporting Entity**

The financial reporting entity includes all funds of the primary government, as well as all its component units. Component units are legally separate organizations for which the City is financially accountable and, for financial statement purposes, are either blended with the activities of the City or discretely presented. The criteria used to determine whether an organization should be a part of the City’s reporting entity were those outlined by Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus*.

The Downtown Improvement Board (DIB) has been classified as a component unit and is discretely presented in the City’s annual financial report in a separate column in the government-wide financial statements. The Community Redevelopment Agency (CRA) also meets the definition of a component unit; however, their financial reporting is blended with the City’s financial activity. In addition, Florida Statute section 163.387(8) requires an independent audit of the CRA’s financial statements. A copy of the CRA’s audited financial statements can be obtained by contacting the City’s financial services department: City of Pensacola, 222 West Main Street, Pensacola, FL 32502.

### **Form of Government**

The City operates under a Mayor-Council structure commonly referred to as a “Strong Mayor” form of government. With the Mayor-Council structure, the Council is the governing body of the City with all legislative powers of the City vested therein, which consisted of seven (7) Council Members, one (1) elected from each of the seven (7) election districts of the City. The Mayor is not a member of Council and does not have voting power. The Mayor’s term allows

for a maximum of three consecutive four-year terms of office. Beginning in January 2022 and every ten years thereafter, a Charter Review Commission will be established to review the City's charter. With the Mayor-Council structure, the Mayor replaces the City Manager as the executive head of the City and shall appoint a City Administrator to assist in managing daily operations.

The City of Pensacola provides a full range of municipal services including public works, public safety, recreation and cultural activities. In addition, the City's enterprise activities include a natural gas utility, sanitation collection system, seaport, and international airport.

### **Accounting and Internal Controls**

The management of the City is responsible for establishing and maintaining internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss through unauthorized use or disposition; the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

### **Budget Process**

The budget process for the City of Pensacola does not have an easily identifiable beginning or end. During each fiscal year, new initiatives for services, regulations, funding sources, better methods of providing existing services, and citizen comments are brought forward for discussion and study and implementation. Although the budget document is developed at a fixed point in time and identifies a work plan for a specific period, the budget process is fluid.

There are several tools used throughout the course of the fiscal year to report on the status of the budget. A report is provided to City Council quarterly on pertinent funds which shows a comparison of revenues and expenditures to budgeted numbers. Additionally, City Council is provided a monthly financial overview by the Budget Analyst for City Council. Monthly reports are generated for public review to provide a more frequent overview of the financial status as compared to budget. In accordance with Chapter 166.241, Florida Statutes, budget amendments within a fund (transfers of amounts from one line item to another) are approved by the Finance Director as the Mayor's designee and Supplemental Budget Resolutions adopted by Council are the only means to amend an adopted budget. Two public hearings are held before the adoption of the final budget and final millage rates.

### **Debt Administration**

Debt administration is the responsibility of the City's Finance Director. Additional assistance is employed through the services of RBC Capital Markets, the City's Financial Advisors.

Pledged revenues for business-type debt are typically the sole pledge of net revenues from operations, however, from time to time there are pledges of specific revenue streams. In fiscal year 2023 business-type activities paid a total of \$4.6 million and \$1.4 million, respectively, for principal and interest on bonds.

Revenues traditionally pledged for general government type debt include infrastructure sales tax, local option gasoline tax, communication services tax, local business tax and tax increment revenues. The City paid a total of \$5.6 million and \$2.6 million, respectively for principal and interest, for governmental activities debt during fiscal year 2023. The City has no general obligation debt.

In order to be in compliance with all continuing disclosure requirements, the City of Pensacola issues an annual Report to Bondholders published on or before the 180<sup>th</sup> day after the end of the City's fiscal year. The Annual Comprehensive Financial Report and the Report to Bondholders should be read in conjunction to get a clear and complete understanding of the market effect on the City of Pensacola.

### **Pensacola Energy**

Pensacola Energy, a department of the City, became a City-owned utility on April 27, 1948, upon its purchase from the Gulf Power Company. Pensacola Energy supplies natural gas to approximately 46,000 service connections and is one of the largest municipal gas distribution systems in Florida as it relates to customer base. The revenue classification for billed gas service is 36.0% residential, 21.4% commercial, 40.4% industrial and 0.5% municipal.

Pensacola Energy had operating income before depreciation of \$11,733,955; a decrease of \$4,723,322 over last year. Operating revenue decreased by \$9,877,740 (14.1%) during fiscal year 2023 and operating expenses decreased by \$5,154,418 (9.61%). The primary reason for the decrease in operating revenue and operating expense is a result of the decrease in the cost of natural gas; the cost of natural gas is passed on to the customer directly affecting charges for services revenue. In fiscal year 2023, the cost of natural gas decreased by \$9,198,980. Excluding the cost of gas, operating expenses increased by \$4,044,562. Materials and supplies increased by \$842,588 from the prior year. The salaries and employee benefits line item of the financial statements increased approximately by \$865,488 and there was a \$2,435,813 increase in pension expenses in fiscal year 2023. The pension expense can vary considerably over time, depending upon changes in the estimated actuarial costs and fluctuations in the market resulting in highly variable income statement results in years where there are large gains or losses in the market.

Pensacola Energy budgets for normal winters; however, actual revenues fluctuate with the cost of natural gas and weather patterns. Pensacola Energy is allowed to adjust rates annually with the Consumer Price Index (CPI) if approved by City Council. No increase was approved for fiscal year 2023.

Fiscal year 2024 operating revenues are budgeted at \$74.8 million, \$1.6 million (2.0%) higher than the prior year budget. The increase in revenues for fiscal year 2024 is due to anticipated increases in the cost of natural gas which was the trend when the budget was developed in 2023, thus increasing revenues as the cost of gas is passed onto the customer through rates and charges. The CPI increase for fiscal year 2024 is 5%, however due to anticipated increase to the gas rates, no increase in rates was recommended in the fiscal year 2024 budget. Fiscal year 2024 appropriations increased \$1.6 million (2.0%) over fiscal year 2023 mainly due anticipated

increases in the cost of natural gas. Pensacola Energy's transfer to the General Fund was increased \$11.1 million. The transfer complies with the City Council adopted financial planning policy which states "Long-term, the budgeted transfer should not be more than 15 percent of budgeted ESP revenue".

### **Sanitation Services**

The City has operated a solid waste collection system for over fifty years. Sanitation service is mandatory within the city limits, and the City provides residential garbage, recycling, and trash collection once per week to approximately 21,000 customers. Commercial dumpster services are provided by private hauling companies franchised by the City and regulated by the Sanitation Services department. Commercial Solid Waste Franchise fees are set at \$1.50 per cubic yard of non-compacted waste and are used to sustain the Code Enforcement operation. Residential sanitation fees are set at \$27.44 per month and support the self-sustaining Sanitation Services operation. In addition, there is a fuel and lubricant pass-through surcharge of \$1.60 per month and an equipment surcharge of \$4.21 per month for the fiscal year 2023. Funds generated by the equipment surcharge are used for replacement of sanitation equipment.

Sanitation had operating income before depreciation of \$1,433,240; a decrease of \$136,319 over the prior fiscal year. Operating revenue increased by \$474,438 (5%) during fiscal year 2023 and expenses increased by \$610,757 (7.5%). The primary reason for the increase in operating revenue over the prior fiscal year can be linked to an increase in customer base and increase in rates. In addition, revenues for franchise fees increased by \$20,489 in fiscal year 2023. Offsetting the increase; the revenues for code enforcement decreased by \$113,476 from the prior year. While increases in pension expenses increased operating expenses by \$977,519, there was a light decrease to salaries and benefits, repairs and maintenance, materials and supplies, office and utilities, landfill fees and overhead allocation to offset the pension expenses increase.

Fiscal year 2024 revenues are budgeted at \$8.5 million, \$170,700 (2%) higher than the prior year budget. During 2022 a rate study was conducted, and on September 15, 2022, City Council passed ordinance 28-22 that would effect the fees collected for Sanitation through fiscal year 2026. The collection rate will increase of \$1.11 bringing the new rate to \$28.55 per month effective October 1, 2023. Fiscal year 2024 appropriations increased by \$170,700 (2%) over fiscal year 2023 budget mainly due to increase in operating cost.

### **Port of Pensacola**

The Port of Pensacola, a department of the City, provides marine terminal services connecting water and land transportation. Revenues are generated through fees for wharfage, handling, dockage, rent, storage, security, and harbor services. Rates are established in a published, publicly available tariff.

The Port had operating income before depreciation of \$457,441; an increase from last fiscal year of \$386,681. Operating revenues increased by \$278,905 (10%) and expenses decreased by \$107,776 (4%). The primary reason for the increase in operating revenue can be linked to the increase in vessel activity at the Port. The increase in expenses can be linked to a \$269,299 increase in pension expenses as reported in the salaries and employee benefits line item of the

financial statements. Operating expenses excluding salaries and benefits decreased by \$406,418 primarily in repairs and maintenance and contractual services.

For decades, the Port of Pensacola has relied on Florida Seaport Transportation and Economic Development (FSTED) grants to fuel vital infrastructure improvements. This past year was particularly productive, with the Port securing one major FSTED grant for the construction of a new boat launch and marina facility on the eastern side. The Port continues to work on dredging projects, security equipment maintenance, and other waterside infrastructure repairs that were awarded by previously awarded FSTED.

The Port is also actively managing and spending down various Florida Department of Transportation (FDOT) grants for railroad modernization, upland cargo improvement, drainage repairs.

Fiscal year 2024 operating revenues are budgeted at \$2.9 million, \$116,700 (3%) lower than the prior year budget as revenues is based on historical trend information on vessel activity levels as well as current and prospective lease agreements. Fiscal year 2024 appropriations increased by \$116,700 (3%) over fiscal year 2024 budget mainly due to an increase in personnel services and operating cost.

### **Pensacola International Airport**

The City of Pensacola owns the Pensacola International Airport and operates the facility as an enterprise department. The Airport plays an important role in the national, state, and local air transportation systems, serving as the primary commercial service airport for northwest Florida and southeast Alabama with a principal service area encompassing Escambia, Santa Rosa, and Okaloosa Counties in Florida and Baldwin, Escambia and Mobile counties in Alabama. During fiscal year 2023, 2.65 million passengers utilized the scheduled service. According to the Bureau of Transportation Statistics data, Pensacola was ranked 89<sup>th</sup> among 765 U.S. airports in terms of the total number of scheduled enplanements as of September 2023.

The Airport had operating income before depreciation of \$10,588,303; a \$1,820,043 decrease over the last fiscal year. The Airport Fund's operating revenues increased by \$1,675,590 (5.8%) in fiscal year 2023 and expenses increased by \$3,495,633 (21.2%). The primary reason for the increase in revenues is increased passenger traffic. The airline revenues increased by \$648,886. In addition, an 8.6% increase in passenger traffic resulted in a \$1.7 million increase in non-airline revenues, primarily in parking (\$1.3 million). The increase in expense can be linked to an \$1,779,277 increase pension expense as reported in the salaries and employee benefits line item of the financial statements. In addition, contractual services increased by \$727,522 mainly related to Airport's parking management, janitorial services and advertising contracts and an increase of \$607,695 in operating mainly related to repairs and maintenance and liability insurance for the Airport.

Fiscal year 2024 operating revenues are budgeted at \$29 million, \$7.7 million (36.1%) higher than the prior fiscal year budget. Non-airline revenues such as restaurant and lounge, hanger/ground leases, parking lot, and rental car customer facility charge revenues are projected to increase to a total of \$4,818,00 due to the increase in passenger traffic through the Airport.

Charges to the airlines such as loading Bridge fees, landing fees, apron area rentals, and airline rentals are projected to increase by \$2,906,000 based on the agreements with the airlines. Fiscal year 2024 operating appropriations decreased by \$6.1 million (24.1%) over fiscal year 2023 budgeted totals primarily due to a \$3.0 million increase in capital outlay, 3.1 million increase in personnel and operating services.

The Airport has an operating agreement with the airlines which provides for revenues sufficient to meet operating expenses, debt service payments and capital expenditures. However, it does not provide for any incentives given to the airlines nor depreciation, which is reported on the City's financial statements as an operating expense.

### **Current Year Budget, Events and Future Year Plans**

The Pensacola City Council approved a fiscal year 2023 budget of \$277,368,524, an increase of \$24,165,324 from the 2022 budget. Overall appropriated fund balance decreased by \$7,433,824 and overall revenue estimates increased by \$32,162,400. The General Fund anticipated an increase in revenues of \$3,904,900 (6.51%) due to a \$2,271,700 increase in property taxes as a result of an 11.51 % increase in taxable property valuation, \$183,800 increase in Franchise Fees based on based on historical trends, estimated changes in population and estimated inflation and rate changes, \$813,600 increase in sales and use taxes as the local economy continues to see increases spending patterns, and \$181,300 increase in Public Services Tax based on historical trends and a weather pattern of warm summers and mild to colder winters. The Debt Service Funds anticipated a slight decrease of \$45,700 due to decreased transfers to cover debt service. The Special Revenue Funds anticipated an increase in revenues of \$1,409,100 (3.05%) mainly due to increased intergovernmental revenues based on available grant funding. The Capital Project Funds anticipated an increase in revenues of \$69,600 (0.01%) due to increases in Local Option Sales Tax based on prior year receipts. The Enterprise Funds anticipated an increase in revenues of \$27,273,000 (30.8%). Natural gas sales were projected at \$73,254,400 an increase of \$24,733,800 or 51% from the fiscal year 2022 budget. The increase is due to the new prepay gas transportation customer in the 2023 budget. Sanitation revenues were projected at \$7,141,500, an increase of \$152,100 or 2.17% from the fiscal year 2022 budget. The increase is attributed to an increase in sanitation charges due to an increase in customer rates. Port revenues were projected at \$3,093,300, an increase of \$539,200 or 21.1% from the fiscal year 2022 budget based historical trend information on vessel activity. Pensacola International Airport revenues and passenger facility charges were projected at \$24,944,000, an increase of \$1,823,000 or 8% from the fiscal year 2022 budget. The increase is attributed to the increase of airline revenues of \$164,000 based on the agreements with the airlines. The non-airline revenues decreased by \$85,000 and rental car facility charges increased by \$1,269,000. The passenger facility charged increased by \$100,000.

#### Departmental events and plans

*The Pensacola Police Department* continued its efforts through community policing strategies to improve communication and relationships between officers and the public by fostering a closer police-community relationship. In an effort to achieve this goal, the department's Citizens Police Advisory Committee participated in numerous town hall meetings to discuss concerns within the community, worked with neighborhood groups to inform residents about problems in their areas, discussed how to try to make their neighborhoods safer. As an effort to increase

intentional face-to-face contact with the public and open the lines of communication, the department has continued to host community events throughout the year such as periodic Coffee with a Cop days, Christmas event, and Rally Foundation Christmas Party.

The department also pursued additional funding sources that would allow the department to improve ways in which police services were provided and further prevent crime. During the past fiscal year, the department was awarded \$1,048,551 in local, state and federal grants to purchase items necessary to further crime prevention goals as well as improve officer safety.

In fiscal year 2024, the department will continue its efforts to reduce crime by increase concentrated patrols in known problem areas for burglaries, drugs, etc. as well as partner with neighborhood associations to educate them about crime in their areas as a means of helping share information with residents and encourage them to watch for criminal activities.

***The Pensacola Fire Department*** provides a wide range of services and programs designed to protect the lives and property of the citizens and visitors to the City of Pensacola. The department is proud to confirm it achieved the best possible Insurance Services Organization (ISO) Class 1 rating. A rating based on a class rating scale of 1 (highest) to 10 (lowest) and obtained by evaluating crucial factors such as: fire suppression, which includes fire station locations, personnel, training, apparatus, and equipment; water supply, which includes fire hydrant spacing, inspections, and fire flow; and communications, which includes station alerting and dispatch, radio communication equipment, and emergency response times.

In fiscal year 2023 the department purchased new equipment which included TNT Tools (Spreader, Cutter, Telescoping Ram), a new Generator for Fire Station # 4, and upgraded the facilities at Fire Station # 1 and Fire Station #4. The department was awarded a Firefighter Cancer Decontamination Equipment Grant and purchased the hoods and gloves.

On-going advancement in incident reporting and record management allowed the department to monitor, evaluate, and improve its processes more accurately. The Training Division improved employee training and development, creating uniformity in all-hazards training exercises and response readiness. The Fire Marshal's office deployed a Hazard House prop which enables additional fire safety education.

In fiscal year 2024, the department will continue to advance the Fire Cadet Program. The Fire Marshal's office will continue community risk reduction, outreach, and fire prevention/education initiatives, including the installation of smoke alarms. The Training Division will implement new employee and supervisor drills, training, and development programs. Training exercises and increased aircraft rescue firefighting (ARFF) response drills will improve response readiness. Best-practice leadership training will be provided to all department supervisors as succession and transition planning continues. Upgrades to facilities will continue.

***The Parks and Recreation Department*** continued its commitment to improve and promote the quality of life for all citizens and visitors of Pensacola by protecting the heritage of our parks while providing a wide range of recreational, social, and educational opportunities. The City of Pensacola has a total of ninety-three parks and open spaces, along with ten community resource centers which are maintained by the Parks and Building Maintenance divisions, programmed by the Recreation division, and utilized by Pensacola residents and City organizations.

The Parks and Recreation department completed numerous park improvements in fiscal year 2023. The department installed new playground equipment at seven (7) parks: Lions Park, East Gate Park, Lamancha Square Park, Pintado Park, Belvedere Park, Fairchild Park, Operto Square and Granada Subdivision. In addition, a new sculpture was installed at Admiral Mason Park, and improvements were completed at the Garden of Peace and Hope at Corrine Jones Park. The construction of the new Blake Doyle Skate Park and Day-Use Marina at Community Maritime Park were completed as well. A new solar lighting and a musical/sensory garden were installed at Kiwanis Park.

In fiscal year 2024, the department will develop a quantitative park & facilities assessment to determine deferred maintenance needs at City's parks facilities. The Parks and Recreation Department will install one new playground at H.K. Matthews Park, make upgrades to park amenities in various parks, begin construction of replacement of the Roger Scott Pool restrooms and office areas, finish construction of Bruce Beach, and finish reconstruction of the hard-surface courts at Roger Scott Tennis Center. Scheduling for renovations to begin at Cobb Resource Center and Fricker Resource Center in the upcoming year. Kitchen renovation and site improvements are planned at the Woodland Heights Resource Center as well.

Parks and Recreation actively partners with local corporate, non-profit, and community groups to provide service benefits to the entire community. These organizations support the Parks and Recreation Department thru sponsorships for events such as the City's annual Easter Egg Hunt, Blues on the Bay Music Series, Drive-in Movie, and Halloween Egg Haunt as well as providing support for recreational, social, and educational programs within the City's Resource Centers and parks.

***The Public Works and Facilities Department*** continued to meet its mission statement of providing courteous and quality service, while maintaining the City's current infrastructure and constructing new infrastructure. Operations maintain 332 miles of roadway, 82 stormwater ponds, 118 various underground stormwater treatment units, 18 ditches, 2,352 drainage inlets and 45 stormwater outfalls, 15 of which are major outfalls.

During fiscal year 2023, Operations completed 60 sidewalk repair work orders, repaired over 65 potholes, addressed 288 traffic signal issues. Approximately 6,397 miles of roadway were swept and approximately 3,921 tons of road debris were removed. The department replaced 450 street markers and street signs, installed 7 speed tables, and placed over 4,000 linear feet of thermoplastic pavement markings. In addition, the department installed 8 new video detection systems and 3 new uninterrupted power supplies to traffic signals owned by the City.

In fiscal year 2024, Public Works will complete several large stormwater capital improvement projects including the volumetric expansion of the existing pond at Marketplace Drive and the installation of new stormwater piping down a portion of Barrancas Avenue. Furthermore, a drainage improvements project along E. Texar Street, between 9<sup>th</sup> Avenue and 12<sup>th</sup> Avenue, will be designed and advertised for construction, to help mitigate flooding along E. Texar Street. Similarly, the design for flood mitigation is slated for the intersections of Summit Blvd and Piedmont Road as well as R Street and Strong Street. Two major projects are slated to install new stormwater outfalls to Pensacola Bay which will mitigate flooding along 9<sup>th</sup> Avenue, as well

as Main Street. Additionally, Public Works will be managing the design and/or construction for the Parks and Recreations Department; projects include Bruce Beach, Sanders Beach Boat Ramp, Bayview Park, Roger Scott, Community Maritime Park, and Hollice T. Williams. Pensacola International Airport and Public Works will manage the design and construction of a parking lot expansion, the conceptual design for another 470 parking spaces, and a project to clear 45 acres in preparation for construction of 2 new hangars. Lastly, grant funds were secured and work commenced on updating the City-wide Stormwater Model to include the anticipated sea-level rise.

***The Development Services Department*** is comprised of three divisions: Planning & Zoning, Building Inspections, and the Community Redevelopment Agency. The department is responsible for the City's long-range planning, land development and revitalization programs, as well as plan review and permitting. Development Service coordinates the City's weekly "One Stop" Development Review meeting, which provides those who are interested in submitting projects for permitting the opportunity to obtain input from City staff from Planning Services, Inspection Services, Fire Marshall, Public Works and Engineering.

Planning Services continues to maintain the City's Comprehensive Plan, Planning Services also maintains the current Land Development Code (LDC) and continues to work towards encouraging urban density, mixed-use development, and implementing form-based, sustainable development guidelines to create a more walkable-built environment.

Building and Inspections is responsible for conducting inspections of building construction for compliance with Florida Building Codes, local building ordinances and approved plans within the city limits. During fiscal year 2023, the department issued # permits and conducted # building inspections.

***The Community Redevelopment Agency (CRA)***, was established in 1980 to implement the revitalization of a 1,237-block blighted area, referred as the Pensacola Inner City Community Redevelopment Area. This area encompasses 17th Avenue on the east, Pensacola Bay on the south, Bayou Chico and the City limit line on the west and the City limit line on the north. Within the Pensacola Inner City Community Redevelopment Area, there exists three Redevelopment Areas - the Urban Core Community Redevelopment Area, the Urban Infill and Redevelopment Area (commonly referred to as Eastside Community Redevelopment Area) and the Westside Community Redevelopment Area.

The Urban Core Community Redevelopment Area was established in 1984 and has facilitated a variety of public and private sector redevelopment initiatives since its inception, including streetscape, park, and commercial façade improvements and relocation of the Emerald Coast Utilities Authority (ECUA) Wastewater Treatment Plant. In 2010, public improvements to a 27-acre waterfront parcel on Pensacola Bay were completed which created the Vince Whibbs, Sr. Community Maritime Park (CMP), a multi-use athletic stadium, amphitheater and public promenade, and parcels available for private development. The pivotal redevelopment project along with other projects were made possible through the City's issuance of the Urban Core Redevelopment Revenue Bond, Series 2009.

In Fiscal Year 2023, the CRA completed the first phase of park improvements to the Bruce Beach Natural area, the Palafox Pier Marina and Community Maritime Park, a floating day-use marina, the Blake Doyle Skate Park within the Hollice T. Williams Urban Greenway and initiated actions towards the redevelopment of 101 West Main Street, adjacent to Pensacola Bay. CRA initiatives planned for fiscal year 2024 include the continuation of the CRA's established residential and commercial improvement programs and affordable housing initiatives, as well as, construction of the second phase of the Bruce Beach Park. The design of corridor improvements to Cedar Street (as a component of the "Hashtag" Waterfront Connector (Continuous Waterfront Trail System)), the Hollice Williams Urban Greenway (which extends into the Eastside district) and improvements to West Main Street from Clubbs to Barrancas (extending into the Westside district) is expected to continue during the upcoming fiscal year with construction to follow. Construction of Main Street improvements (as a component of the "Hashtag" Waterfront Connector project is anticipated to be performed in conjunction with improvement of Cedar Street.

The Eastside Community Redevelopment Area was established in 2005. In 2018, the CRA completed reconstruction of the historic birth site of General Daniel "Chappie" James, Jr., America's first African American Four-Star General, to accommodate the operation of a commemorative museum and youth flight academy. The project was funded through the issuance of the Eastside Redevelopment Revenue Bonds, Series 2017. CRA continues to offer residential improvement programs and affordable housing initiatives. In effort to provide affordable housing, CRA purchased two affordable housing infill sites located at 1700 Dr. Martin Luther King Jr. Blvd and 2700 Dr. Martin Luther King Jr. Blvd and preliminary home plans have been substantially designed for both locations. The construction of a 2nd phase of improvements to expand the campus of the General Daniel "Chappie" James, Jr. Museum and Youth Flight Academy is expected to be completed in the upcoming year.

The Westside Community Redevelopment Area was established in 2007. However, tax increment revenues were not received for many years due to the 2008 decline in property values caused by the recession. The City Council reaffirmed the existence of blight in the district, rescinded the 2007 base year for the Westside Community Redevelopment Area taxable property values and established a new base year of 2013. With a new base year set, the CRA started receiving tax increment revenues in 2015. In 2017, the City issued the Westside Redevelopment Revenue Bonds, Series 2017 to fund critical Westside redevelopment initiatives supporting blight removal and neighborhood livability. CRA initiatives planned for the upcoming year include the continuation of the CRA's established residential and commercial improvement programs and affordable housing initiatives, as well as acquisition and redevelopment of target sites within the district. The CRA authorized acquisition of the Pensacola Motor Lodge on West Cervantes Street in fiscal year 2023 with solicitation for redevelopment of the site for affordable multifamily rental housing scheduled for fiscal year 2024. Three affordable housing infill sites located at 2300 West Jackson Street, 901 West Blount Street and 900 Block West Blount Street will be made available for housing in the upcoming and future years. Home plans are in design for the Jackson Street and 900 Block locations, and rehabilitation specifications are in development for 901 West Blount. Other planned CRA initiatives include landscaping improvements to West Garden Street from A Street to C Street, corridor improvements to L Street, Gregory Street and Wright Street, rehabilitation of the former Alice Williams library and

land assembly to support park redevelopment of the American Creosote Works (ACW) superfund site.

The CRA continues to work with private sector concerns to support a revitalized and blight free community. Investment in the Pensacola Inner City Community Redevelopment Area will assist in removing blight, maintaining housing affordability and strengthening the property tax base and potential for future revenue growth.

***The Housing Department*** focused on continuing to address the community's needs by supporting community redevelopment projects, supportive service agencies, and concentrating on the need for decent, safe, and attainable housing to enhance the quality of life for all area residents.

During fiscal year 2023 in support of the Mayor's commitment to build stronger neighborhoods, 17 low and moderate families had their homes rehabilitated through the city's various owner-occupied rehabilitation programs, leveraging funds from federal and state sources. Funds received through the State Housing Initiatives Partnership (SHIP) program, HOME Investment Partnerships Program, and other homebuyer programs assisted 42 families in the community reach homeownership.

Through the city's Community Development Block Grant (CDBG) program public service activities supported the delivery of 17,753 nutritional meals to 114 elderlies, disabled, and special needs families. Group classes provided educational opportunities regarding home buying and foreclosure prevention for 50 residents, and 37 households received legal services.

In response to the pandemic, the city received an award of CDBG-Coronavirus funds. The CDBG-Coronavirus funds provided 10 families with eviction and foreclosure counseling assisting them with the goal of maintaining their residence. Additionally, CDBG-Coronavirus funds provided 24 families with emergency payments for overdue mortgage and utility expenses assisting residents maintain their homes.

The Section 8 Housing Choice Voucher (HCV) Program provided rental assistance for approximately 1,828 extremely and very low-income families each month during fiscal year 2023. This reflects approximately \$1.3 million in monthly rental housing assistance in our community, paid out to an estimated 543 local landlords.

During 2023, the city continued to administer a special allocation of 35 Emergency Housing Vouchers in partnership with the Continuum of Care lead agency, Opening Doors Northwest Florida, Inc., targeting the housing needs of the homeless, victims of domestic violence, and families at risk of homelessness.

In response to the growing need for attainable housing in the community, to include the development of both rental and homeownership opportunities, the Department continues to develop new programs and seek creative solutions to address this concern for the city's residents.

***Parking Department*** is responsible for the enforcement of state and local parking laws and ordinances for all City owned on-street and off-street parking assets within the city limits. The

Parking Department also provides payment enforcement for the city's 1,300 pay-to-park spaces, maintenance of 49 payment kiosk, one city owned parking garage, four boat ramps, and five parking lots. The Parking Department also oversees the Constituent Service Division. In 2023 the Parking Department reinvested \$100,000.00 of parking revenue back into maintenance, cleaning, painting, and security of the city owned, Jefferson Street parking garage. The City Parking Department experienced a 6% increase in single parking sessions, an 18% increase in parking permits, and a 24% increase in the number of parking citations issued over 2022.

**The Constituent Services Division** responds to 311 (non-emergency) citizen concerns for all seven districts, fifty-four thousand city residents, and sixteen city departments. In 2023 Constituent Services routed, tracked, and responded to 2,984 identified issues within the city limits and closed 2,856 citizen concerns. The 311 ticket subjects ranged from potholes to streetlights and from code violations to garbage pick-up. The 311 Department ensures that citizens' concerns regarding the safety and maintenance of city infrastructures are properly addressed, questions about city processes and programs are answered, thereby ensuring the overall quality of life for city constituents.

***Pensacola Energy's (PE)*** vision is to be an innovative, high-value energy services provider committed to safety, performance and excellence with the continued goal to always improve customer service delivery, test and implement new service offerings, upgrade the condition of our underground gas mains and service lines and integrate new technologies to improve operational efficiency and minimize greenhouse gas emissions.

In fiscal year 2023, the department expanded the natural gas distribution system to include a new Citygate serving the north end of Escambia County. Upgrades to the Palafox Compressed Natural Gas Station were completed in 2023. This project expanded the compressor capacity of the station and added sixteen time-fill fueling spaces for sanitation vehicles. Pensacola Energy also began purchasing renewable natural gas (RNG) for use in all City vehicles using CNG. The addition of RNG moves the City 7.62% closer to its 30% renewable energy goal by 2030. Other distribution system improvements included streamlining of the infrastructure within regulator station number two, improving station functionality to service the southwest areas of Pensacola, and in-house construction crews completed the installation of fourteen miles of natural gas main.

The natural gas rate ordinance allows for an annual adjustment in rates based on the Consumer Price Index (CPI), an Infrastructure Recovery Charge as a rate component, a Weather Normalization Adjustment Factor, and a Purchase Gas Adjustment which includes a dedicated component to restore Pensacola Energy's operating reserves. A multi-year infrastructure replacement plan has been developed for the Infrastructure Recovery Charge which allows costs to be collected through rates the year following the expenses.

***The Sanitation Services and Fleet Management Department*** is responsible for providing dependable, efficient Sanitation Services to the City residents and business establishments through residential garbage, recycling, trash collection and code enforcement. The department is also responsible for the central garage operations, which maintains the City's fleet as required for various municipal services, from acquisition to deposition.

In fiscal year 2023 Sanitation Services collected 19,196 tons of solid waste and 2,559 tons of curbside recyclables. As part of the Mayor's initiative to reinvest in City neighborhoods, Sanitation Services provides the Mayor's Neighborhood Cleanup program to each City neighborhood once per year. The ten neighborhood cleanups completed in fiscal year 2023 resulted in the removal of 10,986 tons of bulk waste, 893 old tires, and 9,881 cans of old paint. The City also contracts with Escambia County Utility Authority (ECUA) to provide recyclable processing. In March 2015, as amended in April 2020, the City of Pensacola and Escambia County entered an Interlocal Agreement that provides for exchange of services that benefit each entity. The agreement gives the City no-cost yard trash disposal to provide county neighborhood cleanups. Due to the increase in cost, the City ended the recycling program through ECUA. In October 2023, the City discontinued recycling services to city residents and created a curbside recycling services solution for residents to continue to recycle eligible items.

The Code Enforcement Division initiated 5,208 new cases in fiscal year 2023, with 588 cases categorized as overgrown vacant property. Along with illegal dumping cases and Sanitation "no service cases," these officers made 10,508 site visits consisting of investigations, follow-ups, and postings.

The Fleet Management Divisions had a robust fiscal year 2023. Repairs were made to 1,352 light-duty vehicles and 1,924 repairs to heavy-duty vehicles.

***The Port of Pensacola*** is a thriving economic hub in northwest Florida and a cornerstone of the City's maritime process since 1754. As one of Florida's sixteen deep-water ports, its mission is to fuel the economic engine of northwest Florida through international trade, maritime and water-dependent industries, and businesses.

In fiscal year 2023, the Port had a record year in cargo activity. Overall, cargo activity increased about 17% from prior fiscal year. The deep draft vessel calls increased about 8.6%, and tons of cargo was handled through the port. There was approximately 435,050 tonnage handled at the Port, which is the highest tonnage in decades.

The Port anticipates similar success in the fiscal year 2024. Port will embark on the construction of the High-Performance Maritime Center of Excellence, which will serve as the home base for American Magic. This state-of-the-art facility is expected to create over 150 jobs when fully operational.

***The Pensacola International Airport's*** purpose is to meet the needs of the traveling public, both commercial and private passengers, while ensuring their safety and security. To ensure those needs are met and to strategically position the Airport to meet future demands, the Airport updated their Master Plan in 2019. An airport master plan is a comprehensive study of an airport that describes the short-, medium-, and long-term development plans to meet future aviation demand, typically with a 20-year outlook. The Master Plan update addresses the recommended plan for the Airport through 2035 and drives all future capital projects. With the unprecedented growth in Escambia County, Pensacola International Airport has already exceeded the Master Plan's forecasted 2030 annual enplaned passenger numbers. In fiscal year 2023 the Airport had 2.65 million passengers utilized the scheduled service of seven airlines to fifteen plus non-stop destinations, surpassing 2022 passenger numbers of 2.44 million by 8.6%.

With the continued growth in passenger traffic, the Airport has been diligently working on moving forward with many of the projects depicted in the 2019 Master Plan Update. In 2023, the Airport completed the rehabilitation of taxiway A and the terminal escalator replacement. In 2024, the Airport hopes to kick off several projects, including the rehabilitation of runway 8-26, the paving of the remote parking lot, the reconfiguration of the taxiway A7 and taxiway A/B intersection, the construction of a corporate apron, and the design for a terminal building renewal and expansion project.

Construction will continue with the expansion of the Airport's Maintenance Repair Overhaul (MRO) Facility. Hanger two was completed in 2023 and in 2024 construction should commence for the next phase, which includes an additional hanger(s), warehouse space, and administration space.

### Citywide topics

In fiscal year 2023, the City lost three (3) key staff employees: the City Attorney, Parks & Recreation Director, and the Housing Director. The City Attorney position remained vacant for the rest of fiscal year 2023. The Parks & Recreation Director position was filled by Tonya Byrd as interim in June 2023. The Housing Director position was vacated on the last day of fiscal year 2023. The City experienced a 15.18% turnover rate in fiscal year 2023, an increase over the reported fiscal year 2022 rate of 11.06%. The 2023 turnover rate does not include retirements. Based on exit interviews, employees cited increased compensation from other job opportunities, promotional opportunities, and relocation as the main reason for their separations

The City has five unions which have agreements that are renegotiated on a recurring basis. The American Federation of State County and Municipal Employees (AFSCME) union and the City entered into a three-year agreement on September 23, 2021, for fiscal years October 1, 2021 through September 30, 2024. The City's contract ended as of September 30, 2024. As of January 2024, the Public Employees Relations Committee revoked the AFSCME certification. The City and the three police unions entered into a three-year agreement on September 23, 2021 for fiscal years October 1, 2021, through September 30, 2024. The Police Officers' contract provides for the members to receive a 6% pay increase or brought up to the new minimum base salary of \$43,014 effective October 1, 2021, and 4% pay increase effective October 1, 2022, and October 1, 2023, not to exceed the maximum of \$70,012. The Police Sergeants' contract provides for the members to receive a 4% pay increase effective October 1, 2021, October 1, 2022, and October 1, 2023, not to exceed the maximum for \$77,251, \$81,120 and \$85,176 respectively. The Police Lieutenants' contract provides for the members to receive a 3% pay increase effective October 1, 2021, October 1, 2022, and October 1, 2023, not to exceed the maximum for \$97,011. The City and International Association of Firefighters' (IAFF) entered into an agreement November 13, 2020, for fiscal years October 1, 2021, through September 30, 2023. The City and IAFF are currently in negotiations for a new contract. Union and Non-union employees also received a merit increase of 0%, 1% or 2% based on performance reviews, effective October 1, 2022.

## Independent Auditors

The Florida Statutes and the City's Bond Resolutions require an annual audit of the City's financial records by an independent certified public accountant. The City's fiscal year 2023 financial statements have been audited by the certified public accounting firm of Warren Averett, LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement.

The City is also required to undergo an annual audit to obtain reasonable assurance about compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects.

## Reporting Achievements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pensacola for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2022. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial reports must satisfy both accounting principles generally accepted in the United States and applicable legal requirements. The City of Pensacola has been awarded a Certificate of Achievement for forty-two of its last forty-three fiscal years.

A Certificate of Achievement is valid for a period of one year only. We believe that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and will be submitting it to GFOA to determine its eligibility for another certificate.

## Acknowledgements

The City's accounting staff, as always, is dedicated in preparing a timely and accurate comprehensive annual financial report. Appreciation is expressed to all those who contributed to its preparation and to City Council for the continued support of a fiscally sound City government.

Respectfully submitted,



D.C. Reeves  
Mayor



Amy L. Lovoy  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Pensacola  
Florida**

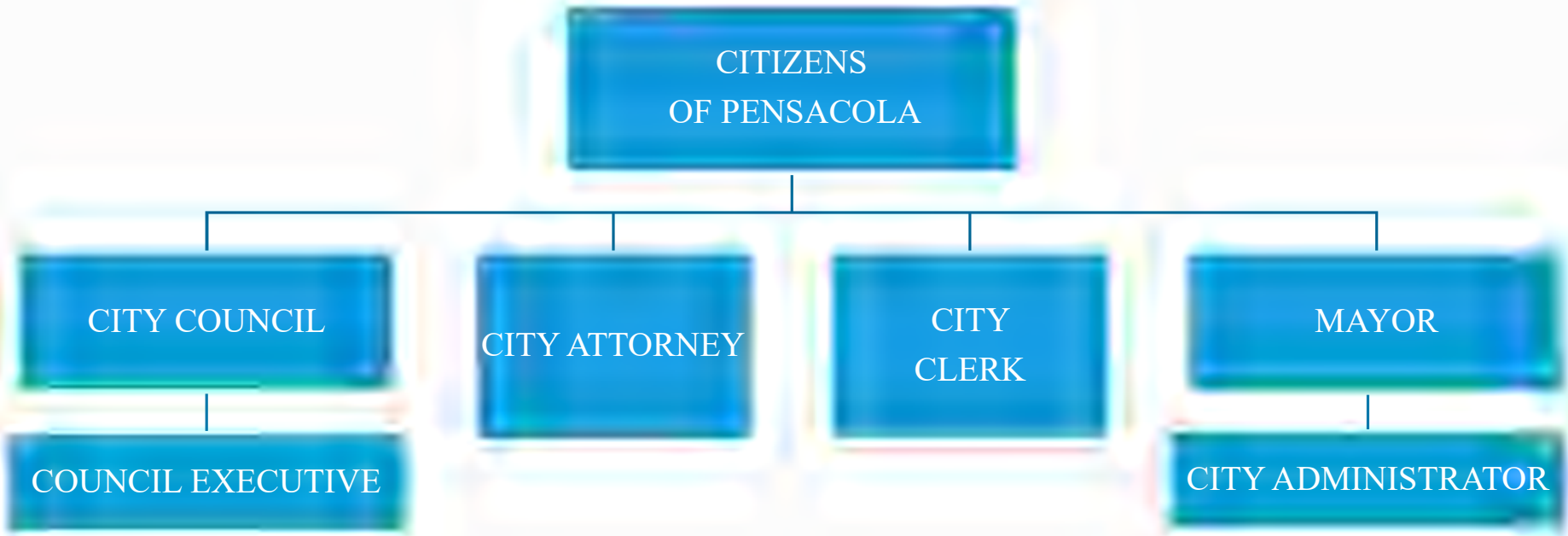
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

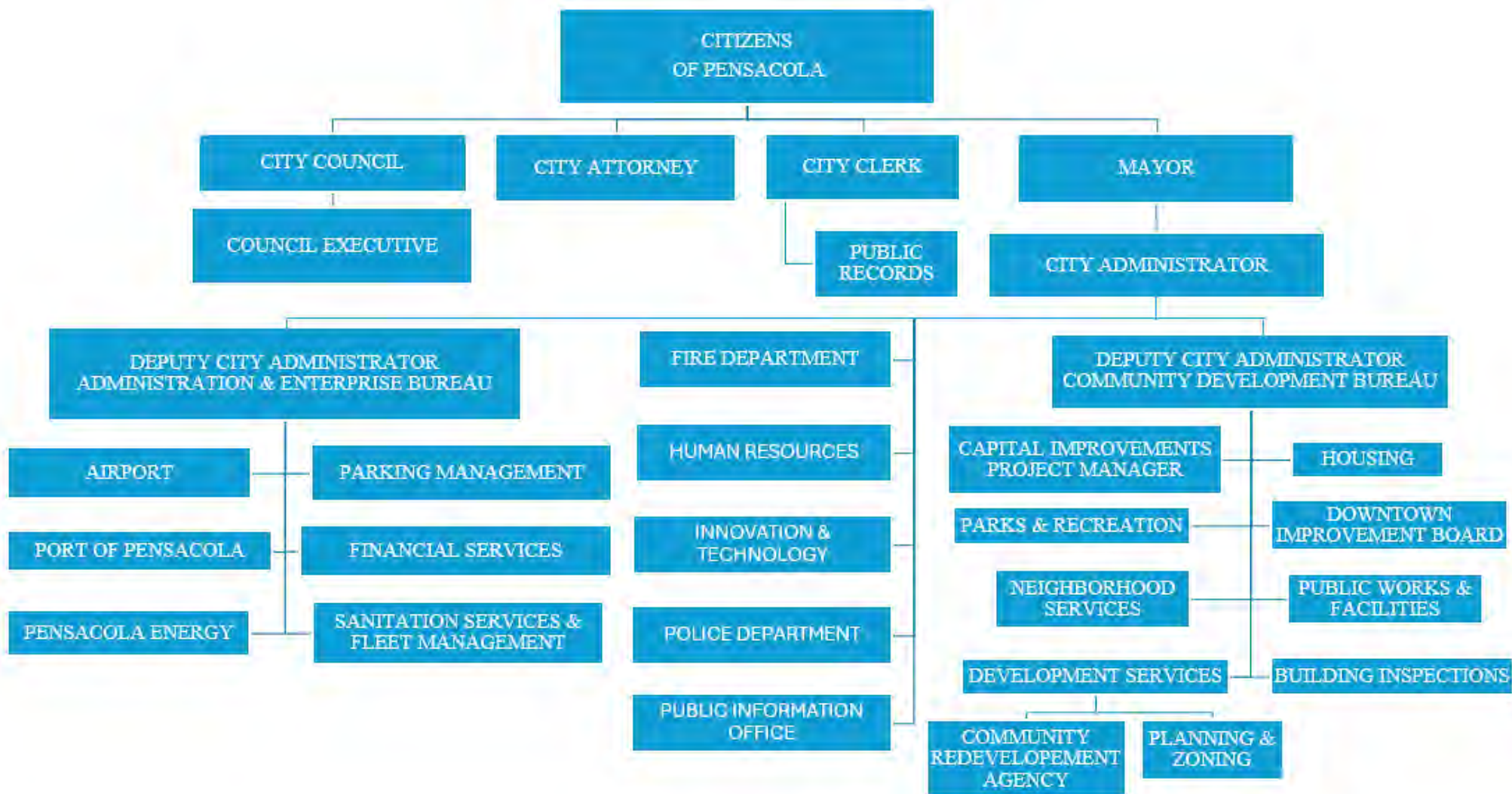
*Christopher P. Morill*

Executive Director/CEO

**CITY OF PENSACOLA  
FISCAL YEAR 2023  
ORGANIZATIONAL CHART**



# CITY OF PENSACOLA FISCAL YEAR 2023 CITY REPORTING STRUCTURE CHART



**CITY OF PENSACOLA, FLORIDA**  
**LISTING OF ELECTED AND APPOINTED OFFICIALS**

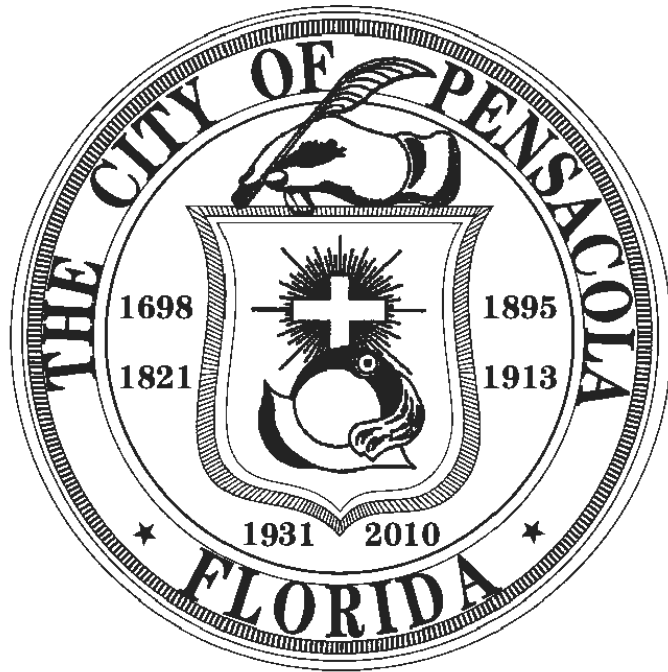
**ELECTED OFFICIALS**  
**FY 2023 MAYOR & CITY COUNCIL**



**CITY OF PENSACOLA, FLORIDA**  
**LISTING OF ELECTED AND APPOINTED OFFICIALS**

**ELECTED OFFICIALS**  
**FY 2024 MAYOR & CITY COUNCIL**





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## **FINANCIAL SECTION**

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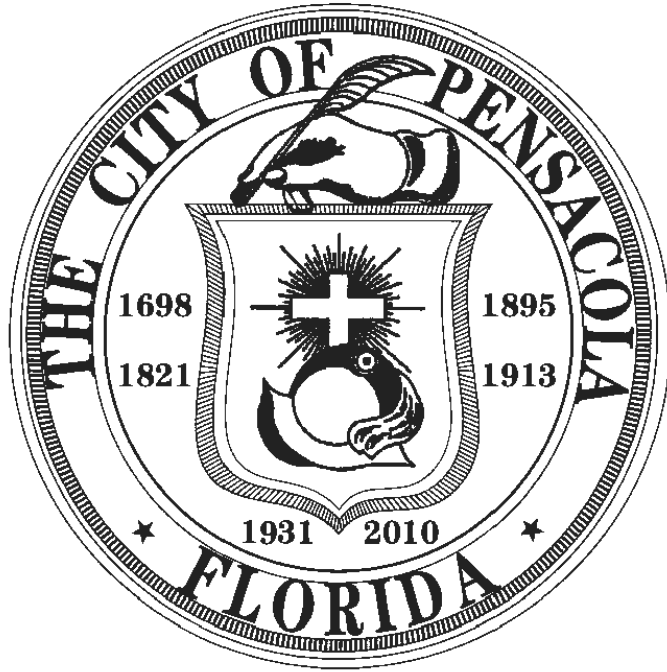
INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and  
Members of the City Council  
City of Pensacola, Florida

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pensacola, 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, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, American Rescue Plan Act Fund, Natural Disaster Fund, and the Housing Assistance Payments Fund, 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 the 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 Auditors' 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 ethical responsibilities, in accordance with the relevant ethical requirements relation to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 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 auditors' 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 judgement 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, schedules related to pension and the other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 of Pensacola, Florida's basic financial statements. The budgetary comparison information, combining and individual nonmajor fund financial statements and schedules, and financial data schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Pensacola, Florida.

The accompanying schedule of expenditures of federal awards, passenger facility charges, and state financial assistance is presented for purposes of additional analysis as required Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and as specified in the *Passenger Facility Charges Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and by Section 215.97, Florida Statutes, and is also not a required part of the basic financial statements of the City of Pensacola, Florida.

The combining and individual fund financial statements and budgetary comparison information, the financial data schedule and schedule of expenditures of federal awards, passenger facility charges, and state financial assistance are the responsibility of management and were derived from and relate 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 information is fairly stated in all material respects in relation to the basic financial statements taken 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.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

*Warren Averett, LLC*

Pensacola, Florida  
March 5, 2024

## Management's Discussion and Analysis

This section will provide a comparative analysis between fiscal year 2023 and 2022. The comparison amounts are shown at a summary level with additional detail provided for explanation. The format is designed to provide the reader a narrative overview of the City's financial activity for the fiscal year ended September 30, 2023. This discussion should be read in conjunction with the Letter of Transmittal located in the Introductory Section.

### Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) as of September 30, 2023 by \$595,677,433. Of this amount, the net investment in capital assets totaled \$479,384,103, which is unavailable, and restricted net position totaled \$50,147,428 resulting in an unrestricted net position of \$66,145,902. Unrestricted net position is negatively impacted due to GASB Statement No. 68, which reduced governmental activities unrestricted net position by \$115,054,857 and business-type activities by \$30,474,048 for a total reduction of \$145,528,905. GASB Statement No. 68 requires the City to report on the face of the financial statements the deferred inflows, deferred outflows and net pension liabilities for each of the City's pension plans and the City's proportionate share of the Florida Retirement System (FRS). This unfunded pension obligation will continue to negatively impact unrestricted net position for future periods until all plans have been fully funded. For a more detailed explanation of GASB Statement No. 68 refer to the Government-Wide Financial Analysis section of Management's Discussion and Analysis.
- The City's total net position of \$595,677,433 increased \$41,506,574 (7.5%) over the fiscal year 2022 net position of \$554,170,859. Governmental activities increased by \$5,300,187 (2.7%) and business-type activities increased by \$36,206,387 (10%). For a detailed explanation of these fluxes refer to the Government-Wide Financial Analysis section of Management's Discussion and Analysis.
- As of September 30, 2023, the City's governmental funds reported combined fund balances of \$84,123,505 a decrease of \$740,146 (0.01%) over the prior fiscal year. For a detailed explanation of the fluxes refer to the Government-Wide Financial Analysis section of this report. The unassigned fund balance for the City's General Fund is \$(872,968). Unassigned fund balance is the portion of fund balance which is not obligated or specifically designated and is available for any purpose.
- Governmental funds' revenues decreased by \$7,529,224 (5.85%) over the prior fiscal year total of \$128,546,754. The major increase in governmental funds' revenues stems from \$4,744,174 in General Fund revenues mainly related to an increase in ad valorem tax revenues, \$1,288,940 in CRA revenues mainly related to an increase in ad valorem tax revenues, a decrease \$13,189,536 in intergovernmental revenues mainly related to COVID-19 funding and FEMA reimbursements.

Governmental funds' expenditures increased by \$7,929,706 (6.5%) over the prior fiscal year total of \$121,115,298. The major increase in governmental funds' expenditures stems from an \$3,933,837 decrease in the Natural Disaster Fund related to the Hurricane Sally, \$2,720,873 decrease in American Rescue Plan funds. Offsetting the decreases was a \$1,584,333 increase in General Fund Program cost, \$5,140,757 increase in capital outlays related to Local Option Sales Tax funds, and \$4,367,166 increase in CRA capital projects

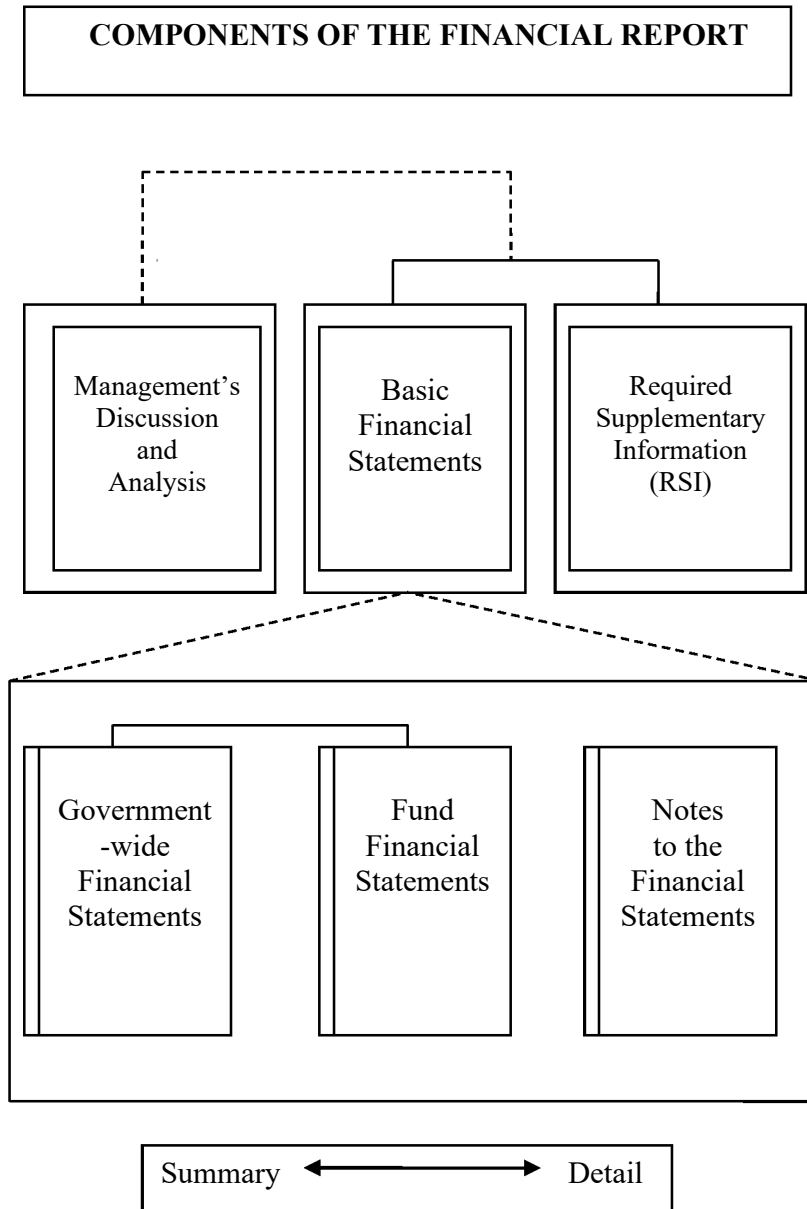
- The City's General Fund fund balance, excluding restricted fund balance, increased by \$831,734 from \$27,979,225 to \$28,810,959 in fiscal year 2023. The fund balance overall increased by \$2,214,211, but most of the increase was assigned for management purposes. Included in the committed fund balance is Council Reserves of \$14,398,521. The Council Reserve balance represents 20% of fiscal year 2024 beginning budgeted General Fund appropriations which meets the 20% minimum reserve goal stated in the City Council's Fund Balance Policy. The General Fund had an increase in restricted fund balance of \$1,382,477 related to an increase in contractual obligations. Total fund balance increased by \$2,214,211 (7.6%) from fiscal year 2022.

General Fund revenues increased over fiscal year 2022 by \$4,747,174 (8.5%) mainly related to a \$2,754,337 increase in ad valorem tax revenues and an \$862,995 increase in interest income due to rising interest rates on investments, a \$370,481 increase in franchise fees, and \$284,686 increase in charges for services. Expenditures increased by \$4,891,359 (9%) primarily as a result of a \$2,195,016 (5%) increase in personnel costs related to increases in employee pay. In addition to personnel cost, the operating expenses increased approximately \$2,448,724 from prior year primarily related to \$521,868 in professional services, \$350,329 in communication, \$130,263 in insurance, \$174,747 in utilities and \$490,491 in other contractual services.

- The City's enterprise funds reported combined ending net position of \$394,648,051, an increase of \$36,206,387 (10%) in comparison to the prior fiscal year. Of the total net position amount, \$282,278,975 represents net investment in capital assets which increased \$13,667,823 (5%). Operating revenues decreased by \$7,448,807 (6.9%) from last fiscal year and operating expenses before depreciation decreased by \$1,155,804 (1.4%). For a detailed explanation of these fluxes refer to the Government-Wide Financial Analysis section of Management's Discussion and Analysis.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements. Following is a chart that illustrates the components of the Annual Comprehensive Financial Report (ACFR).



## **Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Pensacola's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. The focus of the statement is designed to be similar to bottom line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases and 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 the related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal years (e.g., earned but unused vacation leave and revenue in connection with receivables which are not considered available to liquidate liabilities of the current period).

Both the government-wide financial statements distinguish functions of the City of Pensacola that are principally supported by taxes and intergovernmental revenues (governmental activities such as police, fire, public works, recreation and general administration) 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, transportation, culture and recreation, economical and physical environment, and human services. The business-type activities of the City include the airport, seaport, natural gas utility services and sanitation services.

Discretely presented component units, which are legally separate governmental units over which the City can exercise influence, are presented as a separate column in the government-wide statements. The Downtown Improvement Board is the only discretely presented component unit of the City. The focus of the financial statements is the Primary Government, which are the operations of the City.

## **Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of the ACFR will find the Fund Financial Statements presentation more familiar. The focus is on "major" funds, rather than fund types, as reported in the traditional financial statement presentation. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions 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 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.

Since the focus of governmental funds is narrower than that of the 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. This allows readers to 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.

Governmental fund 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, Housing Assistance Payments Fund, American Rescue Plan Fund and Local Option Sales Tax Fund, all of which are considered to be major funds. All other governmental type funds are considered "nonmajor" and are reported in a single, aggregated column. Individual fund data for each of these nonmajor governmental funds is provided in the form of Combining Statements and Individual Fund Statements and Schedules section of this report.

Blended component units, which are legally separate entities in which the City and the entity have substantially the same governing body or the entity's debt is expected to be repaid almost entirely with resources from the City, are presented as funds of the primary government. The Community Redevelopment Agency (CRA) is the only blended component unit of the City.

**Proprietary Funds.** Proprietary funds provide the same type of information as the business-type activities in the government-wide financial statements, only in more detail. The proprietary fund financial statements can be found in the Basic Financial Statements section of this report.

The City of Pensacola maintains two types of proprietary funds: enterprise funds and internal service funds. The City uses enterprise funds to account for the assets, operation and maintenance of the City-owned natural gas service, garbage and trash service, port facility, and airport. Internal service funds are used to account for activities that provide goods and services to other City departments such as computers, telecommunications, fleet maintenance, insurance, 311 services, mail and engineering. Since internal service funds predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

**Fiduciary Funds.** The City of Pensacola is the plan sponsor for the General Pension, Firefighters' and Police Officers' retirement fund. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in net position. These activities are excluded from the government-wide financial statements because the assets cannot be used to support or finance the City's programs or operations. During fiscal year 2007, the City closed the General Pension requiring new general employees to participate in the Florida Retirement System (FRS) though the General Pension remains open for existing participants who chose not to participate in the FRS. During fiscal year 2013, the City closed the Police Officers' Retirement fund requiring new police employees to participate in the Florida Retirement System (FRS) though the Police Officers' Retirement fund remains open for existing participants who chose not to participate in the FRS.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found as part of the Basic Financial Statements section of this report.

### **Other information**

This report additionally includes Required Supplementary Information (RSI) containing schedules of the City's total Other Postemployment Benefits (OPEB) liability and the City's Net Pension Liability (NPL) and contributions for the City's three sponsored pension plans as well as the City's proportionate share in the Florida Retirement System pension plan and health insurance subsidy program. Combining statements for nonmajor governmental funds and internal service funds are included as well as budgetary comparisons for all debt service and nonmajor governmental funds. Additional information about the City can be found in the Statistical Section.

### **Government-Wide Financial Analysis**

The City of Pensacola adopted the government-wide financial statement presentation. This reporting structure and measurement focus using accrual accounting for all of the government's activities was mandated by the Government Accounting Standards Board (GASB) in Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Comparative data for fiscal years ending September 30, 2023 and 2022 is presented.

It is important to note that GASB Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*, requires governments that offer defined pension benefits to its employees to report on the face of its financial statements the unfunded pension obligation (the "Net Pension Liability"). In addition, GASB Statement No. 68 requires each local government participating in a defined benefit cost-sharing multiple-employer pension plans, such as the Florida Retirement System (FRS), to report on the face of its financial statements their proportionate share of the "collective" Net Pension Liability.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than pensions*, requires governments that offer other post-employment benefits (OPEB) to its employees to report on the face of its financial statements the total unfunded OPEB obligation (the “Total OPEB Liability”).

Both the Net Pension Liability and Total OPEB Liability are recorded at the fund level for proprietary activities and the allocated amount for governmental activities is presented at the government-wide level. The recording of the deferred inflows, deferred outflows, total pension liabilities and total OPEB liability for each of the City’s pension plans, the City’s proportionate share of the Florida Retirement System (FRS) and the City’s OPEB negatively impact the City’s unrestricted net position until all plans have been fully funded. In addition, pension and OPEB expense, which is a net result of the changes in deferred inflows, deferred outflows, total liabilities, can vary considerably over time, depending upon changes in the estimated costs due to such things as market fluctuations. This can result in highly variable income statement results. The governmental fund-level statements are not affected by these pronouncements which use a modified-accrual basis of accounting.

In October 2022, GASB Statement No. 96, *Subscription-based Information Technology Arrangements (SBITA)* was implemented and required the recognition of certain subscription-based information technology arrangements for governments that were previously recognized as outflows of resources based on the payment provisions of the contract. As a result of this Statement, the City recognized a SBITA liability and an intangible right-to-use asset in fiscal year 2023. The prior year’s balances were not restated for this change in the comparative schedules on the next page.

At year-end, the City is reporting positive balances in two of three categories of net position for governmental activities and all three categories for business-type activities.

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**Summary Statements of Net Position  
September 30,**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 78,956,806	\$ 78,470,470	\$ 150,873,471	\$ 129,621,277	\$ 229,830,277	\$ 208,091,747
Internal balances	42,371	(93,488)	(42,371)	93,488	0	0
Noncurrent assets	46,788,562	51,216,274	50,032,139	39,758,605	96,820,701	90,974,879
Capital assets	269,236,471	262,976,737	324,175,684	314,695,671	593,412,155	577,672,408
<b>Total assets</b>	<u>395,024,210</u>	<u>392,569,993</u>	<u>525,038,923</u>	<u>484,169,041</u>	<u>920,063,133</u>	<u>876,739,034</u>
<b>Total deferred outflows of resources</b>	<u>64,195,139</u>	<u>28,345,058</u>	<u>17,323,147</u>	<u>7,727,204</u>	<u>81,518,286</u>	<u>36,072,262</u>
Current and other liabilities	28,406,822	30,615,030	45,963,661	45,403,614	74,370,483	76,018,644
Noncurrent liabilities	208,598,988	180,927,359	71,890,488	70,326,400	280,489,476	251,253,759
<b>Total liabilities</b>	<u>237,005,810</u>	<u>211,542,389</u>	<u>117,854,149</u>	<u>115,730,014</u>	<u>354,859,959</u>	<u>327,272,403</u>
<b>Total deferred inflows of resources</b>	<u>21,104,157</u>	<u>51,052,503</u>	<u>29,859,870</u>	<u>28,359,727</u>	<u>50,964,027</u>	<u>79,412,230</u>
Net position:						
Net investment in capital assets,	197,105,128	192,144,576	282,278,975	268,611,152	479,384,103	460,755,728
Restricted	25,290,316	27,110,940	24,857,112	22,407,112	50,147,428	49,518,052
Unrestricted	(21,366,062)	(23,526,321)	87,511,964	67,423,400	66,145,902	43,897,079
<b>Total net position</b>	<u>\$ 201,029,382</u>	<u>\$ 195,729,195</u>	<u>\$ 394,648,051</u>	<u>\$ 358,441,664</u>	<u>\$ 595,677,433</u>	<u>\$ 554,170,859</u>

The total City's net investment in capital assets, such as land, roads, parks, buildings, intangible right to use assets, and machinery and equipment is presented less any outstanding debt related to the acquisition and accumulated depreciation of those assets. The City uses these capital assets to provide services to the citizens and consequently these assets are not available for future spending. Although the investment in 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.

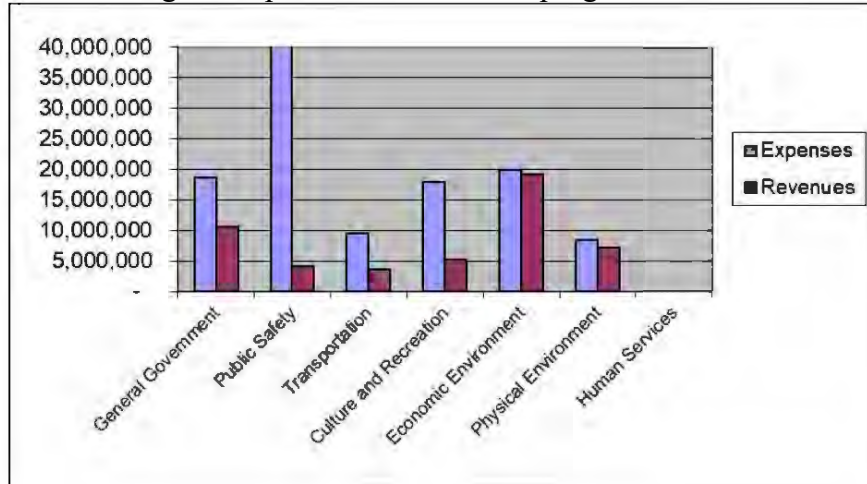
Restricted net position are resources subject to external restriction on how they may be used while unrestricted assets may be used to meet the City's ongoing obligations to citizens and creditors. Unrestricted net position represents 22.8% of total net position for business-type activities. Unrestricted net position for governmental activities is negative primarily due to the net pension liability of \$110,785,910 and total OPEB liability of \$7,894,149. These unfunded liabilities will continue to negatively impact unrestricted net position for future periods until all obligations have been fully funded. In addition, the unrestricted net position for governmental activities is negatively impacted due to the recognition of the City's long-term contribution to the Emerald Coast Utilities Authority (ECUA) totaling \$5,200,000 as of September 30, 2023. Since the commitment is a long-term liability and future revenue sources have been pledged for the annual payment of \$1.3 million it is expected that this commitment will continue to negatively impact unrestricted net position through fiscal year 2027.

## Changes in Net Position Years Ended September 30,

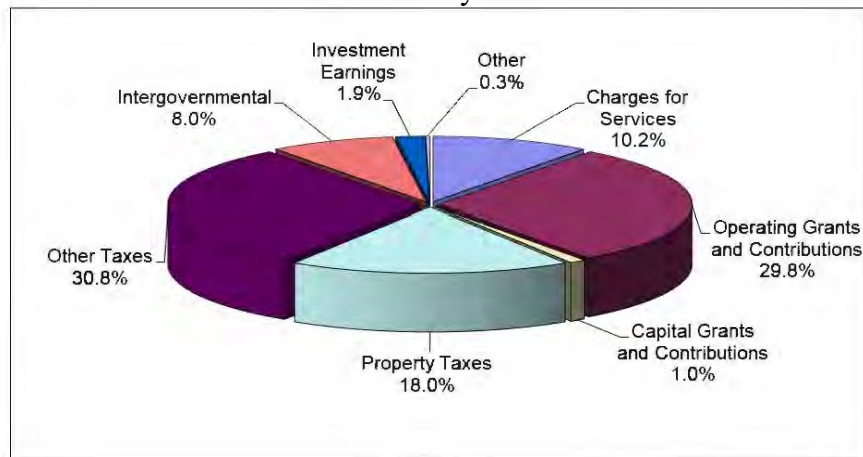
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 12,359,235	\$ 11,770,828	\$ 103,928,123	\$ 110,835,725	\$ 116,287,358	\$ 122,606,553
Operating grants and contributions	36,252,808	48,204,504			36,252,808	48,204,504
Capital grants and contributions	1,241,271	1,303,263	33,543,067	59,978,639	34,784,338	61,281,902
General revenues:						
Property taxes	21,873,778	19,640,104			21,873,778	19,640,104
Other taxes	37,500,156	36,600,360			37,500,156	36,600,360
Intergovernmental	9,754,477	9,831,242			9,754,477	9,831,242
Interest earnings	2,265,910	590,532	4,181,440	931,927	6,447,350	1,522,459
Insurance recoveries	0	272,997			0	272,997
Gain on sale of capital asset	97,367	65,623	9,200	60,760	106,567	126,383
Other	226,811	199,714	915,681	703,755	1,142,492	903,469
<b>Total revenues</b>	<u>121,571,813</u>	<u>128,479,167</u>	<u>142,577,511</u>	<u>172,510,806</u>	<u>264,149,324</u>	<u>300,989,973</u>
<b>Expenses</b>						
General government	18,703,847	18,281,895			18,703,847	18,281,895
Public safety	47,513,896	30,403,609			47,513,896	30,403,609
Transportation	9,579,297	8,616,365			9,579,297	8,616,365
Culture and recreation	17,947,317	18,695,537			17,947,317	18,695,537
Economic environment	19,906,544	18,189,837			19,906,544	18,189,837
Physical environment	8,444,383	5,331,122			8,444,383	5,331,122
Human services		21,666			0	21,666
Unallocated depreciation	1,638,021	1,682,419			1,638,021	1,682,419
Interest on long-term debt	2,589,840	2,726,705			2,589,840	2,726,705
Utility			50,567,655	55,485,713	50,567,655	55,485,713
Sanitation			8,778,303	8,030,569	8,778,303	8,030,569
Port			3,598,499	3,785,115	3,598,499	3,785,115
Airport			33,370,793	28,985,668	33,370,793	28,985,668
<b>Total expenses</b>	<u>126,323,145</u>	<u>103,949,155</u>	<u>96,315,250</u>	<u>96,287,065</u>	<u>222,638,395</u>	<u>200,236,220</u>
Increase (decrease) in net position before transfers and other items	(4,751,332)	24,530,012	46,262,261	76,223,741	41,510,929	100,753,753
Transfers in (out)	10,051,519	10,293,304	(10,051,519)	(10,293,304)	0	0
<b>Increase (decrease) in net position</b>	<u>5,300,187</u>	<u>34,823,316</u>	<u>36,210,742</u>	<u>65,930,437</u>	<u>41,510,929</u>	<u>100,753,753</u>
Net position at beginning of year	<u>195,729,195</u>	<u>160,264,854</u>	<u>358,441,664</u>	<u>292,348,162</u>	<u>554,170,859</u>	<u>452,613,016</u>
Change in accounting principle - Implementation of GASB 87		641,025		163,065	0	804,090
Implementation of GASB 96			(4,355)		(4,355)	0
Net position as restated	<u>195,729,195</u>	<u>160,905,879</u>	<u>358,437,309</u>	<u>292,511,227</u>	<u>554,166,504</u>	<u>453,417,106</u>
<b>Net position at end of year</b>	<u>\$ 201,029,382</u>	<u>\$ 195,729,195</u>	<u>\$ 394,648,051</u>	<u>\$ 358,441,664</u>	<u>\$ 595,677,433</u>	<u>\$ 554,170,859</u>

## Governmental Activities Fiscal Year 2023

Program expenses matched with program revenues



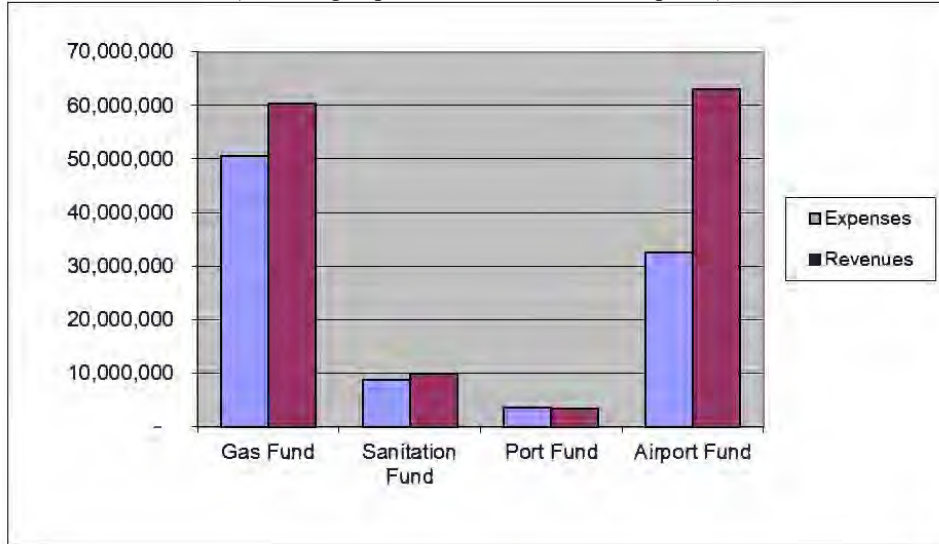
Revenues by source



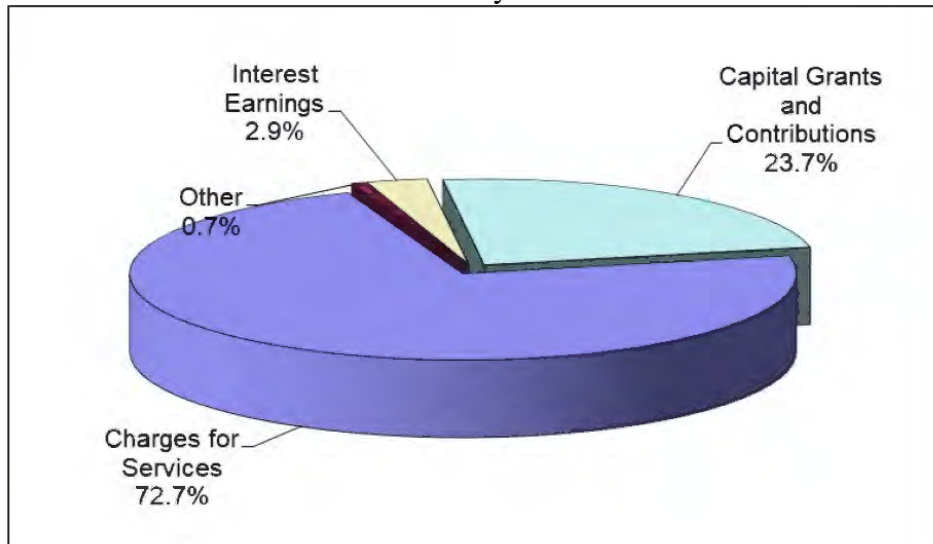
GASB Statement No. 34 reporting requires that functional expenses are matched with revenues that directly support the function. The increase in the current year net position for Governmental Activities on the Statement of Activities equaled \$5,300,187 which was a decrease of \$29,523,129 from the prior year. The majority of the decrease is attributed to the \$11,951,696 decrease in operating grants and donations and an increase of \$17,110,287 in public safety expenses. The bar chart above gives a clear indication of which functions are dependant on general revenues to support their operations. Public Safety has the largest differences as this function is traditionally supported by taxes. Taxes, investment earnings and other revenues are classified as general revenues of the government.

## Business-type Activities Fiscal Year 2023

Expenses compared to *charges for services* revenues  
(Including depreciation and bad debt expense)



Revenues by Source



The increase in current year net position for Business-type Activities on the Statement of Activities totaled \$36,210,742. The Utility Fund increased \$1,589,582, the Sanitation Fund increased \$770,115, the Port Fund increased \$250,606 and Airport Fund increased \$33,600,439. All funds charged fees sufficient to cover operations when excluding depreciation. An explanation of these fluxes can be seen in the Financial Analysis of the Government's Funds section below.

## Financial Analysis of the Government's Funds

The City of Pensacola uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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

As of September 30, 2023, the City's governmental funds reported combined fund balances of \$84,123,505, a decrease of \$740,146 (01.1%) over the prior fiscal year.

Non-spendable and restricted governmental funds balance of \$40,291,532 are available to meet current commitments in the next fiscal year. Non-spendable fund balance of \$86,115 is for prepaid expenditures and inventory. Restricted fund balance is broken down as; \$323,788 is for Saenger capital reserves; \$8,085,373 is for debt service requirements; \$16,867,897 is for community development projects and \$14,928,359 is for other purposes related to contractual obligations. This leaves a remaining unrestricted fund balance of \$43,831,973.

Below is a comparative chart for the City's "major" funds; General Fund, Housing Assistance Payments Fund, American Rescue Plan Act Fund and the Local Option Sales Tax Fund.

### Major Fund Information

	<u>General Fund</u>	<u>Housing Assistance Payments Fund</u>	<u>American Rescue Plan Act Fund</u>	<u>Local Option Sales Tax Fund</u>
<b>Fiscal Year 2023</b>				
Revenues and other sources	\$ 68,093,355	\$ 17,804,804	\$ 2,873,525	12,307,158
Expenditures and other outlays	(65,879,144)	(18,466,079)	(2,873,525)	(15,419,506)
Increase (decrease) in fund balance	<u>\$ 2,214,211</u>	<u>\$ (661,275)</u>	<u>\$ 0</u>	<u>\$ (3,112,348)</u>
<b>Fiscal Year 2022</b>				
Revenues and other sources	\$ 63,344,107	\$ 17,236,572	\$ 6,001,807	12,516,807
Expenditures and other outlays	(60,466,333)	(17,748,232)	(5,594,398)	(10,281,374)
Increase (decrease) in fund balance	<u>\$ 2,877,774</u>	<u>\$ (511,660)</u>	<u>\$ 407,409</u>	<u>\$ 2,235,433</u>

***The General Fund*** is the main operating fund of the City. At September 30, 2023, total fund balance in the General Fund was \$31,236,071, an increase of \$2,214,211 (7.6%) from beginning fund balance. The unrestricted portion of fund balance was \$28,752,220, however \$14,398,520 is committed for the Council Reserve, \$22,316 is committed for park purchases, \$507,826 is committed for the tree planting trust fund, \$5,100,000 is assigned for future fund balance draw downs, \$513,793 is assigned for assessments, \$449,140 is assigned for housing initiatives, \$275,000 is assigned for Wayside Park repairs, \$2,500,000 actuarial unfunded pension liability, 27,184 for lien amnesty, and \$2,550,000 is assigned for anticipated match requirements needed for Hurricane Sally leaving an unassigned fund balance of \$2,408,440.

Since the City budgets for expenditures in the General Fund based on anticipated revenues, changes to fund balance are a result of the difference in budget verses actual revenues and expenditures. Fiscal year 2023 actual revenues exceeded the original budget by \$4,193,691. The majority of the increase was made up of \$477,532 in taxes, \$817,852 in franchise fees, \$953,077 2023 actual expenditures came in over the original budget (less the anticipated fund balance drawdown of \$1.7 million) by \$195,817.

As a measure of the General Fund's liquidity, a comparison of both total and unrestricted fund balances compared with total fund operating expenditures shows percentages of 53.1% and 48.9%, respectively. The Government Finance Officer's Association (GFOA) Best Practice recommendation is for a government to maintain in its General Fund unrestricted fund balance no less than two months of General Fund operating expenditures. At 48.9% of unrestricted fund balance, this provides more than six months of coverage.

***The Housing Assistance Payments Fund*** had a total fund balance at year-end of \$2,179,251, a decrease of \$661,274 (23.2%). Fund balance of \$1,032 is non-spendable and \$2,178,219 is restricted for housing assistance payments as required by the Department of Housing and Urban Development (HUD). Changes to fund balance are a function of federal funding by the HUD and the operating efficiency employed by the City's Housing staff. Fluctuations can be large or small depending on the goals of the federal government programs. The decrease in fiscal year 2023 fund balance is due to an increase in spending to combat the growing number of homeless families nationally through HUD's Housing Choice Voucher (HCV) CARES Act funding.

***The American Rescue Plan Act (Act) Fund*** had zero fund balance at year-end. The Act allows revenue replacement for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency, relative to revenues collected in the most recent fiscal year prior to the emergency. Finance has calculated the revenue loss based on guidance from the Department of Treasury and identified funds which revenues were hit the hardest by the COVID-19 pandemic. Operating transfers from the American Rescue Plan Act Fund (ARPA Fund) were made directly to the following funds: the Parking Management Fund, Recreation Fund and Community Maritime Park Management Fund.

***The Local Option Sales Tax (LOST) Fund*** had a total fund balance of \$2,276,058 at year-end, a decrease of \$3,112,348. Restricted fund balance of \$4,501,912 is comprised of \$2,430,929 in debt service restrictions and \$2,070,983 in third party contract restrictions leaving an unrestricted fund balance of \$(2,225,854). The decrease in fiscal year 2023 fund balance is due to the planned

completion of capital projects which were to be funded with future local option sales tax revenues.

**Proprietary Funds.** Proprietary fund statements provide the same information as in the business-type activities column of the government-wide statements, but in greater detail, and on a fund basis for enterprise funds and the internal service funds. All of the City's enterprise funds are classified as major funds.

#### Enterprise Funds.

The City of Pensacola does not budget for depreciation, bad debt expense, unfunded pension obligations or other postemployment benefits. However, personal cost, operating expenses, capital outlay, and principal and interest payments are budgeted.

**The Utility Fund** had a total net position of \$80,368,092 at fiscal year-end, an increase of \$1,574,669 (2%) over the prior fiscal year. Pensacola Energy operated at a profit of \$11,733,955 before depreciation expense of \$3,129,712 and an \$8,000,000 transfer to the General Fund; a decrease from last fiscal year by \$4,723,272. Operating revenue decreased by \$9,877,740 (14.1%) during fiscal year 2023 and operating expenses decrease by \$5,154,418 (9.61%). The primary reason for the decrease in operating revenue and operating expenses is the result of a decrease in the cost of natural gas; the cost of natural gas is passed on to the customer directly affecting charges for services revenue. In fiscal year 2023, the cost of natural gas decreased by \$9,198,980. Offsetting the decrease in fuel cost, the cost of materials and supplies increased by \$842,588 from the prior year. The salaries and employee benefits line item of the financial statements increased approximately by \$865,488 and there was a \$2,435,813 increase in pension expenses in fiscal year 2023. The pension expense can vary considerably over time, depending upon changes in the estimated actuarial costs and fluctuations in the market resulting in highly variable income statement results in years where there are large gains or losses in the market.

**The Sanitation Fund** had a total net position of \$3,632,579 at fiscal year-end, an increase of \$780,673 (27.3%) over the prior fiscal year. Sanitation Services operated at a profit of \$1,433,240 before depreciation expense of \$730,945; a decrease from last fiscal year by \$136,319. Operating revenue increased by \$474,438 (5%) during fiscal year 2023 and expenses increased by \$610,757 (7.5%). The primary reason for the increase in operating revenue over the prior fiscal year can be linked to an increase in customer base and increase in rates. In addition, revenues for franchise fees increased by \$20,489. Offsetting the increase, the revenues for code enforcement decreased by \$113,476 from the prior year. While increases in pension expenses increased operating expenses by \$977,519, there was a light decrease to salaries and benefits, repairs and maintenance, materials and supplies, office and utilities, landfill fees and overhead allocation to offset the pension expenses increase.

**The Port Fund** had a total net position of \$18,825,261 at the end of the fiscal year-end, an increase of \$253,606 (1.3%) from the prior fiscal year. The Port operated at a profit of \$457,441 before depreciation expense of \$1,131,653; an increase from last fiscal year by \$386,681. Operating revenues increased by \$278,905 (9.6%) and expenses decreased by \$107,776 (4%). The primary reason for the increase in operating revenue can be linked to increased vessel

activity at the Port. The increase in expenses can be linked to a \$269,299 increase in pension expenses as reported in the salaries and employee benefits line item of the financial statements. Operating expenses excluding salaries and benefits decreased by \$406,418 primarily in repairs and maintenance and contractual services.

*The Airport Fund* had a total net position of \$291,822,119 at fiscal year-end, an increase of \$33,600,439 (13%) over the prior fiscal year. The Airport operated at a profit of \$10,580,303 before depreciation expense of \$12,057,036; a decrease from last fiscal year of \$1,820,043. The Airport Fund’s operating revenues increased by \$1,675,590 (5.8%) in fiscal year 2023 and expenses increased by \$3,495,633 (21.2%). The primary reason for the increase in revenues is increased passenger traffic. The airline revenues increased by \$648,886. In addition, an 8.6% increase in passenger traffic resulted in a \$1.7 million increase in non-airline revenues, primarily in parking (\$1.3 million). The increase in expense can be linked to a \$1,779,277 increase pension expense as reported in the salaries and employee benefits line item of the financial statements. In addition, contractual services increased by \$727,522 mainly related to Airport’s parking management, janitorial services and advertising contracts and an increase of \$607,695 in operating mainly related to repairs and maintenance and liability insurance for the Airport.

The chart below shows the operating income of each enterprise fund. The chart includes depreciation, bad debt expense and other post-employment benefits.

	<b>Operating Income (Loss)</b>	
	<b>2023</b>	<b>2022</b>
Utility Fund	\$ 8,604,243	\$ 13,390,007
Sanitation Fund	702,295	940,487
Port Fund	(674,212)	(1,105,333)
Airport Fund	(1,468,733)	617,043
Total	<u>\$ 7,163,593</u>	<u>\$ 13,842,204</u>

### Internal Service Funds

The internal service funds are designed to recover the internal costs of general services provided to other city departments. The decrease in total net position for all internal service funds was \$289,887. The City’s Insurance Retention Fund decreased by \$359,932 and the Central Services Fund increased by \$70,045. Although there was a decrease in operating expenses such as salaries, contractual services, and office and utilities there was increase of \$1,499,074 in premiums and claims expenses for the Insurance Retention Fund. The Central Services Fund saw an increase of \$372,536 in charges for services. The 311 Call Services was added to the Central Services fund in fiscal year 2023 which increased the revenues by \$215,880 and increased expenses by \$51,545 mostly in salaries and benefits line item. Pension expenses increased in the internal services funds by \$1,098,831 from the prior year. The pension expense can vary considerably over time, depending upon changes in the estimated actuarial costs and fluctuations in the market resulting in highly variable income statement results in years where there are large gains or losses in the market.

## General Fund Budgetary Highlights

In accordance with Chapter 166.241, Florida Statutes, the Mayor or his designee may authorize budget amendments if the total appropriations of the fund are not changed. The Mayor has established budgetary control within each fund at the line item. Amounts may be transferred between departmental line items or between departments within a fund provided no transfer shall be made contrary to Florida Statute. Amounts to be transferred require the approval of the Mayor or his designee; however, amounts appropriated for capital outlay can only be transferred from the capital outlay category with City Council approval. The budgetary changes as described below were a necessary part for overall operations of the City's activities reported in the General Fund.

The final budget as compared with the original budget for the General Fund estimated revenues increased by \$1,188,062 (2.1%) during fiscal year 2023. The majority of the increase was made up of \$558,895 in charges for services and \$464,167 in donations.

The final appropriations in the General Fund as compared with the original budget increased by \$7,286,071 (2.1%) in fiscal year 2023. The primary reason for the increase relates to:

- An increase in appropriations for general government of \$2,534,750 is primarily related to carryforwards from the prior fiscal year budget to cover open encumbrances and projects. Some of the larger carryforwards included \$499,334 related to City Council unspent project budget, approximately \$210,000 for new grant writing staffing and \$300,000 for the Citywide strategic plan.
- An increase in appropriations for public safety in the amount of \$938,890 is primarily related to the carryforward from the prior fiscal year budget to cover open encumbrances and projects as well as \$670,514 for capital purchases and contractual services.
- An increase in appropriations for transportation in the amount of \$1,932,326 is primarily related to the carryforward from the prior fiscal year budget to cover open encumbrances and projects.
- An increase in appropriations for culture and recreation in the amount of \$1,376,833 is related to the carryforward from the prior fiscal year budget to cover open encumbrances and projects. Some of the larger carryforwards included \$636,274 related to the Tree Trust fund and \$437,982 related to the Saenger Capital account.
- An increase in appropriations for economic environment in the amount of \$503,272 is primarily related to the carryforward from the prior fiscal year budget for the City's housing initiatives program as well as outside agency funding.

## **Capital Asset and Debt Administration**

**Capital Assets.** As of year-end, the City had \$479,384,103 net investment in capital assets. Governmental activities accounted for \$197,105,128 and business-type activities accounted for \$282,278,975. This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure.

Major capital asset additions/completions during the current fiscal year include the following:

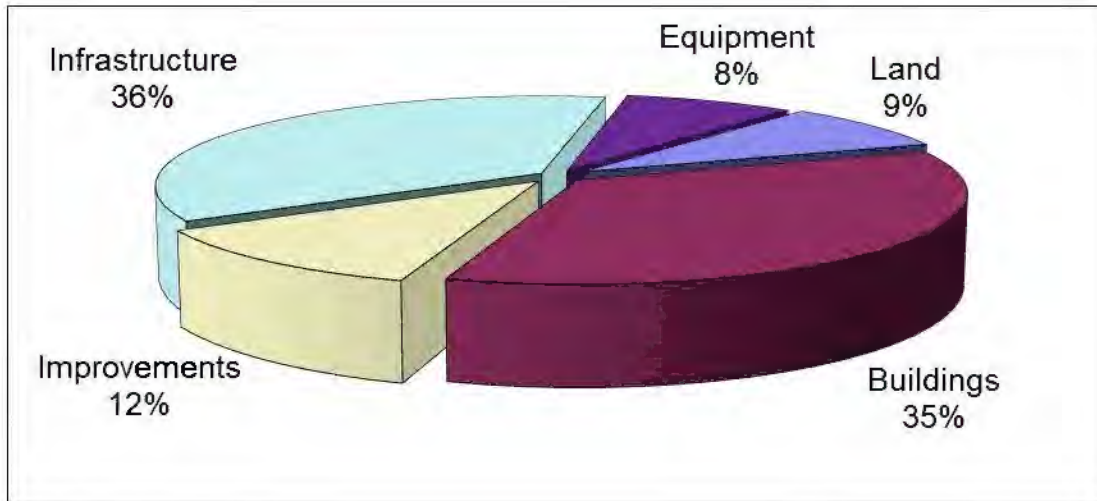
### Governmental Activities

- Stormwater, street and traffic and sidewalk capital projects \$4,759,582
- Athletic facility, resource center and park improvements \$7,026,878
- Parks and Recreation vehicles & equipment \$626,897
- Fire vehicles and equipment \$653,653
- Police vehicles and equipment \$1,525,292
- Public Works vehicles and equipment \$509,528

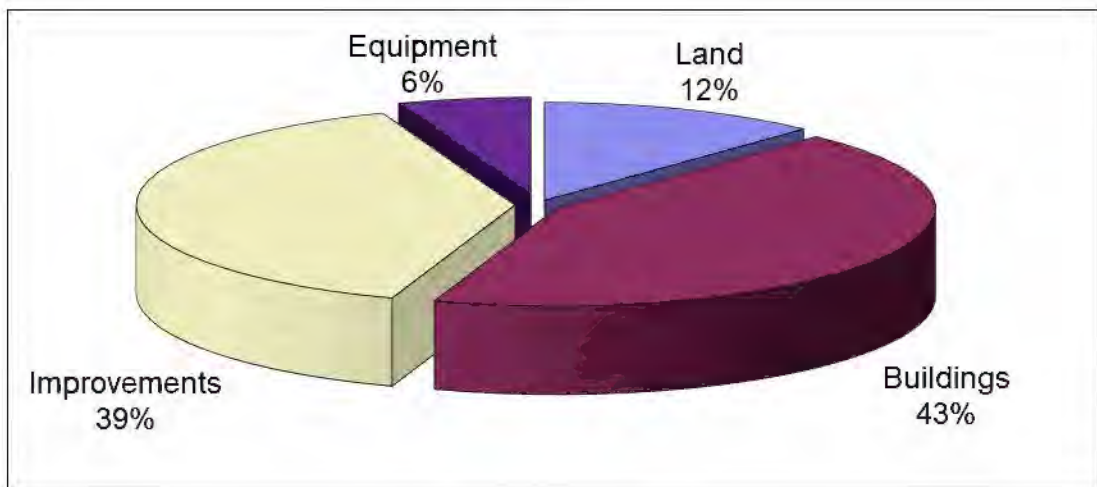
### Business-type Activities

- Pensacola Energy natural gas utility improvements \$5,525,130
- Pensacola Energy large equipment \$449,537
- Pensacola Energy vehicles \$52,046
- Sanitation garbage trucks \$198,215
- Port equipment \$176,139
- Port warehouse improvements \$1,195,320
- Port Cathodic Protection Improvements \$510,752
- Airport vehicles \$127,495
- Airport customs & border protection building and equipment \$5,071,683
- Airport VT Hanger and improvements \$60,954,601
- Airport baggage handling system \$220,204
- Airport AOC communication upgrades \$271,322
- Technology Resources network equipment \$368,979
- Engineering vehicles \$78,118

**Governmental Activities  
Capital Assets net of depreciation**



**Business-type Activities  
Capital Assets net of depreciation**



Additional details about the City's capital assets can be found in Section III, C, of the Notes of this report. The City has two capital plans. The first is required by Florida's growth management legislation and is an element of the City's comprehensive plan. The second is a broader plan and covers all infrastructure needs of the City. This plan is two-part; the first is transportation funded by the Local Option Gasoline Tax (LOGT) and stormwater funded with a transfer from the General Fund totaling up to \$2,735,000. The second is referred to as the LOST IV Plan and is funded by LOST collections. Additional details of the capital plans are available in the City's annual budget which is available on the City's website.

**Long-term Debt.** At the end of fiscal year 2023, the City had total non-self-supporting bonded debt of \$85,148,180 and self-supporting bonded debt of \$42,056,000. Governmental activities have notes payable in the amount of \$85,148,180 and Business-type activities have notes payable in the amount of \$42,056,000. The City has no general obligation debt.

The City does not borrow for operating needs. All of its outstanding long-term indebtedness is for capital needs only. The direct debt per capita (population 53,876) as of September 30, 2023 is as follows:

Local Option Sales Tax Debt	\$ 14,412,000	Per capita \$	268
Local Option Gas Tax Debt	5,924,000	Per capita	110
Eastside Redevelopment Area Debt	988,000	Per capita	18
Westside Redevelopment Area Debt	3,087,000	Per capita	57
Urban Core Redevelopment Area Debt	60,737,180	Per capita	1,127
<b>Total</b>	<u>\$ 85,148,180</u>		<u>\$ 1,580</u>

The Local Option Sales Tax Debt is supported by local option sales tax collections and is payable through October 2028.

The Local Option Gas Tax Debt is supported by local option gasoline tax collections. On July 23, 2015 the Board of County Commissioners extended the Six-Cent Local Option Gasoline Tax (LOGT) for an additional 10 years and four months beginning September 1, 2016 through December 31, 2026. In the event that LOGT is insufficient to pay debt service, the loan is furthered secured by a covenant to budget and appropriate from the City’s non-ad valorem revenues and is payable through 2026.

The Eastside Redevelopment Area Debt is supported by Tax Increment Revenues derived from the Eastside Redevelopment Area and in the event that these revenues are insufficient to pay debt service, the loan is furthered secured by the Local Business Tax and is payable through 2037.

The Westside Redevelopment Area Debt is supported by Tax Increment Revenues derived from the Westside Redevelopment Area and in the event that these revenues are insufficient to pay debt service, the loan is furthered secured by the Local Business Tax and is payable through 2037.

The Urban Core Redevelopment Area Debt is supported by Tax Increment Revenues derived from the Urban Core Redevelopment Area and in the event that these revenues are insufficient to pay debt service, the loan is furthered secured by certain non-ad valorem revenues budgeted and appropriated therefore pursuant to a Covenant to Budget and Appropriate and is payable through 2043.

All required principal and interest payments on outstanding debt were remitted timely and in full. The reserve requirements and deposits into the debt service funds mandated by the bond covenant remain funded at or above the prescribed levels at fiscal year-end.

As of September 30, 2023, the only bonded debt the City had outstanding were bank issued. Therefore, the ratings below will not be updated unless the City specifically request a review by one of the rating agencies.

On March 28, 2019 Fitch Ratings (“Fitch”) affirmed an implied general obligation rating for the City of “AA+” and on October 16, 2009 Standard & Poor’s Ratings Services (“Standard & Poor’s”) affirmed its “AA” on the City’s Issuer Credit Rating.

On October 17, 2017 Standard & Poor’s affirmed a long-term rating of “BBB”, on October 10, 2017 Fitch affirmed a rating of “BBB-” and on May 30, 2017 Moody’s Investors Service, Inc. (“Moody’s”) affirmed a long-term rating of “Baa1” on the City’s Airport Revenue Bonds. Standard & Poor’s and Fitch assigned a Positive outlook and Moody’s assigned Stable outlooks in conjunction with the ratings on the City’s Airport Revenue Bonds.

The fluctuations of the financial market and downgrades or potential downgrades of bond insurers’ ratings have had no material effect on principal and interest payments made by the City, or the City’s underlying bond ratings. All required principal and interest payments have been remitted timely and in full.

Additional detail about long-term debt can be found in the Notes to the Financial Statements; Note III, Long-term debt.

### **Economic Factors and Next Year’s Budgets and Rates**

The City’s fiscal year 2024 budget totals \$313,871,700. Of this, \$72 million is for the General Fund, \$144.3 million is for enterprise funds, and the remaining \$97.4 million is for various special revenue, debt service, capital projects, and internal services funds. The General Fund consists of governmental services such as general administration, public safety, parks and recreation, and public works. Enterprise Funds consist of a Utility Fund, Sanitation Fund, Port Fund and Airport Fund. These enterprise Funds are expected to be self-supporting, on a cash-flow basis, from user fees for services.

The General Fund is expected to see \$6.3 million in revenue growth. The estimated 12.35 percent growth in property valuations will amount to an additional \$2,411,200 in gross Property Tax revenue. After the required transfers to the Tax Increment Financing Districts, the net additional Property Tax Revenue is \$1,705,700. Franchise Fees and Public Service Tax Revenues are projected to increase 3.71% or \$691,00 in anticipation of a normal winter as well as the cost of energy. The Utility fund is expected to see \$1.9 million increase in budgeted revenues. The significant increase in revenues for fiscal year 2024 is due to anticipated increases in the cost of natural gas, thus increasing revenues as the cost of gas is passed onto the customer through rates and charges. The CPI increase for fiscal year 2024 is 5%, and an increase to the gas rates are anticipated for fiscal year 2024, however, the budget does not reflect an increase and any adjustments that may occur. The Sanitation Fund is expected to see \$320,000 increase in revenues. The majority of the increase is related to increase in rates and charges. The Port Fund is expected to see \$116,700 decrease in revenues. The decreased is based on historical trend information on vessel activity levels as well as current and prospective lease agreements. The

Airport Fund is expected to see \$7.6 million increase in revenues. Non-airline revenues such as restaurant and lounge, hanger/ground leases, parking lot, and rental car customer facility charge revenues are projected to increase to a total of \$4,818,000 due to the increase in passenger traffic through the Airport. Charges to the airlines such as loading Bridge fees, landing fees, apron area rentals, and airline rentals are projected to increase by \$2,906,000 based on the agreements with the airlines.

Personnel costs account for \$90,504,100 of the City's fiscal year 2024 budget (28.8%). The fiscal year 2024 budget includes various organizational improvements that include the addition of seven, bringing the total number of budgeted executive branch positions to 890. In addition to the new positions, the fiscal year 2024 budget provides a 3.0% increase for employees represented by AFSCME, a 4% for Police Officers and Police Sergeants, a 3% for Police Lieutenants. A three-year agreement with the Fire Union ended in fiscal year 2023 and negotiations are currently underway with the Fire Union. Once an agreement has been ratified by the City Council, a supplemental budget resolution will be brought before the City Council to appropriate the funds for the agreement with the Fire Union. For those employees not covered by a collective bargaining unit, a 3.0% based CPI pay adjustment as prescribed by the Human Resources Manual is included in the budget.

On June 09, 2010, the City Council approved Resolution No. 31-10 which established the Fund Balance Policy of Governmental Funds as well as committed the Council Reserves Fund Balance in the General Fund. On October 9, 2014, the City Council approved the same Council Reserve Policy by Ordinance, amending chapter 3-1 of the Code of the City of Pensacola, Florida; creating section 3-1-13. The Fund Balance Policy states that a minimum reserve of 20 percent of beginning adopted appropriations should be maintained in the General Fund as a Council Reserve. The minimum reserve was initially adopted as part of the Financial Planning and Administration Policy on July 23, 1998. The existing General Fund reserve balance (shown on the face of the financial statements as "Council Reserve") totaled \$14,398,521. The \$14.0 million balance represents 20% of fiscal year 2024 budgeted General Fund appropriations. This marks the sixteenth consecutive year the minimum reserve has been accomplished since the initial adoption of the reserve policy.

The City's financial policy states that non-recurring revenues should be used only to finance non-recurring expenditures. City Council revised the Financial Planning and Administration Policy in fiscal year 2007 to stipulate that the General Fund's maximum amount of appropriated beginning fund balance should not be more than three percent of budgeted revenues.

### **Request for Information**

This financial report is designed to provide a general overview of the City of Pensacola's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, PO Box 12910, Pensacola, Florida 32521. The City of Pensacola's website address is [www.cityofpensacola.com](http://www.cityofpensacola.com).



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## **BASIC FINANCIAL STATEMENTS**

**CITY OF PENSACOLA, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Improvement Board
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 25,912,806	\$ 27,136,790	\$ 53,049,596	\$ 343,037
Other cash	8,682		8,682	
Investments	27,917,808	32,478,105	60,395,913	
Accrued interest	2,071,623	113,373	2,184,996	
Receivables (net of allowances)				
Accounts	2,854,828	6,891,280	9,746,108	2,016
Demolition assessments	16,275		16,275	
Internal balances	42,371	(42,371)	-	
Due from other governments	6,769,604	6,764,314	13,533,918	
Inventory	1,530,809		1,530,809	
Lease receivable	188,509	1,356,984	1,545,493	
Prepays and deposits	382,445	211,493	593,938	16,049
Restricted assets				
Restricted cash and cash equivalents	5,145,331	34,559,413	39,704,744	
Investments	6,158,086	41,361,719	47,519,805	
Total current assets	78,999,177	150,831,100	229,830,277	361,102
<b>Noncurrent assets</b>				
Cash and cash equivalents	13,023,836		13,023,836	
Investments	15,587,309		15,587,309	
Intangible asset		88,019	88,019	
Note receivable	784,721		784,721	
Lease receivable	8,066,460	25,087,009	33,153,469	
Restricted assets				
Cash and cash equivalents	4,208,901	11,314,994	15,523,895	
Investments	5,037,335	13,542,117	18,579,452	
Capital assets				
Non-depreciable	37,534,192	42,595,470	80,129,662	
Depreciable (net)	231,399,913	281,227,747	512,627,660	109,634
Intangible right-to-use asset (net)	302,366	352,467	654,833	
Total noncurrent assets	315,945,033	374,207,823	690,152,856	109,634
Total assets	394,944,210	525,038,923	919,983,133	470,736
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on early retirement debt	127,086	455,322	582,408	
Deferred pension	62,458,350	16,249,654	78,708,004	
Deferred OPEB	1,609,703	618,171	2,227,874	
Total deferred outflows of resources	64,195,139	17,323,147	81,518,286	0

(continued)

The accompanying notes are an integral part of these financial statements.

**CITY OF PENSACOLA, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Improvement Board
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 1,481,425	\$ 2,876,100	\$ 4,357,525	\$ 18,813
Contracts payable	1,771,649	1,285,058	3,056,707	
Contracts payable - retainage	161,671	823,366	985,037	
Accrued interest payable	499	376	875	
Due to other governments	51,129	9,750	60,879	
Wages and benefits payable	3,213,701		3,213,701	
Compensated absences payable	617,576	799,105	1,416,681	
Deposits	357,673	277,204	634,877	
Claims and judgments payable	2,195,524		2,195,524	
Unearned revenue	9,876,658	34,194,535	44,071,193	5,000
Lease payable	64,691	11,161	75,852	
SBITA payable	47,236	101,442	148,678	
OPEB Liability	305,442	122,371	427,813	
Payable from restricted assets				
Due to other governments	1,300,000		1,300,000	
Bonds/Notes payable	5,724,612	4,777,000	10,501,612	
Accrued interest payable	1,237,336	686,193	1,923,529	
Total current liabilities	28,406,822	45,963,661	74,370,483	23,813
<b>Noncurrent liabilities</b>				
Due to other governments	3,900,000		3,900,000	
Compensated absences payable	4,931,742	1,391,792	6,323,534	1,360
Claims and judgments payable	1,825,336		1,825,336	
Bonds/Notes payable	79,423,568	37,279,000	116,702,568	
Lease payable	95,044	271,447	366,491	
SBITA payable	48,681		48,681	
Net pension liability	110,785,910	30,043,580	140,829,490	
OPEB liability	7,588,707	2,904,669	10,493,376	
Total noncurrent liabilities	208,598,988	71,890,488	280,489,476	1,360
Total liabilities	237,005,810	117,854,149	354,859,959	25,173
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred gain on early retirement	292,299		292,299	
Deferred pension	4,268,947	430,468	4,699,415	
Deferred OPEB	9,064,530	3,562,609	12,627,139	
Leases	7,478,381	25,866,793	33,345,174	
Total deferred outflows of resources	21,104,157	29,859,870	50,964,027	0
<b>NET POSITION</b>				
Net investment in capital assets	197,105,128	282,278,975	479,384,103	109,634
Restricted for				
Capital projects	(1,619,390)		(1,619,390)	
Debt service	10,646,764	3,369,612	14,016,376	
Community redevelopment	6,382,928		6,382,928	
Federal housing program	2,179,251		2,179,251	
Other purposes	7,700,763		7,700,763	
Renewal and replacement		15,622,000	15,622,000	
Operations and maintenance		5,865,500	5,865,500	
Unrestricted	(21,366,062)	87,511,964	66,145,902	335,929
<b>Total net position</b>	\$ 201,029,382	\$ 394,648,051	\$ 595,677,433	\$ 445,563

The accompanying notes are an integral part of these financial statements.

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

<u>Function/Programs</u>	Program Revenues			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government</b>				
<b>Governmental activities:</b>				
General government	\$ 18,703,847	\$ 316,530	\$ 10,204,953	\$ 70,829
Public safety	47,513,896	3,877,867	151,760	23,883
Transportation	9,579,297	2,080,499	1,533,762	
Culture and recreation	17,947,317	2,941,634	1,312,480	937,021
Economic environment	19,906,544		19,073,425	101,958
Physical environment	8,444,383	3,142,705	3,976,428	107,580
Unallocated depreciation	1,638,021			
Interest on long-term debt	2,589,840			
Total governmental activities	126,323,145	12,359,235	36,252,808	1,241,271
<b>Business-type activities:</b>				
Utility	50,567,655	59,780,737		538,692
Sanitation	8,778,303	9,946,996		
Port	3,598,499	2,870,396		565,083
Airport	33,370,793	31,329,994		32,439,292
Total business-type activities	96,315,250	103,928,123	-	33,543,067
<b>Total primary government</b>	\$ 222,638,395	\$ 116,287,358	\$ 36,252,808	\$ 34,784,338
<b>Component unit:</b>				
Downtown Improvement Board	\$ 1,367,607	\$ 266,506	\$ 404,624	\$ -
Total component units	\$ 1,367,607	\$ 266,506	\$ 404,624	\$ -

(continued)

The accompanying notes are an integral part of these financial statements.

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

<u>Function/Programs</u>	<u>Net (Expenses) Revenue and Changes in Net Position</u>			<u>Component Unit</u>
	<u>Primary Government</u>			<u>Downtown Improvement Board</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
<b>Primary government</b>				
<b>Governmental activities:</b>				
General government	\$ (8,111,535)		\$ (8,111,535)	
Public safety	(43,460,386)		(43,460,386)	
Transportation	(5,965,036)		(5,965,036)	
Culture and recreation	(12,756,182)		(12,756,182)	
Economic environment	(731,161)		(731,161)	
Physical environment	(1,217,670)		(1,217,670)	
Unallocated depreciation	(1,638,021)		(1,638,021)	
Interest on long-term debt	(2,589,840)		(2,589,840)	
Total governmental activities	<u>(76,469,831)</u>		<u>(76,469,831)</u>	
<b>Business-type activities:</b>				
Utility		\$ 9,751,774	9,751,774	
Sanitation		1,168,693	1,168,693	
Port		(163,020)	(163,020)	
Airport		30,398,493	30,398,493	
Total business-type activities		<u>41,155,940</u>	<u>41,155,940</u>	
<b>Total primary government</b>	<u>(76,469,831)</u>	<u>41,155,940</u>	<u>(35,313,891)</u>	
<b>Component unit:</b>				
Downtown Improvement Board				\$ (696,477)
Total component units				
<b>General revenues:</b>				
Property taxes	21,873,778		21,873,778	681,801
Public service taxes	9,765,527		9,765,527	
Franchise fees	10,189,852		10,189,852	
Communication service tax	2,934,967		2,934,967	
Local business tax	938,060		938,060	
Local option gasoline tax	1,477,395		1,477,395	
Local option sales tax	12,194,355		12,194,355	
Unrestricted intergovernmental revenues	9,754,477		9,754,477	
Unrestricted investment earnings	2,265,910	4,181,440	6,447,350	
Insurance recoveries			-	
Gain on sale of capital asset	97,367	9,200	106,567	
Miscellaneous	226,811	915,681	1,142,492	10,053
<b>Transfers</b>	7,229,019	(7,229,019)	-	
<b>Overhead transfers</b>	2,822,500	(2,822,500)	-	
Total general revenues, transfers, and other items	<u>81,770,018</u>	<u>(4,945,198)</u>	<u>76,824,820</u>	<u>691,854</u>
<b>Special item- Parking Operations Transfer</b>			-	
<b>Change in net position</b>	<u>5,300,187</u>	<u>36,210,742</u>	<u>41,510,929</u>	<u>(4,623)</u>
<b>Net position at beginning of year</b>	<u>195,729,195</u>	<u>358,441,664</u>	<u>554,170,859</u>	<u>450,186</u>
Change in accounting principle - Implementation of GASB 96		<u>(4,355)</u>	<u>(4,355)</u>	
Net position at beginning of year, as restated	<u>195,729,195</u>	<u>358,437,309</u>	<u>554,166,504</u>	<u>450,186</u>
<b>Net position September 30, 2023</b>	<u>\$ 201,029,382</u>	<u>\$ 394,648,051</u>	<u>\$ 595,677,433</u>	<u>\$ 445,563</u>

The accompanying notes are an integral part of these financial statements.

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

	<u>General Fund</u>	<u>Housing Assistance Payments</u>	<u>American Rescue Plan Act Fund</u>	<u>Local Option Sales Tax Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 13,269,063	\$ 1,905,918	\$ 4,091,087		\$ 16,674,803	\$ 35,940,871
Other cash					8,682	8,682
Investments	14,726,965	339,501	4,896,332		19,956,893	39,919,691
Accrued interest	1,997,086				74,537	2,071,623
Accounts receivable (net of allowances)	1,829,563	367,495			360,815	2,557,873
Demolition assessments receivable	16,275					16,275
Due from other funds	1,727,890			820,389	354,966	2,903,245
Due from other governments	1,415,204				4,534,011	5,949,215
Prepays and deposits	58,739	1,032			25,731	85,502
Inventories					613	613
Notes receivable					784,721	784,721
Lease Receivable	5,305,403				2,949,566	8,254,969
Restricted assets						
Cash and cash equivalents	637,655	17,813		1,165,949	3,782,059	5,603,476
Investments	763,165	21,320		1,395,442	4,526,480	6,706,407
<b>Total assets</b>	<u>\$ 41,747,008</u>	<u>\$ 2,653,079</u>	<u>\$ 8,987,419</u>	<u>\$ 3,381,780</u>	<u>\$ 54,033,877</u>	<u>\$ 110,803,163</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,055,588	\$ 6,204	\$ 26,935	\$ 4,749	\$ 251,215	\$ 1,344,691
Contracts payable	281,708		108,971	823,443	461,069	1,675,191
Contracts payable - retainage					161,671	161,671
Due to other funds		92,234	15,951	277,530	828,766	1,214,481
Due to other governments	510	1,260			49,359	51,129
Compensated absences payable	122,590	6,288			24,697	153,575
Wages and benefits payable	3,213,701					3,213,701
Unearned revenue	867,875	346	8,835,562		147,875	9,851,658
Deposits	71,812				260,480	332,292
<b>Total liabilities</b>	<u>5,613,784</u>	<u>106,332</u>	<u>8,987,419</u>	<u>1,105,722</u>	<u>2,185,132</u>	<u>17,998,389</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	49,600	367,496			785,792	1,202,888
Related to leases	4,847,553				2,630,828	7,478,381
<b>Total deferred inflows of resources</b>	<u>4,897,153</u>	<u>367,496</u>	<u>-</u>	<u>-</u>	<u>3,416,620</u>	<u>8,681,269</u>

(continued)

The accompanying notes are an integral part of these financial statements.

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

	<u>General Fund</u>	<u>Housing Assistance Payments</u>	<u>American Rescue Plan Act Fund</u>	<u>Local Option Sales Tax Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>FUND BALANCE (DEFICITS)</b>						
Non-spendable	58,739	1,032			26,344	86,115
Restricted						
Saenger capital	323,788					323,788
Community development projects					16,867,897	16,867,897
Debt service payments				2,430,929	5,654,444	8,085,373
Other restricted	2,101,324	2,178,219	161,060	2,070,983	8,416,773	14,928,359
Committed						
Park purchases	22,316					22,316
Tree landscape	507,826					507,826
Council reserve	14,398,521					14,398,521
Other committed					6,767,470	6,767,470
Assigned	11,415,117				11,593,691	23,008,808
Unassigned	2,408,440		(161,060)	(2,225,854)	(894,494)	(872,968)
Total fund balances	<u>31,236,071</u>	<u>2,179,251</u>	<u>-</u>	<u>2,276,058</u>	<u>48,432,125</u>	<u>84,123,505</u>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 41,747,008</b>	<b>\$ 2,653,079</b>	<b>\$ 8,987,419</b>	<b>\$ 3,381,780</b>	<b>\$ 54,033,877</b>	

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Capital assets used in governmental activities are not financial resources to the governmental funds. The cost of the assets is \$456,462,083 and the accumulated depreciation is \$189,820,432. 266,641,651

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. 1,202,888

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 9,204,633

Net other post employment benefits (OPEB) liability, as required by Governmental Accounting Standards Statement No. 75, are not due and payable in the current period and therefore are not reported in the governmental funds. (14,100,032)

Net pension liability (NPL), as required by Governmental Accounting Standards Statement No. 68, is not due and payable in the current period and therefore is not reported in the governmental funds. (49,360,559)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Notes payable	(85,148,180)	
Deferred gain on refunding	(292,299)	
Deferred loss on early retirement	127,086	
Due to other governments	(5,200,000)	
Compensated absences	(4,931,742)	
Lease obligations	(233)	
Accrued interest payable	(1,237,336)	(96,682,704)

**Net position of governmental activities**

**\$ 201,029,382**

The accompanying notes are an integral part of these financial statements.

**CITY OF PENSACOLA, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>General Fund</b>	<b>Housing Assistance Payments</b>	<b>American Rescue Plan Act Fund</b>	<b>Local Option Sales Tax Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>						
Taxes	\$ 35,512,332	\$	\$	\$ 12,194,355	\$ 1,477,395	\$ 49,184,082
Licenses and permits	213,170				2,475,703	2,688,873
Franchise fees	10,189,852					10,189,852
Intergovernmental	9,754,477	17,773,970	2,873,525		15,384,518	45,786,490
Charges for services	1,922,388				6,940,900	8,863,288
Fines and forfeits	84,937				59,289	144,226
Assessments	15,239					15,239
Interest income	1,181,559	30,735		66,624	1,310,208	2,589,126
Donations	457,395				344,594	801,989
Other	698,142	100		46,179	9,945	754,366
<b>Total revenues</b>	<b>60,029,491</b>	<b>17,804,805</b>	<b>2,873,525</b>	<b>12,307,158</b>	<b>28,002,552</b>	<b>121,017,531</b>
<b>Expenditures:</b>						
<b>Current -</b>						
General government	8,288,972		1,387,336		4,988,333	14,664,641
Public safety	37,709,851			775,468	2,467,946	40,953,265
Transportation	3,382,408				1,866,913	5,249,321
Culture and recreation	8,782,589				3,454,820	12,237,409
Economic environment	460,285	18,459,501			706,879	19,626,665
Physical environment					6,141,812	6,141,812
Capital outlay	160,412	6,578	1,486,189	11,311,248	8,971,499	21,935,926
<b>Debt service -</b>						
Principal retirement				2,228,000	3,363,068	5,591,068
Interest				333,809	2,311,088	2,644,897
<b>Total expenditures</b>	<b>58,784,517</b>	<b>18,466,079</b>	<b>2,873,525</b>	<b>14,648,525</b>	<b>34,272,358</b>	<b>129,045,004</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,244,974</b>	<b>(661,274)</b>	<b>-</b>	<b>(2,341,367)</b>	<b>(6,269,806)</b>	<b>(8,027,473)</b>
<b>Other financing sources (uses):</b>						
Transfers in	8,000,000				13,029,094	21,029,094
Transfers (out)	(7,094,627)			(770,981)	(5,940,023)	(13,805,631)
Sale of capital assets	63,864					63,864
<b>Total other financing sources (uses)</b>	<b>969,237</b>	<b>-</b>	<b>-</b>	<b>(770,981)</b>	<b>7,089,071</b>	<b>7,287,327</b>
<b>Net Change in fund balances</b>	<b>2,214,211</b>	<b>(661,274)</b>	<b>-</b>	<b>(3,112,348)</b>	<b>819,265</b>	<b>(740,146)</b>
<b>Fund balances at beginning of year</b>	<b>29,021,860</b>	<b>2,840,525</b>	<b>-</b>	<b>5,388,406</b>	<b>47,612,860</b>	<b>84,863,651</b>
<b>Fund balances at end of year</b>	<b>\$ 31,236,071</b>	<b>\$ 2,179,251</b>	<b>\$ -</b>	<b>\$ 2,276,058</b>	<b>\$ 48,432,125</b>	<b>\$ 84,123,505</b>

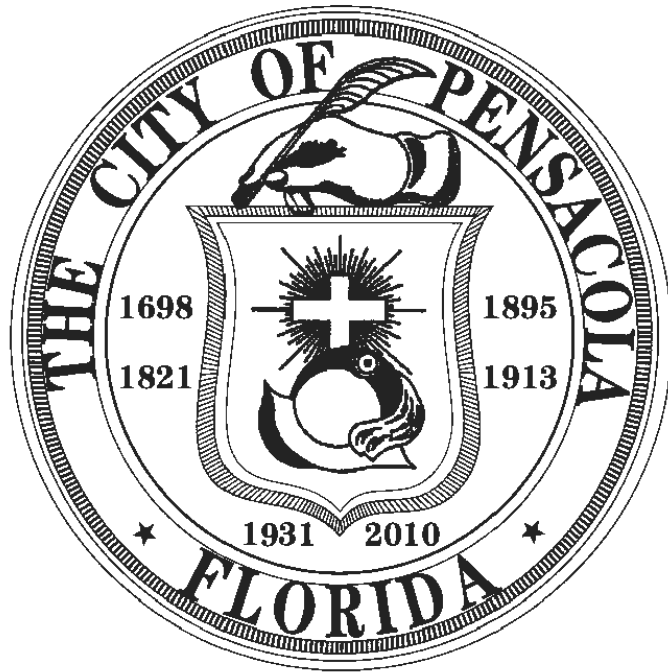
(continued)

The accompanying notes are an integral part of these financial statements.

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

	<b>Net change in fund balances - total governmental funds</b>		\$ (740,146)
	Amounts reported for governmental activities in the statement of activities are different because:		
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
	Expenditures for capital assets	21,935,926	
	Less current year depreciation	<u>(15,647,684)</u>	6,288,242
	Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		5,591,068
	Repayment of long-term amounts due to other governments are expenditures in the governmental funds, but the repayment reduces the liability in the statement of net position.		1,300,000
	Some revenues reported in the statement of activities do not provide current financial resources, therefore, those revenues are not reported as revenues in governmental funds.		38,048
	Compensated absences, reported in the statement of activities, does not require the use of current financial resources, therefore, it is not reported as an expenditure in governmental funds.		(151,181)
	Accrued interest expense, reported in the statement of activities, do not require the use of current financial resources in governmental funds.		55,057
	The change in annual other post employment benefits (OPEB) cost, as required by Governmental Accounting Standards Statement No. 75, does not require the use of current financial resources: therefore, the change is not reported as an expenditure in governmental funds.		1,060,530
	The change in leases, as required by Governmental Accounting Standards Statement No. 87, does not require the use of current financial resource; therefore, the change is not reported as an expenditure in governmental funds.		(679)
	The change in annual net pension liability (NPL) cost, as required by Governmental Accounting Standards Statement No. 68, does not require the use of current financial resource; therefore, the change is not reported as an expenditure in governmental funds.		(7,226,568)
	Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		(289,887)
	The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of capital assets disposed must be offset against the sale proceeds resulting in a gain/(loss) on sale of capital assets in the statement of activities. Donations of capital assets do not provide current financial resources to the governmental funds.		
	Net book value of capital assets disposed	(648,180)	
	Donations of capital assets	<u>23,883</u>	
			<u>(624,297)</u>
	<b>Change in net position of governmental activities</b>		<b>\$ 5,300,187</b>

The accompanying notes are an integral part of these financial statements.



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**CITY OF PENSACOLA, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Taxes	\$ 35,034,800	\$ 35,034,800	\$ 35,512,332	\$ 477,532
Licenses and permits	145,300	160,300	213,170	52,870
Franchise fees	9,372,000	9,372,000	10,189,852	817,852
Intergovernmental	8,801,400	8,801,400	9,754,477	953,077
Charges for services	1,663,800	2,222,695	1,922,388	(300,307)
Fines and forfeits	143,500	143,500	84,937	(58,563)
Assessments		100,000	15,239	(84,761)
Interest income	200,000	200,000	1,181,559	981,559
Donations		464,167	457,395	(6,772)
Other	475,000	525,000	698,142	173,142
Total revenues	<u>55,835,800</u>	<u>57,023,862</u>	<u>60,029,491</u>	<u>3,005,629</u>
<b>Expenditures:</b>				
Current -				
General government	8,406,100	10,940,850	8,288,972	2,651,878
Public safety	37,857,500	38,796,390	37,709,851	1,086,539
Transportation	3,384,800	5,317,126	3,382,408	1,934,718
Culture and recreation	8,472,600	9,849,433	8,782,589	1,066,844
Economic environment	437,700	940,972	460,285	480,687
Human services	30,000	30,000		30,000
Capital outlay			160,412	(160,412)
Total expenditures	<u>58,588,700</u>	<u>65,874,771</u>	<u>58,784,517</u>	<u>7,090,254</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,752,900)</u>	<u>(8,850,909)</u>	<u>1,244,974</u>	<u>10,095,883</u>
<b>Other financing sources (uses):</b>				
Transfers in	8,000,000	8,000,000	8,000,000	-
Transfers (out)	(7,094,800)	(7,094,800)	(7,094,627)	173
Sale of capital assets	50,000	50,000	63,864	13,864
Total other financing sources (uses)	<u>955,200</u>	<u>955,200</u>	<u>969,237</u>	<u>14,037</u>
<b>Net change in fund balances</b>	<u>\$ (1,797,700)</u>	<u>\$ (7,895,709)</u>	<u>2,214,211</u>	<u>\$ 10,109,920</u>
<b>Fund balances at beginning of year</b>			<u>29,021,860</u>	
<b>Fund balances at end of year</b>			<u>\$ 31,236,071</u>	

The accompanying notes are an integral part of these financial statements.

**CITY OF PENSACOLA, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HOUSING ASSISTANCE PAYMENTS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive/(Negative)
	Original	Final		
<b>Revenues :</b>				
Intergovernmental	\$ 22,798,400	\$ 24,106,985	\$ 17,773,970	\$ (6,333,015)
Interest income			30,734	30,734
Other	22,000	22,000	100	(21,900)
Total revenues	22,820,400	24,128,985	17,804,804	(6,324,181)
<b>Expenditures :</b>				
Current -				
Economic environment	23,098,400	24,392,737	18,459,501	5,933,236
Capital outlay	29,000	120,097	6,578	113,519
Total expenditures	23,127,400	24,512,834	18,466,079	6,046,755
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(307,000)	(383,849)	(661,275)	(277,426)
<b>Net change in fund balances</b>	\$ (307,000)	\$ (383,849)	(661,275)	\$ (277,426)
<b>Fund balances at beginning of year</b>			2,840,526	
<b>Fund balances at end of year</b>			\$ 2,179,251	

The accompanying notes are an integral part of these financial statements.

**CITY OF PENSACOLA, FLORIDA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**AMERICAN RESCUE PLAN ACT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive/(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$	11,709,093	\$ 2,873,525	\$ (8,835,568)
Total revenues	-	11,709,093	2,873,525	(8,835,568)
<b>Expenditures:</b>				
Current -				
General government		6,118,357	1,387,336	4,731,021
Capital outlay		5,590,736	1,486,189	4,104,547
Total expenditures	-	11,709,093	2,873,525	8,835,568
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
<b>Other financing sources (uses):</b>				
Transfers (out)				-
Total other financing sources (uses)	-	-	-	-
<b>Net change in fund balances</b>	<b>\$</b>	<b>-</b>	<b>-</b>	<b>\$ -</b>
<b>Fund balances at beginning of year</b>			-	
<b>Fund balances at end of year</b>			<b>\$ -</b>	

The accompanying notes are an integral part of these financial statements.

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

	<u>Utility Fund</u>	<u>Sanitation Fund</u>	<u>Port Fund</u>	<u>Airport Fund</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	\$ 9,607,711	\$ 996,333	\$ 1,723,039	\$ 14,809,707	\$ 27,136,790	\$ 2,995,771
Investments	11,498,791	1,192,440	2,062,183	17,724,691	32,478,105	3,585,426
Interest receivable			76,041	37,332	113,373	
Accounts receivable (net)	2,809,901	781,812	314,457	2,985,110	6,891,280	296,955
Due from other funds	670,000				670,000	
Due from other governments	88,430		338,532	6,337,352	6,764,314	
Prepaid expenses	90,484	1,630	28,776	90,603	211,493	296,943
Inventory					-	1,530,196
Lease receivable			351,653	1,005,331	1,356,984	
Restricted assets						
Cash and cash equivalents	902,361	394,875		33,262,177	34,559,413	
Investments	1,079,972	472,599		39,809,148	41,361,719	
Total current assets	<u>26,747,650</u>	<u>3,839,689</u>	<u>4,894,681</u>	<u>116,061,451</u>	<u>151,543,471</u>	<u>8,705,291</u>
<b>Noncurrent assets</b>						
Intangible asset	88,019				88,019	
Lease receivable			7,345,471	17,741,538	25,087,009	
Restricted assets						
Cash and cash equivalents				11,314,994	11,314,994	3,750,756
Investments				13,542,117	13,542,117	4,489,014
Capital assets						
Non-depreciable	989,728	41,093	1,932,098	39,632,551	42,595,470	
Depreciable (net)	73,673,008	5,041,128	12,625,629	189,887,982	281,227,747	2,292,454
Intangible right-to-use asset (net)	304,973	47,494			352,467	142,562
Total noncurrent assets	<u>75,055,728</u>	<u>5,129,715</u>	<u>21,903,198</u>	<u>272,119,182</u>	<u>374,207,823</u>	<u>10,674,786</u>
Total assets	<u>101,803,378</u>	<u>8,969,404</u>	<u>26,797,879</u>	<u>388,180,633</u>	<u>525,751,294</u>	<u>19,380,077</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred loss on early retirement				455,322	455,322	
Deferred pension	7,589,428	3,476,408	632,966	4,550,852	16,249,654	3,267,555
Deferred OPEB	338,086	115,693	26,496	137,896	618,171	121,524
Total deferred outflows of resources	<u>7,927,514</u>	<u>3,592,101</u>	<u>659,462</u>	<u>5,144,070</u>	<u>17,323,147</u>	<u>3,389,079</u>

(continued)

The accompanying notes are an integral part of these financial statements.

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

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities- Internal Service Funds</b>
	<b>Utility Fund</b>	<b>Sanitation Fund</b>	<b>Port Fund</b>	<b>Airport Fund</b>	<b>Total Enterprise Funds</b>	
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Accounts payable	2,176,995	125,803	36,343	536,959	2,876,100	136,734
Contracts payable	163,046	2,852	74,924	1,044,236	1,285,058	96,458
Contracts payable - retainage				823,366	823,366	
Accrued interest payable	376				376	197
Due to other funds	315,337	132,742	23,681	240,611	712,371	826,004
Due to other governments			9,750		9,750	
Compensated absences payable	6,412		108,321	684,372	799,105	464,001
Claims and judgments payable					-	2,195,524
Unearned revenue	40,182			34,154,353	34,194,535	25,000
Lease payable	11,161				11,161	
SBITA payable	56,514	44,928			101,442	47,236
Deposits			27,293	249,911	277,204	25,381
OPEB Liability	62,157	24,280	4,856	31,078	122,371	26,708
Payable from restricted assets						
Notes payable	1,905,000			2,872,000	4,777,000	
Accrued interest payable	77,332			608,861	686,193	
Total current liabilities	<u>4,814,512</u>	<u>330,605</u>	<u>285,168</u>	<u>41,245,747</u>	<u>46,676,032</u>	<u>3,843,243</u>
<b>Noncurrent liabilities</b>						
Compensated absences payable	968,834	422,958			1,391,792	
Claims and judgments payable					-	1,825,336
Notes payable	5,946,000			31,333,000	37,279,000	
Lease payable	271,447				271,447	
SBITA payable					-	48,681
Net pension liability	13,845,948	6,775,648	1,238,517	8,183,467	30,043,580	6,429,844
OPEB liability	1,564,560	539,790	131,282	669,037	2,904,669	592,163
Total noncurrent liabilities	<u>22,596,789</u>	<u>7,738,396</u>	<u>1,369,799</u>	<u>40,185,504</u>	<u>71,890,488</u>	<u>8,896,024</u>
Total liabilities	<u>27,411,301</u>	<u>8,069,001</u>	<u>1,654,967</u>	<u>81,431,251</u>	<u>118,566,520</u>	<u>12,739,267</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred pension	110,015	157,566	13,376	149,511	430,468	73,659
Deferred OPEB	1,841,484	702,359	133,889	884,877	3,562,609	751,597
Leases			6,829,848	19,036,945	25,866,793	
Total deferred outflows of resources	<u>1,951,499</u>	<u>859,925</u>	<u>6,977,113</u>	<u>20,071,333</u>	<u>29,859,870</u>	<u>825,256</u>
<b>NET POSITION</b>						
Net investment in capital assets	66,865,606	5,084,787	14,557,727	195,770,855	282,278,975	2,339,099
Restricted						
Debt service				3,369,612	3,369,612	
Renewal and replacement				15,622,000	15,622,000	
Operations and maintenance				5,865,500	5,865,500	
Unrestricted	13,502,486	(1,452,208)	4,267,534	71,194,152	87,511,964	6,865,534
<b>Total net (deficit) position</b>	<u>\$ 80,368,092</u>	<u>\$ 3,632,579</u>	<u>\$ 18,825,261</u>	<u>\$ 291,822,119</u>	<u>\$ 394,648,051</u>	<u>\$ 9,204,633</u>

The accompanying notes are an integral part of these financial statements.

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

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities- Internal Service Funds</b>
	<b>Utility Fund</b>	<b>Sanitation Fund</b>	<b>Port Fund</b>	<b>Airport Fund</b>	<b>Total</b>	
<b>Operating revenues:</b>						
Charges for services	\$ 59,780,737	\$ 9,946,996	\$ 2,870,396	\$ 31,329,994	\$ 103,928,123	\$ 6,508,105
Insurance					-	19,063,477
Fines and forfeits		48,970			48,970	
Other	429,761	109,240	294,591	33,119	866,711	18,276
Total operating revenues	<u>60,210,498</u>	<u>10,105,206</u>	<u>3,164,987</u>	<u>31,363,113</u>	<u>104,843,804</u>	<u>25,589,858</u>
<b>Operating expenses:</b>						
Gas purchases	31,114,551				31,114,551	
Salaries and employee benefits	7,855,419	4,108,992	1,142,753	7,192,078	20,299,242	4,946,376
Materials and supplies	1,728,432	560,302	31,102	356,630	2,676,466	135,610
Repairs and maintenance	762,671	1,270,758	213,263	1,892,529	4,139,221	140,319
Contractual services	4,085,064	448,912	283,143	6,728,987	11,546,106	1,455,232
Office and utilities	1,715,014	625,282	796,585	3,865,186	7,002,067	607,543
Land fill fees	192	1,030,520			1,030,712	
Overhead allocation	1,215,200	627,200	240,700	739,400	2,822,500	
Premiums and claims expense					-	18,725,567
Total operating expenses before depreciation and amortization	<u>48,476,543</u>	<u>8,671,966</u>	<u>2,707,546</u>	<u>20,774,810</u>	<u>80,630,865</u>	<u>26,010,647</u>
Operating income (loss) before depreciation and amortization	11,733,955	1,433,240	457,441	10,588,303	24,212,939	(420,789)
Depreciation and amortization	3,129,712	730,945	1,131,653	12,057,036	17,049,346	302,945
<b>Operating income (loss)</b>	<u>8,604,243</u>	<u>702,295</u>	<u>(674,212)</u>	<u>(1,468,733)</u>	<u>7,163,593</u>	<u>(723,734)</u>
<b>Nonoperating revenues (expenses):</b>						
Investment interest	619,224	70,412	331,415	3,160,389	4,181,440	394,985
Interest expense	(165,084)	(2,592)		(1,278,347)	(1,446,023)	(197)
Amortization of bond expense	(11,516)				(11,516)	
Gain (loss) on disposal of capital assets	4,023			5,177	9,200	33,503
Total nonoperating revenues (expenses)	<u>446,647</u>	<u>67,820</u>	<u>331,415</u>	<u>1,887,219</u>	<u>2,733,101</u>	<u>428,291</u>
Income (loss) before contributions and transfers	<u>9,050,890</u>	<u>770,115</u>	<u>(342,797)</u>	<u>418,486</u>	<u>9,896,694</u>	<u>(295,443)</u>
<b>Contributions and transfers:</b>						
Contributions						
Federal and state grants	538,692		54,331	22,851,150	23,444,173	
Passenger facility charge				5,257,691	5,257,691	
Passenger facility charge - Interest				459,542	459,542	
Contributed capital (to) from other funds			510,752		510,752	
Donations				3,870,909	3,870,909	
Transfers in (out)	(8,000,000)		28,320	742,661	(7,229,019)	5,556
Total contributions and transfers	<u>(7,461,308)</u>	<u>-</u>	<u>593,403</u>	<u>33,181,953</u>	<u>26,314,048</u>	<u>5,556</u>
<b>Change in net position</b>	<u>1,589,582</u>	<u>770,115</u>	<u>250,606</u>	<u>33,600,439</u>	<u>36,210,742</u>	<u>(289,887)</u>
<b>Net position at beginning of year</b>	<u>78,793,423</u>	<u>2,851,906</u>	<u>18,574,655</u>	<u>258,221,680</u>	<u>358,441,664</u>	<u>9,494,520</u>
Implementation of GASB 96	(14,913)	10,558			(4,355)	
Net position at beginning of year, as restated	<u>78,778,510</u>	<u>2,862,464</u>	<u>18,574,655</u>	<u>258,221,680</u>	<u>358,437,309</u>	<u>9,494,520</u>
<b>Net position at end of year</b>	<u>\$ 80,368,092</u>	<u>\$ 3,632,579</u>	<u>\$ 18,825,261</u>	<u>\$ 291,822,119</u>	<u>\$ 394,648,051</u>	<u>\$ 9,204,633</u>

The accompanying notes are an integral part of these financial statements.

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

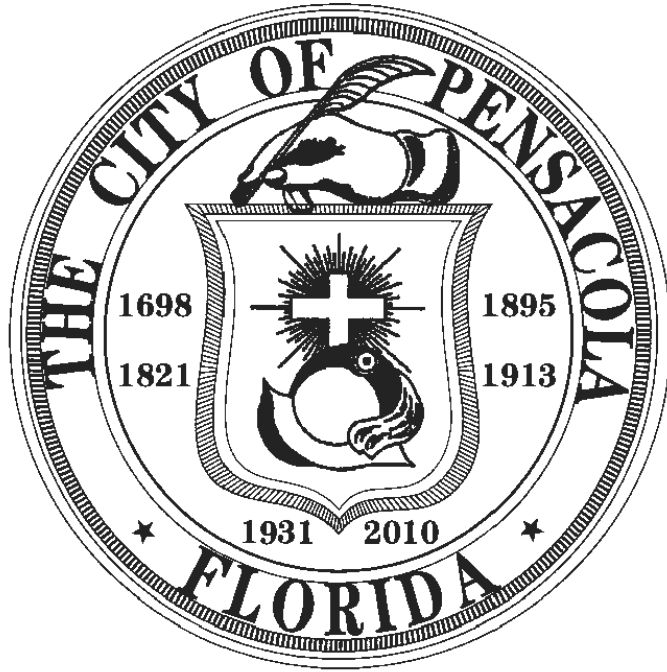
	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Utility Fund	Sanitation Fund	Port Fund	Airport Fund	Total	
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 64,528,501	\$ 10,025,031	\$ 3,138,272	\$ 29,889,353	\$ 107,581,157	\$ 20,989,178
Cash received from other funds					-	4,461,198
Cash payments to suppliers for goods and services	(44,230,803)	(4,485,820)	(1,596,183)	(14,154,174)	(64,466,980)	(20,705,616)
Cash payments to employees for services	(6,999,520)	(3,835,110)	(1,026,515)	(6,215,136)	(18,076,281)	(4,293,651)
Net cash provided by (used for) operating activities	<u>13,298,178</u>	<u>1,704,101</u>	<u>515,574</u>	<u>9,520,043</u>	<u>25,037,896</u>	<u>451,109</u>
<b>Cash flows from noncapital financing activities:</b>						
Advance from (to) other funds					-	
Due (from) to other funds					-	
Net transfers	(8,000,000)				(8,000,000)	
Net cash provided by (used for) noncapital financing activities	<u>(8,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,000,000)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>						
Acquisition of capital assets	(5,777,519)	(198,215)	(134,907)	(4,115,464)	(10,226,105)	(595,018)
Acquisition of capital assets with grant monies					-	
Proceeds from sale of assets	4,023			5,177	9,200	5,556
Contributions from other governments	538,691		63,301	31,171,741	31,773,733	
Contributions from customers				11,620,627	11,620,627	
Principal paid on capital debt	(1,868,000)			(2,776,000)	(4,644,000)	
Interest paid on capital debt	(173,065)			(1,260,695)	(1,433,760)	
Interest payments on lease/SBITA		(2,592)			(2,592)	(197)
Payments from leasing activities	(10,420)		237,615	553,544	780,739	
Proceeds from note receivable	122,589				122,589	
Net cash provided by (used for) capital and related financing activities	<u>(7,163,701)</u>	<u>(200,807)</u>	<u>166,009</u>	<u>35,198,930</u>	<u>28,000,431</u>	<u>(589,659)</u>
<b>Cash flows from investing activities:</b>						
Sale (purchase) of investments	(2,552,615)	(1,054,228)	(822,120)	(36,823,255)	(41,252,218)	(2,073,809)
Sale (purchase) of intangible asset						
Interest on investments	619,224	70,412	93,799	2,606,845	3,390,280	394,985
Net cash provided by (used for) investing activities	<u>(1,933,391)</u>	<u>(983,816)</u>	<u>(728,321)</u>	<u>(34,216,410)</u>	<u>(37,861,938)</u>	<u>(1,678,824)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(3,798,914)</u>	<u>519,478</u>	<u>(46,738)</u>	<u>10,502,563</u>	<u>7,176,389</u>	<u>(1,817,374)</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>14,308,986</u>	<u>871,730</u>	<u>1,769,777</u>	<u>48,884,314</u>	<u>65,834,807</u>	<u>8,563,901</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 10,510,072</u>	<u>\$ 1,391,208</u>	<u>\$ 1,723,039</u>	<u>\$ 59,386,877</u>	<u>\$ 73,011,196</u>	<u>\$ 6,746,527</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF PENSACOLA, FLORIDA**  
**RECONCILIATION OF OPERATING INCOME (LOSS)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Business-type Activities - Enterprise Funds</u>					<u>Governmental Activities- Internal Service Funds</u>
	<u>Utility Fund</u>	<u>Sanitation Fund</u>	<u>Port Fund</u>	<u>Airport Fund</u>	<u>Total</u>	
<b>Operating income (loss)</b>	\$ 8,604,243	\$ 702,295	\$ (674,212)	\$ (1,468,733)	\$ 7,163,593	\$ (723,734)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>						
Depreciation	3,129,712	730,945	1,131,653	12,057,036	17,049,346	302,945
<b>Change in assets and liabilities:</b>						
(Increase) decrease in accounts receivable	4,769,499	(16,069)	62,324	(1,238,827)	3,576,927	35,234
(Increase) decrease in inventory					-	156,494
(Increase) decrease in due from other funds	160,000				160,000	1,513
(Increase) decrease in prepaid expense	(10,291)	(274)	(4,616)	(15,723)	(30,904)	(15,240)
(Increase) decrease in lease receivable			328,822	(8,315,524)	(7,986,702)	
Increase (decrease) in accounts payable	(3,530,767)	54,769	(15,032)	(367,210)	(3,858,240)	38,309
Increase (decrease) in contracts payable	(13,028)	2,372	(15,422)	(72,749)	(98,827)	(13,189)
Increase (decrease) in due to other funds	(78,557)	7,059	(2,970)	50,327	(24,141)	(137,843)
Increase (decrease) in deposits			24,143	(37,053)	(12,910)	10,284
Increase (decrease) in claims and judgments					-	229,056
Increase (decrease) in deferred revenue	(495,114)				(495,114)	(25,000)
Increase (decrease) in lease payable	(10,397)				(10,397)	
Increase (decrease) in SBITA	(58,224)	(43,819)			(102,043)	(49,964)
Increase (decrease) in compensated absences	62,705	(25,744)	(23,852)	71,565	84,674	134,537
Increase (decrease) in lease deferred inflow			(438,325)	8,117,644	7,679,319	
Increase (decrease) in net OPEB obligation	(236,495)	(92,381)	(18,475)	(118,247)	(465,598)	(101,618)
Increase (decrease) in net pension liability	1,004,892	384,948	161,536	857,537	2,408,913	609,325
<b>Net cash provided by (used for) operating activities:</b>	<u>\$ 13,298,178</u>	<u>\$ 1,704,101</u>	<u>\$ 515,574</u>	<u>\$ 9,520,043</u>	<u>\$ 25,037,896</u>	<u>\$ 451,109</u>
<b>Noncash investing, capital, and financing activities:</b>						
	<u>Utility Fund</u>	<u>Sanitation Fund</u>	<u>Port Fund</u>	<u>Airport Fund</u>	<u>Total</u>	<u>Internal Service Funds</u>
Amortization of bond expense	\$ (11,516)			\$ 19,348	\$ 7,832	
Contribution of capital assets (to) from other funds			510,752		510,752	
Gain (loss) on disposal of capital assets				(11,424)	(11,424)	

The accompanying notes are an integral part of these financial statements.



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

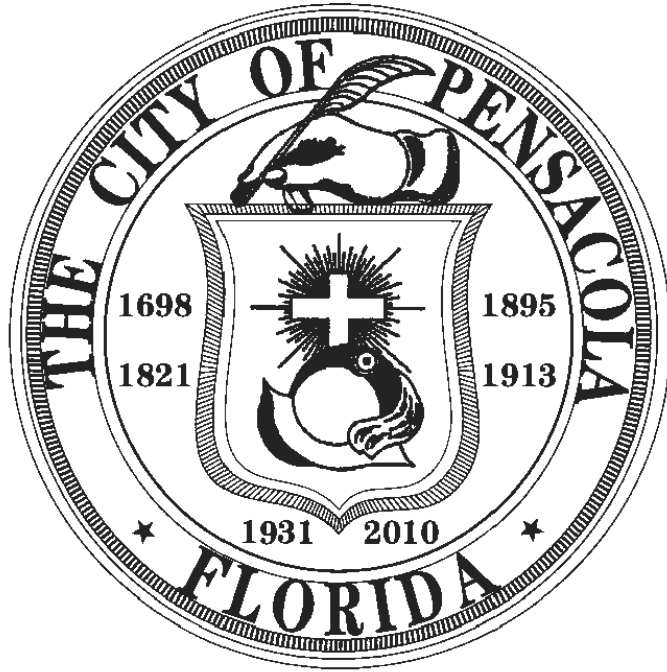
		<b>Total Pension Trust Funds</b>
<b>ASSETS</b>		
Other cash	\$	<u>9,281,306</u>
<b>Receivables:</b>		
Employer		617
Employee		48,532
Due from other governments		<u>285,455</u>
Total receivables		<u>334,603</u>
<b>Investments:</b>		
Short term investments		5,408,938
Debt Securities & Bond Mutual Funds		61,671,764
Convertible Corporate Bonds		26,116,881
Stock Mutual Funds		27,186,984
Mortgage Backed Securities		56,966,913
Commingled Trust Fund		8,208,437
Domestic Stocks		132,286,293
Preferred Stocks		388,173
Foreign Stocks		<u>43,637,264</u>
Total investments		<u>361,871,647</u>
<b>Total assets</b>	<b>\$</b>	<b><u>371,487,556</u></b>
 <b>LIABILITIES</b>		
Accounts payable	\$	<u>344,802</u>
Total liabilities		<u>344,802</u>
 <b>NET POSITION</b>		
Restricted for pension benefits	\$	<u>371,142,753</u>

The accompanying notes are an integral part of these financial statements.

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

		<b>Total Pension Trust Funds</b>
<b>Additions:</b>		
Contributions - city	\$	9,624,277
Contributions - employee		1,180,977
Commission recapture		1,449
Insurance proceeds - State of Florida		1,656,164
Total contributions		12,462,867
Investment income		
Net appreciation		
in fair value of investments		25,762,606
Interest and dividends		8,372,831
		34,135,437
Less investment expense		1,486,262
Net investment income		32,649,175
Total additions		45,112,042
<b>Deductions:</b>		
Pensions paid - employees		25,503,657
Pensions paid - widows		3,979,410
Pensions paid - children		7,574
Refunds to employees		143,226
Deferred retirement option plan		1,991,819
Health insurance assistance		95,228
Administrative expenses		406,936
Total deductions		32,127,850
<b>Change in net position</b>		<b>12,984,192</b>
<b>Net position held in trust for pension benefits:</b>		
<b>Beginning of year</b>		<b>358,158,561</b>
<b>End of year</b>	\$	<b>371,142,753</b>

The accompanying notes are an integral part of these financial statements.



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**NOTES TO**  
**FINANCIAL STATEMENTS**

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

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

**NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Pensacola (the “City”) have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. Statements and Interpretations of the GASB have been applied in the preparation of these financial statements.

**A. Reporting Entity**

The City operates under a Mayor-Council structure commonly referred to as a “Strong Mayor” form of government. With the Mayor-Council structure, the Council is the governing body of the City with all legislative powers of the City vested therein, which consisted of seven (7) Council Members, one (1) elected from each of the seven (7) election districts of the City. The Mayor is not a member of Council and does not have voting power. The Mayor is elected at large, has a 4-year term in office, will exercise the executive powers of the City and shall not be a member of Council. The Mayor’s term allows for a maximum of three consecutive four-year terms of office. With the Mayor-Council structure, the Mayor replaces the City Manager as the executive head of the City and shall appoint a City Administrator to assist in managing daily operations.

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

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

**Blended Component Unit**

**Community Redevelopment Agency (CRA)** - On September 25, 1980, the Pensacola City Council declared itself the CRA pursuant to the provisions of Chapter 163, Part III, Florida Statutes. This action, adopted by Resolution Number 55-80, also outlined the rights, powers, duties, privileges, and immunities invested in the seven-member City Council, acting as the CRA. The City Council selects a chair and a vice-chair from the seven members of the CRA and approves the annual operating budget.

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

**NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The CRA is considered a blended component unit since the CRA and City have the same governing body and management of the primary government has operational responsibility for the CRA. The CRA is reported as a special revenue fund of the City.

Florida Statute Section 163.387(8) requires an independent audit of the CRA each fiscal year. Audited financial statements of the CRA can be obtained by contacting the City's financial services department: City of Pensacola, 222 West Main Street, Pensacola, FL 32502.

**Discretely Presented Component Unit**

The component unit column in the combined financial statements includes the financial data of the City's discretely presented component unit. It is reported in a separate column to emphasize that it is legally separate from the City. The accounting policies of this discretely presented component unit are the same as those detailed for the City. The City's only discretely presented component unit is the Downtown Improvement Board.

**Downtown Improvement Board (DIB)** - The DIB was created in April 1972 by Chapter 72-655, Laws of Florida. The DIB is considered a component unit since the Mayor of the City appoints and the Council approves the five-member board. In addition, the City Council approves the budget of the Board, including the proposed millage rate. Audited financial statements of the DIB can be obtained from their administrative office: Downtown Improvement Board, Post Office Box 653, Pensacola, Florida 32593.

**Joint Ventures Excluded from the Reporting Entity**

The following joint ventures do not meet the criteria for inclusion in the City's financial statements since no financial benefit or burden exists, nor can the City impose its will on the entities.

**Escambia - Pensacola Human Relations Commission (HRC)** - Created by an interlocal agreement between the Escambia County Board of County Commissioners and the Pensacola City Council in 1974, pursuant to Florida Statutes, for the purpose of promoting fair treatment and equal opportunity to all citizens of the community. On March 7, 2019, the Escambia Board of County Commissioners passed an Ordinance to cease operations and reestablish the Human Relations Commission with a new board. The new Commission is composed of nine members: five selected by the Escambia County Board of County Commissioners and four selected by the City Council. The City does not control the financial operations of the Commission.

Complete financial statements of HRC can be obtained from their administrative office: Escambia Pensacola Human Relations Commission, 150 West Maxwell St., Pensacola, Florida, 32501.

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

**NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Summary financial statements including fiduciary funds of these entities are as follows:

**HRC  
Statement of Net Position  
September 30, 2023  
(Audited)**

Assets		\$	23,809
			<u>23,809</u>
Liabilities			<u>6,087</u>
Net Position:			
Restricted			-
Unrestricted			17,722
Total Net Position			<u>17,722</u>
Total Liabilities and Net Position		\$	<u>23,809</u>

**HRC  
Statement of Revenues, Expenses  
and Changes in Net Position  
for the Fiscal Year Ended September 30, 2023  
(Audited)**

Revenue		\$	188,415
Expenses			<u>184,996</u>
Excess of revenue over (under) expenses			<u>3,419</u>
Net position Beginning of Year			14,303
Net position at End of Year		\$	<u>17,722</u>

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

**NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Pensacola - Escambia County Promotion and Development Commission (PEDC)** - Created in 1967 by Chapter 67-1365, Laws of Florida, amended in 1989 by House Bill 984, for the purpose of promoting and developing tourism and industry in Escambia County and in the City of Pensacola. The nine-member board consists of representatives from the Escambia County Board of County Commissioners, the City of Pensacola City Council, the Town of Century, and the Greater Pensacola Chamber. Escambia County and the City of Pensacola each contribute to the operation and maintenance of the PEDC, but neither has control over the financial operations of the PEDC nor can it impose its will.

Complete financial statements of PEDC can be obtained from their administrative office: Pensacola - Escambia County Promotion and Development Commission, 3 West Garden Street, Ste 618, Pensacola, Florida, 32502.

Summary financial statements including fiduciary funds of these entities are as follows:

<b>PEDC</b>	
<b>Statement of Net Position</b>	
<b>September 30, 2023</b>	
<b>(Audited)</b>	
Assets	\$ <u>17,562,137</u>
Liabilities	<u>10,475,014</u>
Deferred inflows of resources	<u>2,264,926</u>
Net Position:	
Restricted	61,198
Unrestricted	<u>4,760,999</u>
Total Net Position	<u>4,822,197</u>
Total Liabilities and Net Position	\$ <u><u>17,562,137</u></u>

<b>PEDC</b>	
<b>Statement of Revenues, Expenses</b>	
<b>and Changes in Net Position</b>	
<b>for the Fiscal Year Ended September 30, 2023</b>	
<b>(Audited)</b>	

Revenue	\$ 1,300,158
Expenses	<u>1,046,224</u>
Excess of revenue over (under) expenses	<u>253,934</u>
Net position Beginning of Year	<u>4,568,263</u>
Net position at End of Year	\$ <u><u>4,822,197</u></u>

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

**NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The City's fiduciary funds are not presented in the government-wide financial statements since by definition, the assets cannot be used to address activities or obligations of the City (i.e., the assets are being held for the benefit of pension participants). The purpose of the government-wide financial statements is to provide a consolidated financial picture of all City activities. The internal service funds provide services to departments throughout the City; therefore, their direct expenses are eliminated functionally on the government-wide financial statements with the exception of internal payments that qualify as interfund services provided and used. Governmental activities, supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges to customers for support. Likewise, the primary government is reported separately from the discretely presented component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. The purpose of categorizing direct expenses according to function and revenues according to program is to provide an analysis of activities that are revenue sufficient and those that use the support of general revenues. Direct expenses are those expenses that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

Individual fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All other funds (nonmajor) are combined according to their category, governmental or business-type, and are reported in a single column. Combining statements for nonmajor funds are found in the Combining Financial Statements section.

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

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

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

**NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

Property taxes, franchise fees, public service taxes, communication service tax, local business tax, local option gasoline tax, local option sales tax, lease revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and therefore have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

The City reports the following major governmental funds:

General Fund - used to account for all financial resources except those required to be accounted for in another fund. All general property taxes, fines, property rentals and certain intergovernmental revenues are recorded in this fund. Typical expenditures are for administration, planning, parks and recreation, public works, and public safety.

Housing Assistance Payments - a special revenue fund that accounts for the proceeds awarded from federal and state agencies that are legally restricted to expenditures for specific purposes.

Local Option Sales Tax - a capital projects fund that accounts for the local option infrastructure sales surtax (pursuant to Florida Statutes 212.055) to provide for the construction of various infrastructure improvements including park and recreation improvements, street resurfacing and reconstruction, and payment of associated debt.

American Rescue Plan Act Fund - to account for federal monies received and expended for pandemic relief because of the Coronavirus virus.

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

**NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The City reports the following major proprietary funds:

Utility Fund – accounts for the assets, operation, and maintenance of the City-owned natural gas service.

Sanitation Fund – accounts for the assets, operation, and maintenance of the City-owned garbage and trash services.

Port Fund – accounts for the assets, operation, and maintenance of the City-owned port facility.

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

Additionally, the government reports the following fund types:

*Internal Service Funds* (ISF) account for services provided to various City departments on a cost reimbursement basis. The services provided include a central warehouse inventory, fleet maintenance, engineering, management information services, and a risk management (insurance) program. ISFs are reported as a governmental activity within the government-wide financial statements. Individual fund statements are provided in the Combining Financial Statements section.

*Fiduciary Funds* are trust funds that account for assets held by the City in a trustee capacity for individuals, other governmental units, and/or other funds and include the City's General, Firemen's, and Police Officers' pension funds. Fiduciary funds are not included in government-wide financial statements, however, a statement of net position and a statement of changes in net position are included as part of the basic financial statements with individual fund statements presented in the Combining Financial Statements section.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, and fines and forfeitures, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Those revenues not clearly defined as program revenues are categorized as general revenue. General revenues include resources such as taxes, franchise fees, interest, and sale of assets. As a general rule, the effect of interfund activity is eliminated from the government-wide financial statements.

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

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

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

**NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Assets, Liabilities, and Net Position or Equity**

**1. Cash and Cash Equivalents/Investments**

The City of Pensacola has defined *cash and cash equivalents* as cash held at a depository and cash on hand for operating purposes and those investments which are short term and highly liquid. Generally, those investments have original maturities of three (3) months or less. Cash equivalents normally consist of treasury bills, certificates of deposit, and money market funds.

All monies, which are not legally restricted to separate administration, are pooled together for investment purposes while each individual fund and/or account is maintained on a daily transaction basis. Investment earnings are distributed in accordance with the participating funds' relative equity.

**2. Investments**

All investments held by the City of Pensacola, including defined benefit pension plans and debt securities are reported at fair value.

The City is part of the Florida Cooperative Liquid Assets Securities System (FLCLASS), which is an independent local government investment pool authorized by Florida Statutes Section 218.415 and was created by an interlocal agreement by and among state public agencies (the Interlocal) as described in Florida Statutes Section 163.01, as amended. The investment pool is governed by a Board of Trustees and operates similar to a registered money market fund with the objective of maintaining a net asset value (NAV) of \$1.00 per share. The City's portion of the investment pool was valued at \$46,233,622 at the end of September 30, 2023.

**3. Interfund Receivables/Payables**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected as "due to/from other funds" for the current portion of the receivable/payable or as "advance to/from other funds" for the noncurrent portion of the receivable/payable. Government-wide financial statements eliminate transactions occurring within like-kind activities (i.e., governmental to governmental or business-type to business-type). The residual balance between activities is reported in the government-wide financial statements as "internal balances". Fund financial statements present the entire transaction on the balance sheet as "due to/from other funds" and/or "advance to/from other funds".

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

**NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**4. Inventories**

Inventories included in the internal service fund's General Stock Fund consist primarily of utility stores, automotive supplies, and fuel for purchase by City departments. Inventories included in the Golf Fund consist of inventories held for resale to the public. All inventories are accounted for by the consumption method and are valued at cost, which approximates market, using the first in, first out method. Appropriate allowances have been made for obsolete and surplus items.

**5. Prepaid Insurance**

The City of Pensacola accounts for property insurance premiums using the consumption method. Property insurance premiums for both governmental and enterprise funds are paid quarterly, with a term year beginning May 1<sup>st</sup> resulting in a prepaid insurance premium for the month of October.

**6. Restricted Assets**

Certain assets of both governmental and business-type activities are restricted by specific provisions of bond resolutions, grant agreements, agreements with outside parties or restricted by City Council or management for a specific purpose. Assets such as these are restricted since their use is limited.

**7. Capital Assets**

Capital assets, which include land, buildings, equipment, improvements other than buildings, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, works of art and similar items, and capital assets received in service concession arrangements are reported at acquisition value as of the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The City does not capitalize interest on borrowings used to finance the construction of general capital assets. Interest on capital assets is capitalized for proprietary funds; however, when the expense during construction is netted against the related income, the resulting amount is typically immaterial.

The Utility Fund reports intangible assets on the face of the financial statements of \$30,444 and \$57,575. The intangible asset is recorded as the excess of the purchase price over the fair market value of assets acquired and is amortized on a straight-line basis over an estimated useful life of forty years and ten years respectively.

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

**NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Buildings	15 - 50 years
Improvements other than buildings	15 - 50 years
Infrastructure	15 - 50 years
Machinery and equipment	3 - 10 years
Utility lines and extensions	40 - 50 years
Vehicles and heavy equipment	5 - 25 years

**8. Leases**

The City of Pensacola is a lessee for noncancellable leases of equipment and building. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and proprietary lease fund financial statements.

At the commencement of the lease, the City initially measures the lease liability at the present value of the 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 asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial costs. Subsequently, the lease asset is amortized on a straight-line basis over the term of the lease.

The City uses the interest rate charged by the lessor as the discount rate or its incremental borrowing rate as the discount rate for the leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price that the City will reasonably be certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

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

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

Payments due under the lease contracts include fixed payments. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

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

**NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- Amounts expected to be payable by the City under residual value guarantees.
- The exercise price of a purchase option if it is reasonably certain the option will be executed.
- Payments of penalties for terminating the lease, if the lease term reflects the City exercising that option.

The City is a lessor for noncancellable leases of land and buildings. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary fund, and governmental fund financial statements.

At the commencement of the lease, the City initially measures the lease receivable at the present value of the payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow 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 is recognized as revenue over the term of the lease.

The City uses its incremental borrowing rate as the discount rate for the leases.

The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are comprised of the following:

- Fixed payments (including in-substance fixed payments), plus variable payments from the lessee. For land and building leases that include variable payments, those payments include common area maintenance.
- Residual value guarantee payments that are fixed in substance.
- Any lease incentives.

Variable payments that depend on an index or a rate such as the Consumer Price Index or a market rate interest rate are initially measured using the index or market rate at the commencement of the lease.

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

**9. Subscription-Based Information Technology Arrangements (SBITAs)**

The City of Pensacola has several agreements which conveys control of the right to use another party's IT software. The City recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide and proprietary lease fund financial statements.

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

**NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

At the commencement of the agreement, the City initially measures the subscription liability at the present value of the payments expected to be made during the agreement term. Subsequently, the subscription liability is reduced by the principal portion of the payments made.

The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the SBITA commencement date. Subsequently, the subscription asset is amortized on a straight-line basis over the term of the agreement.

The City uses the interest rate charged by the vendor as the discount rate or its incremental borrowing rate as the discount rate for the SBITAs.

The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are comprised of fixed payments. In determining the subscription term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the subscription term if the SBITA is reasonably certain to be extended.

Payments due under the SBITA contracts include fixed payments. Assets and liabilities arising from a SBITA are initially measured on a present-value basis.

**10. Deferred outflows/inflows 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has two items that qualify for reporting in this category.

One is the deferred loss on early retirement reported in the proprietary statement of net position as well as the government-wide statement of net position. A deferred loss on early retirement results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is deferred charge on pension and/or Other Postemployment Benefits (OPEB) contributions made by the employer after the measurement date and changes in benefits, assumptions, and differences between actual and expected returns.

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

**NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has four items that qualify for reporting in this category. Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet.

The governmental funds report unavailable revenues from sources such as special assessments, lease receivables, and note receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The second is a deferred gain on early retirement reported in the proprietary statement of net position as well as the government-wide statement of net position. A deferred gain on early retirement results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The third is deferred pension and/or OPEB as well as pension and/or OPEB expenses as a result of changes in benefits, assumptions, and differences between actual and expected returns. The fourth is the deferred recognition of revenue that will be recognized over the life of the lease.

**11. Pensions**

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

**12. Compensated Absences**

It is the policy of the City to permit general employees to accumulate up to 500 hours of earned but unused leave benefits (Paid Time Off - PTO). Senior Executive Services (SES) employees may accumulate up to 600 hours of PTO plus 250 hours of retention leave. Fire employees may accumulate up to 720 hours of PTO.

Police sergeants, lieutenants, and captains may accumulate up to 500 hours PTO and police officers may accumulate up to 900 hours PTO. Employees who separate service in good standing can be paid the balance of their accrued PTO.

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

**NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Unpaid compensated absences are recorded as a liability when the benefits are earned in both the government-wide financial statements and proprietary fund financial statements. Governmental funds within the fund financial statements are not required to record a liability of accumulated amounts of unused leave benefits unless the payments are current liabilities and will be made in the following year.

**13. Bond Discounts, Issuance Cost, and Refunding Gains and Losses**

In the government-wide financial statements and proprietary 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.

Capital appreciation bonds are reported at their accreted value which is computed at the end of each fiscal year. Bond premiums and discounts, as well as prepaid insurance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed when paid. Bonds payable are reported net of the applicable bond premium or discount. Bond refunding gains and losses are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method. Bond refunding gains are presented as deferred inflows of resources while losses are presented as deferred outflows of resources.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs (whether or not withheld from the actual debt proceeds received), during the current period. The face amount of debt issued is 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.

**14. Fund Balance**

GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications are non-spendable, restricted, committed, assigned, and unassigned. Each classification reflects the nature and extent to which a restriction is placed upon fund balance.

**15. Net Position**

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

**Net Investment in Capital Assets** is intended to reflect the portion of net position, which is associated with non-liquid, capital assets less outstanding capital asset-related debt.

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

**NOTE I. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Restricted Net Position** are liquid assets (generated from revenues and net bond proceeds) which are not accessible for general use because of third-party (statutory, bond covenant or granting agency) limitations.

**Unrestricted Net Position** represents unrestricted assets.

**16. Method Used to Value Investments**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. By contract, an independent appraisal is obtained once every year to determine the fair market value of the real estate assets.

**17. New Accounting Pronouncements**

*GASB Statement No. 96*

In May 2020, the GASB issued Statement NO. 96, "Subscription-Based Information Technology Arrangements" (SBITAs). This statement requires certain subscription-based information technology arrangements to be recognized as an intangible right-to-use subscription asset and subscription liability for the government's non-cancellable right to control another party's IT software for a period of time. Implementation of the Statement occurred in the City's fiscal year ending September 30, 2023.

**NOTE II. – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**General Budget Policies**

In accordance with the City Charter, the Mayor prepares and submits the annual budget and capital program to City Council. Once the budget is adopted by City Council, budget amendments are administered in accordance with Chapter 166.241, Florida Statutes, and the procedure established in the Financial Planning and Administration Policy adopted by City Council Resolution.

The Budget Policies outlined in the Financial Planning and Administration Policy allow the Mayor (or designee) to authorize budget amendments if the total appropriations of the fund are not changed. Specifically, the Mayor (or designee) shall have the authority to transfer appropriations between expenditure categories and between departments or programmatic activities except that amounts appropriated for capital outlay cannot be transferred to any other expenditure category provided no transfer shall be made from the appropriations that are contrary to Florida Law. Further, management has established budgetary control within each fund at the line-item level.

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

**NOTE II. – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)**

Authorized staff within each department may request budget amendments between line items or between departments within a fund subject to final determination by the Finance Director as the Mayor’s designee.

Additionally, in accordance with Chapter 166.241, Florida Statutes, appropriations within a fund may only be decreased or increased by resolution with City Council approval. Expenditures for each fund may not legally exceed the total fund appropriation.

A legally adopted budget is employed as a control device for the General Fund, Special Revenue Funds, and Debt Service Funds. Enterprise, Capital Projects, and Internal Service Funds are budgeted on a limited non-GAAP basis for management control purposes.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Projects Funds. The budget for the subsequent year provides a re-appropriation of funds to complete transactions for outstanding encumbrances.

**NOTE III. - DETAIL NOTES ON ALL FUNDS**

**A. Deposits and Investments**

**1. Pension Funds**

The City’s pension funds contain investments in certain bonds that are actually mortgage-backed and asset-backed securities which could be classified as “derivative” investments under GASB Technical Bulletin No. 94-1. These securities are based on cash flows from interest and principal payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result in a decline of interest rates.

The City invests in interest and principal securities (a form of mortgage-backed and asset-backed securities) in part to maximize yields and in part to hedge against a rise in interest rates. These investments are within the investment policy guidelines for the pension funds.

**Interest Rate Risk.** The City’s General, Fire and Police Pension Plans each have funds invested in bond mutual funds. Each plan has its own investment policy, which restricts the investments that the mutual funds can hold. The policy limits the percentage of plan assets invested in bonds but does not place limits on the length of the maturities.

**Credit Risk.** The risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City’s General, Fire, and Police Pension Plans investment policies do not address restrictions on the credit risk of investments.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City’s retirement plans will not be able to recover the value of their investments that are in the possession of an outside party.

The Retirement Plans’ Board of Trustees has contracts with each of their money managers which include a requirement that coverage be provided to protect the City’s retirement plans from any losses incurred arising out of the money manager’s negligence. Therefore, the City does not have a custodial credit risk.

The General Pension and Retirement investment plan weighted average maturities, amounts and ratings are as follows:

<b>General Pension Investment</b>	<b>Weighted Average Maturity</b>	<b>Amount</b>	<b>Rating</b>
Short term investments	Current	\$ 2,591,558	N/A
Debt Securities & Bond Mutual Funds			
Corporate Bonds	4.58 years	4,304,204	A1 - A3
Corporate Bonds	5.27 years	12,108,984	Aaa
Corporate Bonds	4.27 years	303,072	Aa1 - Aa3
Corporate Bonds	4.60 years	4,760,145	Baa1 - Baa3
Corporate Bonds	2.37 years	1,768,747	Rating Unavailable
Convertible Corporate Bonds			
Corporate Bonds	1.59 years	75,150	A1 - A3
Corporate Bonds	1.75 years	157,216	Ba1 - Ba3
Corporate Bonds	2.78 years	731,377	Baa1 - Baa3
Corporate Bonds	1.94 years	198,891	Caa1-Caa3
Corporate Bonds	3.80 years	11,328,860	Rating Unavailable
Stock Mutual Funds	Current	4,331,939	N/A
Mortgage Backed Securities			
Mortgage Backed Securities	17.41 years	7,200,433	Aaa
Real Estate Investment Trust	Current	15,268,916	N/A
Domestic Stocks	Current	46,323,600	N/A
Commingled Trust Fund	Current	393,825	N/A
Preferred Stocks	Current	184,637	N/A
Foreign Stocks	Current	23,256,391	N/A
<b>Total General Pension Investments</b>		<b><u>\$ 135,287,945</u></b>	

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

The Firefighters' Relief and Pension investment plan weighted average maturities, amounts and ratings are as follows:

<b>Fire Pension</b>	<b>Weighted Average Maturity</b>	<b>Amount</b>	<b>Rating</b>
Short term investments	Current	\$ 2,374,798	N/A
Debt Securities & Bond Mutual Funds			
Corporate Bonds	4.44 years	3,564,642	A1 - A3
Corporate Bonds	5.27 years	10,066,523	Aaa
Corporate Bonds	4.27 years	216,612	Aa1 - Aa3
Corporate Bonds	4.60 years	3,380,721	Baa1 - Baa3
Corporate Bonds	2.37 years	1,221,131	Rating Unavailable
Bond Mutual Funds	Current	967,708	N/A
Convertible Corporate Bonds			
Corporate Bonds	1.59 years	80,160	A1 - A3
Corporate Bonds	5.25 years	166,057	Ba1-Ba3
Corporate Bonds	2.78 years	796,829	Baa1 - Baa3
Corporate Bonds	1.94 years	221,932	Caa1 - Caa3
Corporate Bonds	4.88 years	12,360,409	Rating Unavailable
Stock Mutual Funds	Current	22,855,045	N/A
Mortgage Backed Securities			
Mortgage Backed Securities	17.24 years	6,769,311	Rating Unavailable
Real Estate Investment Trust	Current	4,984,147	N/A
Commingled Trust Fund	Current	7,814,612	N/A
Domestic Stocks	Current	40,224,874	N/A
Preferred Stocks	Current	203,536	N/A
Foreign Stocks	Current	1,836,991	N/A
<b>Total Fire Pension Investments</b>		<b><u>\$ 120,106,038</u></b>	

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

The Police Officers' Retirement investment plan weighted average maturities, amounts and ratings are as follows:

<u>Police Pension</u>	<u>Weighted Average Maturity</u>	<u>Amount</u>	<u>Rating</u>
Short term investments	Current	\$ 442,582	N/A
Debt Securities & Bond Mutual Funds			
Corporate Bonds	4.29 years	3,823,407	A1 - A3
Corporate Bonds	6.49 years	7,422,570	Aaa
Corporate Bonds	4.27 years	310,149	Aa1 -Aa3
Corporate Bonds	4.36 years	4,389,650	Baa1-Baa3
Corporate Bonds	1.84 years	253,575	Rating Unavailable
Bond Mutual Funds	Current	2,809,924	Rating Unavailable
Mortgage Backed Securities			
Mortgage Backed Securities	14.26 years	11,087,485	Rating Unavailable
Real Estate Investment Trust	Current	11,656,621	N/A
Domestic Stocks	Current	45,737,819	N/A
Foreign Stocks	Current	18,543,882	N/A
<b>Total Police Pension Investments</b>		<b><u>\$ 106,477,664</u></b>	

The gross unrealized gains and losses for the marketable equity securities in the pension funds for the fiscal year ended were as follows:

	<u>General Pension and Retirement Fund</u>	<u>Firefighters' Relief and Pension Fund</u>	<u>Police Officers' Retirement Fund</u>	<u>Totals</u>
Unrealized Gains	\$ 35,339,602	\$ 29,509,375	\$ 28,094,464	\$ 92,943,441
Unrealized Losses	(23,378,247)	(20,929,708)	(20,699,514)	(65,007,469)
Net Unrealized Gains/(Loss)	<u>\$ 11,961,355</u>	<u>\$ 8,579,667</u>	<u>\$ 7,394,950</u>	<u>\$ 27,935,972</u>

The average cost method is used in computing realized gains and losses on the sale of marketable equity securities.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

Fair Value Measurements. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of September 30, 2023:

<u>General Pension Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>9/30/2023</u>
<b>Investments by Fair Value Level</b>				
Short Term Investments	\$ 2,591,558	\$	\$	\$ 2,591,558
Debt Securities & Bond Mutual Funds:				
Corporate Bonds		23,245,152		23,245,152
Total Debt Securities & Bond Mutual Funds	<u>2,591,558</u>	<u>23,245,152</u>	<u>-</u>	<u>23,245,152</u>
Convertible Corporate Bonds		12,491,494		12,491,494
Stock Mutual Funds	4,331,939			4,331,939
Mortgage Backed Securities:				
Mortgage Backed Securities		7,200,433		7,200,433
Real Estate Investment Trust			15,268,916	15,268,916
Total Mortgage Baked Securities	<u>-</u>	<u>7,200,433</u>	<u>15,268,916</u>	<u>22,469,349</u>
Domestic Stocks	46,323,600			46,323,600
Commingled Trust Fund	393,825			393,825
Preferred Stocks	184,637			184,637
Foreign Stocks	23,256,391			23,256,391
Total Investments measured at fair value	<u>\$ 79,673,508</u>	<u>\$ 42,937,079</u>	<u>\$ 15,268,916</u>	<u>\$ 135,287,945</u>

Short term investments, debt securities, stock mutual funds, commingled trust fund and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities, convertible corporate bonds and mortgage-backed securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Mortgage-backed securities are valued using valuation methodologies including pricing models and discounted cash flow models. Level 3 valuations incorporate subjective judgements and consider assumptions including capitalization rates, discount rates, cash flows and other factors that are not observable in the market.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

<u>Fire Pension Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>9/30/2023</u>
<b>Investments by Fair Value Level</b>				
Short Term Investments	\$ 2,374,798	\$	\$	\$ 2,374,798
Debt Securities & Bond Mutual Funds:				
Corporate Bonds		18,449,629		18,449,629
Bond Mutual Funds	967,708			967,708
Total Debt Securities & Bond Mutual Funds	<u>967,708</u>	<u>18,449,629</u>	<u>-</u>	<u>19,417,337</u>
Convertible Corporate Bonds		13,625,387		13,625,387
Stock Mutual Funds		11,916,016	10,939,029	22,855,045
Mortgage Backed Securities:				
Mortgage Backed Securities		6,769,311		6,769,311
Real Estate Investment Trust			4,984,147	4,984,147
Total Mortgage Baked Securities	<u>-</u>	<u>6,769,311</u>	<u>4,984,147</u>	<u>11,753,458</u>
Domestic Stocks	40,224,874			40,224,874
Commingled Trust Fund	7,814,612			7,814,612
Preferred Stocks	203,536			203,536
Foreign Stocks	1,836,991			1,836,991
Total Investments measured at fair value	<u>\$ 53,422,519</u>	<u>\$ 50,760,343</u>	<u>\$ 4,984,147</u>	<u>\$ 120,106,038</u>

Short term investments, bond mutual funds, debt securities, commingled trust fund and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities, convertible corporate bonds, and mortgage-backed securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Mutual funds, and mortgage-backed classified in Level 3 are valued using valuation methodologies including pricing models and discounted cash flow models. Level 3 valuations incorporate subjective judgements and consider assumptions including capitalization rates, discount rates, cash flows and other factors that are not observable in the market.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

<u>Police Pension Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>9/30/2023</u>
<b>Investments by Fair Value Level</b>				
Short Term Investments	\$ 442,582	\$	\$	\$ 442,582
Debt Securities & Bond Mutual Funds:				
Corporate Bonds		16,199,351		16,199,351
Bond Mutual Funds			2,809,924	2,809,924
Total Debt Securities & Bond Mutual Funds	<u>-</u>	<u>16,199,351</u>	<u>2,809,924</u>	<u>19,009,275</u>
Mortgage Backed Securities:				
Mortgage Backed Securities		11,087,485		11,087,485
Real Estate Investment Trust			11,656,621	11,656,621
Total Mortgage Baked Securities	<u>-</u>	<u>11,087,485</u>	<u>11,656,621</u>	<u>22,744,106</u>
Domestic Stocks	45,737,819			45,737,819
Foreign Stocks	18,543,882			18,543,882
Total Investments by Fair Value	<u>\$ 64,724,283</u>	<u>\$ 27,286,836</u>	<u>\$ 14,466,545</u>	<u>\$ 106,477,664</u>

Short term investments, debt securities and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities and mortgage-backed securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Bond Mutual Funds and mortgage-backed securities classified in Level 3 are valued using valuation methodologies including pricing models and discounted cash flow models. Level 3 valuations incorporate subjective judgements and consider assumptions including capitalization rates, discount rates, cash flows and other factors that are not observable in the market.

**2. Investments**

The City's investments of \$95,848,857 are in certificates of deposits with maturities that range from October 2023 to July 2024 and have a weighted average maturity of one year. In addition, the City has \$46,233,622 invested in the FLCLASS investment pool. These investments are not subject to level disclosure in the fair value hierarchy.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Accounts Receivable**

**1. Unbilled Utility Services**

All utility billing is performed on a cyclical basis which gives rise to unbilled gas services at the end of any given period. The City has recorded estimated accounts receivable and the related revenues based on the number of days of unbilled services for each cycle as of the end of the fiscal year.

**2. Property Tax Calendar and Revenue Recognition**

Escambia County Constitutional Officers perform all appraisals, assessments, and collections of City property taxes as an agent for the City of Pensacola. Property valuations are determined each year as of January 1. All property taxes are levied and become due and payable on November 1. The collection period is from November 1 through March 31, with discounts allowed of 4, 3, 2, and 1 percent for early payment in November through February, respectively. All taxes become delinquent on April 1 in the year following assessment, and tax certificates are sold on all real property with unpaid taxes as of June 1. Property tax revenue recognition occurs during the fiscal year of levy (the year the property tax revenue was intended to finance).

As of November 2001, the City of Pensacola assessed a stormwater fee to provide additional revenue for stormwater management improvements. The fee is billed annually by the Escambia County Property Tax Collector on the November property tax roll with the exception of government-owned property which is billed directly by the City. The stormwater fee is subject to the same collection laws, discounts, and penalties as property taxes. Stormwater revenues are recognized during the fiscal year in which it is billed.

**3. Accounts Receivable**

Account receivables are shown net of allowances for doubtful accounts as follows:

	<b>Accounts</b>		
	<b>Receivable</b>	<b>Allowance</b>	<b>Net</b>
<b>Governmental activities:</b>			
General Fund	\$ 1,829,563	\$	\$ 1,829,563
Housing Assistance Payments Fund	1,662,708	1,295,213	367,495
Nonmajor Governmental Funds	360,815		360,815
Internal Service Fund	296,955		296,955
Total governmental activities	<u>\$ 4,150,041</u>	<u>\$ 1,295,213</u>	<u>\$ 2,854,828</u>
<b>Business-type activities:</b>			
Utility Fund	\$ 3,096,645	\$ 286,744	\$ 2,809,901
Sanitation Fund	852,013	70,201	781,812
Port Fund	318,137	3,680	314,457
Airport Fund	2,985,110		2,985,110
Total business-type activities	<u>\$ 7,251,905</u>	<u>\$ 360,625</u>	<u>\$ 6,891,280</u>

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

**4. Lease Receivables**

The City leases land and building space to third parties. As of September 30, 2023, The City's leases receivables were valued at \$34,698,962 and the deferred inflow of resources associated with the leases that will be recognized as revenue over the term of the leases were \$33,345,174. The lease receivables for Governmental and Business-type Activities at September 30, 2023 were as follows:

**Governmental Activities**

Land leases – annual lease payments totaling \$120,428 plus interest at a rate of 3%, due dates ranging from October 2023 to December 2134.	\$7,096,143
Building and office space leases – annual lease payments totaling \$185,396 plus interest at a rate of 3%, due dates ranging from September 2024 to December 2071.	<u>1,158,826</u>
Total Governmental Activities Lease Receivables	<u>\$8,254,969</u>

**Business-like Activities**

Land leases – annual lease payments totaling \$766,839 plus interest at a rate of 3%, due dates ranging from March 2024 to August 2118.	\$20,282,933
Building and office space leases – annual lease payments totaling \$993,765 plus interest at a rate of 3%, due dates ranging from March 2024 to September 2060.	<u>6,161,060</u>
Total Business-like Activities Lease Receivables	<u>\$ 26,443,993</u>

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

The payments for the lease receivables are expected to be received in the subsequent years as follows:

Fiscal Year	<u>Governmental Activities</u>		<u>Business-like Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 188,509	\$ 248,671	\$ 1,356,984	\$ 774,742
2025	110,382	243,627	912,919	740,914
2026	53,661	242,118	858,030	714,681
2027	54,671	241,050	817,237	690,451
2028	58,546	240,551	822,961	668,571
2029-2033	358,696	1,178,347	4,044,821	2,976,052
2034-2038	439,651	1,129,750	3,467,969	2,448,555
2039-2043	374,532	1,083,362	4,334,059	1,888,577
2044-2048	449,617	1,032,972	5,051,656	1,182,133
2049-2053	517,724	969,267	908,706	738,007
2053-2058	648,205	890,322	997,386	588,000
2059-2063	816,943	785,547	703,283	433,086
2064-2068	1,015,802	650,139	-	380,328
2069-2073	175,158	545,420	-	363,961
2074-2078	32,254	531,503	-	345,190
2079-2083	37,852	511,777	92,315	323,383
2084-2088	35,916	484,153	181,438	298,210
2089-2093	72,503	446,059	210,967	268,611
2094-2098	380,769	395,703	245,078	234,419
2099-2104	489,810	330,131	284,829	194,573
2105-2109	619,302	247,151	330,688	148,605
2110-2114	773,645	142,384	384,266	94,899
2115-2119	191,296	61,680	438,402	32,632
2120-2124	102,586	46,132	-	-
2125-2129	119,178	29,142	-	-
2130-2134	123,202	9,774	-	-
2135-2138	14,557	113	-	-
	<u>\$ 8,254,969</u>	<u>\$ 12,716,846</u>	<u>\$ 26,443,993</u>	<u>\$ 16,528,581</u>

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

The City has leasing agreements with several air carriers that are regulated by the Federal Aviation Administration, and as such qualify to be treated as a regulated lease in accordance with GASB 87. The leases with the air carriers have specific requirements that are subject to external laws and regulations mandated by Federal Aviation Administration. The City leases land and building space to third parties under these agreements. The building leases expired on September 30, 2022. The expired leases continue under a hold over provision until such time that a new lease is negotiated. The hold over provision allows the City to terminate the lease at any time. Revenues collected under the building leases for fiscal year 2023 totaled \$4,065,851. Due to the current hold over provision, expected future minimum lease payments are not included in the schedule below. The land lease range is 30 years with annual lease payments totaling \$9,692. As of September 30, 2023, the remaining nominal amount of the revenue that will be recognized as revenue over the lease term associated with these leases amount to \$35, 950 which is expected to be received for each of the subsequent five years and in five-year increments thereafter as stated below:

<u>Fiscal Year</u>	<u>Business-Type Activities</u>
2024	\$ 4,610
2025	2,915
2026	2,915
2027	2,915
2028	2,915
2029-3033	14,577
2034-2037	5,102
<b>Total</b>	<b>\$ <u>35,950</u></b>

**5. Unavailable/Unearned Revenue**

Governmental funds report a deferred inflow of resources in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not-yet earned. Amounts that are “unavailable” are not reported as a deferred inflow of resources in entity-wide statements. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

	<u>Unavailable</u>	<u>Unearned</u>
General Fund		
Special assessments	\$ 16,275	\$
Leases – Land/ROW receivables	23,775	
Communication Services Tax	9,550	
Prepaid lease payments		195,496
Occupational license fees and fines received for subsequent year		672,379
Special Revenue Funds		
HUD - Fraud Recovery	367,496	346
Community Redevelopment Agency - Lease receivables	1,071	
CDBG - Housing Rehab Project notes receivable	281,326	
CMP - Use Fee		14,583
American Rescue Act Funding		8,835,562
Home Reconstruction Loans	503,395	
Grant request and draws prior to meeting all requirements		133,292
	<u>\$ 1,202,888</u>	<u>\$ 9,851,658</u>

The American Rescue Plan grant does not require the City to hold unspent funds in a separate bank account. The unspent monies are not earned so it is not a component of net position at the fund or government-wide level. Since the terms of the grant require the funds to be expended within a set number of years and unspent funds are not considered restricted assets of the government unit, the City does not consider presentation of the unspent monies as restricted assets necessary as of September 30, 2023.

The Airport Fund includes \$34,154,353 in unearned revenue related to an advance on project funding as required by the “Project Development Agreement” which includes \$25,029,212 from VTMAE and \$9,125,141 from Escambia County. This agreement stipulates the timing and use of the funding for the development of a commercial aircraft maintenance, repair, and overhaul (“MRO”) campus at Pensacola International Airport. VTMAE will provide a total of \$35,000,000 towards the estimated \$210,125,000 project as further disclosed in Note IV. H. The unspent funds are not considered earned until funds are expended and therefore are not a component of the Airport's net position.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets**

Capital asset activity for governmental activities for the fiscal year ended September 30, 2023 were as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
Non-depreciable Assets:				
Land	\$ 21,520,196	\$ 220,258	\$	\$ 21,740,454
Construction in Progress	10,634,323	18,082,387	(12,922,972)	15,793,738
Total Non-depreciable assets	<u>32,154,519</u>	<u>18,302,645</u>	<u>(12,922,972)</u>	<u>37,534,192</u>
Depreciable Assets:				
Buildings	134,841,402	1,683,012	(50,334)	136,474,080
Improvements	59,074,924	4,791,088	(1,017,721)	62,848,291
Infrastructure	159,340,702	5,198,955	(87,645)	164,452,012
Equipment	60,997,300	5,480,854	(2,440,333)	64,037,821
Right-to-use lease equipment	108,636	197,061	-	305,697
Right-to-use SBITA	146,078	-	-	146,078
Total Depreciable assets	<u>414,509,042</u>	<u>17,350,970</u>	<u>(3,596,033)</u>	<u>428,263,979</u>
Less accumulated depreciation for:				
Buildings	44,456,674	3,082,585	(40,477)	47,498,782
Improvements	31,700,984	2,139,583	(484,205)	33,356,362
Infrastructure	65,556,177	6,723,217	(81,650)	72,197,744
Equipment	41,723,174	4,001,727	(2,365,498)	43,359,403
Right-to-use lease equipment	103,737	42,156	-	145,893
Right-to-use SBITA	-	3,516	-	3,516
Total accumulated depreciation	<u>183,540,746</u>	<u>15,992,784</u>	<u>(2,971,830)</u>	<u>196,561,700</u>
Total depreciable assets net of depreciation	<u>230,968,296</u>	<u>1,358,186</u>	<u>(624,203)</u>	<u>231,702,279</u>
<b>Governmental activities net capital assets</b>	<b>\$ <u>263,122,815</u></b>	<b>\$ <u>19,660,831</u></b>	<b>\$ <u>(13,547,175)</u></b>	<b>\$ <u>269,236,471</u></b>

The preceding schedule includes capital assets and accumulated depreciation for both governmental funds and the internal services funds. Per GASB 34 requirements, the internal service funds are reported on the entity-wide statements as a governmental activity. In fiscal year 2023, the net book value of assets held by Internal Service Funds is \$2,435,016. Total depreciation expense for governmental activities for fiscal year 2023 is \$15,992,784.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

Capital asset activity for business-type activities for the fiscal year ended September 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b><u>Business-type activities:</u></b>				
Non-Depreciable Assets:				
Land	\$ 38,397,584	\$	\$	\$ 38,397,584
Construction in Progress	66,803,598	19,992,937	(82,598,649)	4,197,886
Total Non-depreciable assets	<u>105,201,182</u>	<u>19,992,937</u>	<u>(82,598,649)</u>	<u>42,595,470</u>
Depreciable Assets:				
Buildings	189,006,970	60,387,204		249,394,174
Improvements	235,091,350	23,149,545	(5,337,440)	252,903,455
Equipment	45,007,933	5,429,074	(53,788)	50,383,219
Right to-use lease land	298,819			298,819
Right to-use SBITA	300,855			300,855
Total Depreciable assets	<u>469,705,927</u>	<u>88,965,823</u>	<u>(5,391,228)</u>	<u>553,280,522</u>
Less accumulated depreciation for:				
Building	104,886,865	6,335,130		111,221,995
Improvements	126,010,317	7,344,982	(5,337,439)	128,017,860
Equipment	28,985,446	3,251,706	(23,906)	32,213,246
Right to-use lease land	27,955	15,804		43,759
Right to-use SBITA	101,724	101,724		203,448
Total accumulated depreciation	<u>260,012,307</u>	<u>17,049,346</u>	<u>(5,361,345)</u>	<u>271,700,308</u>
Total depreciable assets net of depreciation	<u>209,693,620</u>	<u>71,916,477</u>	<u>(29,883)</u>	<u>281,580,214</u>
<b>Business-type activities net capital assets</b>	<b><u>\$ 314,894,802</u></b>	<b><u>\$ 91,909,414</u></b>	<b><u>\$ (82,628,532)</u></b>	<b><u>\$ 324,175,684</u></b>

Total depreciation expense for business-type activities for fiscal year 2023 is \$17,049,346.

There are two intangible assets reported in the Utility Fund representing the excess of the purchase price paid over the fair market value of assets acquired. In September 1989, the City purchased the Escambia County Utilities Authority's Timberland Natural Gas Distribution and recorded goodwill of \$131,646. The intangible asset is amortized on a straight-line basis over an estimated useful life of forty years. In October 2021, the City purchased a portion of Okaloosa Gas District service area and recorded goodwill of \$82,250. The intangible asset is amortized on a straight-line basis over an estimated useful life of ten years.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

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

<b>Governmental activities:</b>	
General Government	\$ 713,853
Public Safety	2,508,776
Physical Environment	1,970,258
Transportation	3,596,619
Economic Environment	50,978
Culture and Recreation	5,211,334
Unallocated Infrastructure	1,638,021
Capital assets held by governmental type internal service funds are charged to the various functions based on their usage	302,945
<b>Total depreciation expense-governmental activities</b>	<b>\$ <u>15,992,784</u></b>

Infrastructure reported per requirement of GASB 34 is presented as a separate line item instead of a specific function/program.

<b>Business-type activities:</b>	
Gas	\$ 3,129,712
Sanitation	730,945
Port	1,131,653
Airport	<u>12,057,036</u>
<b>Total depreciation expense- business-type activities</b>	<b>\$ <u>17,049,346</u></b>

The fifteen-year lease agreement for the City owned Amtrak Station expired May 14, 2008. Rail services for the Sunset Limited route which passes through Northwest Florida have been suspended since 2005 as a result of the damages suffered by Hurricane Katrina. The carrying value for the land and building is approximately \$454,762 as reported in the governmental activities.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

**D. Interfund Receivables, Payables, and Transfers**

Interfund receivables/payables balances as of September 30, 2023, are as follows:

	<u>Due To</u>	<u>Due From</u>	<u>Advance To</u>	<u>Advance From</u>
<b>Governmental activities:</b>				
General Fund	\$	\$ 1,727,890	\$	\$
Housing Assistance Fund	92,234			
Local Option Sales Tax Fund	277,530			
American Rescue Plan Act Fund	15,951			
Nonmajor Governmental Funds	828,766	354,966		
Internal Service Funds	826,004			
Total Governmental activities	<u>2,040,485</u>	<u>2,082,856</u>	<u>-</u>	<u>-</u>
<b>Business-type activities:</b>				
Utility Fund	315,337	670,000		
Sanitation Fund	132,742			
Port Fund	23,681			
Airport Fund	240,611	-		
Total Business-type activities	<u>712,371</u>	<u>670,000</u>	<u>0</u>	<u>-</u>
Total governmental and business-type activities	<u>\$ 2,752,856</u>	<u>\$ 2,752,856</u>	<u>\$ -</u>	<u>\$ -</u>

*Internal balances-current* reported in the government-wide statement of net position in the amount of \$42,371 represents the amounts receivable/payable between government and business-type activities for end of year payroll liabilities, risk management claims and inter-fund transfers.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

For the year ended September 30, 2023, interfund transfers are as follows:

<b>Governmental activities:</b>			
<u>Major Governmental Funds</u>	<b>Transfer In</b>	<b>Transfer Out</b>	<b>Purpose</b>
General Fund	\$ 8,000,000	\$ 7,094,627	Transfer from Utility Fund Transfer to CRA, Golf, Eastside TIF, Westside TIF and Stormwater Capital
Local Option Sales Tax Fund (LOST)		770,981	Transfer to Port and Airport
<u>Nonmajor Governmental Funds</u>			
Local Option Gasoline Tax (LOGT)		1,535,748	Transfer to Local Option Gasoline Tax Debt Service
Community Redevelopment Agency (CRA)	3,381,226	4,030,516	Transfer from General Fund Transfer to CRA Debt Service
Golf Course Fund	200,000		Transfer from General Fund
Eastside Tax Increment Financing District	148,282		City's required contribution
		89,537	Transfer to CRA Debt Service
Inspections Fund		5,556	Transfer to Internal Service Fund
Westside Tax Increment Financing District	630,119		City's required contribution
		278,666	Transfer to CRA Debt Service
CRA Debt Service	4,398,719		Transfer from CRA, Eastside TIF and Westside TIF
Local Option Gas Tax Det Service Fund	1,535,748		Transfer from LOGT
Stormwater Capital Fund	2,735,000		Transfer from General Fund
Internal Service Fund	5,556		Transfer from Inspections
<b>Business-type activities:</b>			
Utility Fund		8,000,000	Transfer to General Fund
Port Fund	28,320		Transfer from LOST
Airport Fund	742,661		Transfer from LOST
Total	\$ <u>21,805,631</u>	\$ <u>21,805,631</u>	

*Transfers* reported in the government-wide statement of activities in the amount of \$7,229,019 represent the net amount of transfers between government and business-type activities. Fund financial statements report transfers without eliminations within same type activity and are reported in the schedule above.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

**E. Long-term Debt**

**Individual Bond Issues and Notes Payable**

Below are the City's individual long-term debt issues which were outstanding on September 30, 2023:

**Governmental activities:**

**Nonmajor Funds**

\$14,314,000 Local Option Gas Tax Revenue Bond, Series 2016 was issued for the purpose of financing the cost of the acquisition and construction of capital improvements to the road system of the City of Pensacola and the costs of issuance on the borrowing. The bond has a fixed interest rate of 1.83% commencing December 31, 2016, to and including December 31, 2026, payable each December 31 and June 30 of each year. Principal payments commenced on December 31, 2016, payable December 31 of each year. Debt service payments are secured with Local Option Gasoline Tax revenues. Final maturity of principal occurs on December 31, 2026. \$ 5,924,000

\$1,307,000 Eastside Redevelopment Revenue Bond, Series 2017 was issued for the purpose of financing certain community redevelopment capital improvements in the Eastside Neighborhood Redevelopment Area included in the Eastside Neighborhood Plan and the costs of issuance on the borrowing. The bond has a fixed interest rate of 3.33% commencing April 1, 2018, to and including April 1, 2037, payable each April 1 and October 1 of each year. Principal payments commenced on April 1, 2018, payable April 1 of each year. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Eastside Redevelopment Area and in the event that these revenues are insufficient, the Local Business Tax. Final maturity of principal occurs on April 1, 2037. 988,000

\$4,082,000 Westside Redevelopment Revenue Bond, Series 2017 was issued for the purpose of financing certain community redevelopment capital improvements in the Westside Neighborhood Redevelopment Area included in the Westside Neighborhood Plan and the costs of issuance on the borrowing. The bond has a fixed interest rate of 3.33% commencing April 1, 2018, to and including April 1, 2037, payable each April 1 and October 1 of each year. Principal payments commenced on April 1, 2018, payable April 1 of each year. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Westside Redevelopment Area and in the event that these revenues are insufficient, the Local Business Tax. Final maturity of principal occurs on April 1, 2037. 3,087,000

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

\$8,000,000 Urban Core Redevelopment Revenue Bond, Series 2017 was issued for the purpose of financing certain community redevelopment capital improvements in the Urban Core Redevelopment Area included in the Urban Core Community Redevelopment Plan and the costs of issuance on the borrowing. The bond has a fixed interest rate of 3.60% commencing April 1, 2018, to and including April 1, 2040, payable each April 1 and October 1 of each year. Principal payments commenced on April 1, 2018, payable April 1 of each year. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Urban Core Redevelopment Area and in the event that these revenues are insufficient, a covenant to budget and appropriate non-ad valorem revenues of the City. Final maturity of principal occurs on April 1, 2040.

7,155,000

\$25,000,000 Infrastructure Sales Surtax Revenue Bond, Series 2017 was issued for the purpose of financing the cost of acquisition, construction renovation and equipping of additions, extensions, and improvements to facilities and general infrastructure of the City of Pensacola and the costs of issuance on the borrowing. The bond has a fixed interest rate of 2.15% commencing April 1, 2018, to and including October 1, 2028, payable each October 1 and April 1 of each year. Principal payments commenced on October 1, 2018, payable October 1 of each year. Debt service payments are secured with Infrastructure Sales Surtax revenues. Final maturity of principal occurs on October 1, 2028.

14,412,000

\$58,140,000 Urban Core Redevelopment Refunding and Improvement Revenue Bond, Series 2019 was issued for the purpose of refunding the outstanding principal balance of the Redevelopment Revenue Bonds, Series 2009B, as well as financing certain community redevelopment capital improvements in the Urban Core Redevelopment Area included in the Urban Core Community Redevelopment Plan and the costs of issuance on the borrowing. The bond has a fixed interest rate of 3.40% commencing October 1, 2019, to and including December 31, 2043, payable each April 1 and October 1 of each year. Principal payments commenced on April 1, 2021, payable April 1 of each year. Debt service payments are secured with Tax Increment Financing (TIF) revenues derived from the Urban Core Redevelopment Area and in the event that these revenues are insufficient, a covenant to budget and appropriate non-ad valorem revenues of the City. Final maturity of principal occurs on December 31, 2043.

53,582,180

Total Nonmajor Fund Types 85,148,180

Total Governmental Activities \$ 85,148,180

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

**Business-type Activities:**

**Utility Enterprise**

\$15,000,000 Gas System Revenue Note, Series 2016 was issued for the primary purpose of financing and/or reimbursing the cost of the design, permitting, acquisition, construction, rehabilitation and equipping of certain capital improvements to the system. The note has a fixed interest rate of 1.97% with annual principal installments beginning October 1, 2017. Debt service payments are secured with Net Revenues of the Utility System. Final maturity of principal occurs on October 1, 2026.

7,851,000

Total Utility Enterprise

7,851,000

**Airport Enterprise**

\$12,465,000 Airport Refunding Revenue Note, Series 2015 refunded the outstanding principal of the Airport Refunding Revenue Bonds (Non-AMT), Series 2005A. Note has a fixed interest rate of 2.55% commencing April 1, 2016, to and including October 1, 2027, payable each April 1 and October 1 of each year. Principal payments commenced on October 1, 2016, payable October 1 of each year. Debt service payments are secured with Net Revenues of the Airport. Final maturity of principal occurs on October 1, 2027.

5,650,000

\$6,300,000 Airport Refunding Revenue Note, Series 2017 refunded the outstanding principal of the Airport Revenue Bonds, Series 2012. Note has a fixed interest rate of 2.51% commencing April 1, 2018, to and including October 1, 2027, payable each April 1 and October 1 of each year. Principal payments commenced on October 1, 2018, payable October 1 of each year. Debt service payments are secured with Net Revenues of the Airport. Final maturity of principal occurs on October 1, 2027.

3,420,000

\$29,678,000 Airport Refunding Revenue Note, Series 2018 refunded the outstanding principal of the Airport Revenue Bonds, Series 2008. Note has a fixed rate of 3.93% commencing October 1, 2018 percent to and including October 1, 2038, payable each April 1 and October 1 of each year. Principal payments commenced on October 1, 2018, payable October 1 of each year. Debt service payments are secured with Net Revenues of the Airport and is further secured by certain PFC revenues, to the extent that such PFC revenues are deposited into the bond fund. Final maturity of principal occurs on October 1, 2038.

25,135,000

Total Airport Enterprise

34,205,000

Total Business-type Activities

\$ 42,056,000

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

**Changes in Long-Term Liabilities**

Following is a summary of changes in the long-term liabilities for the City as well as the material liabilities for the City's component unit year ended September 30, 2023:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Due to other governments	\$ 6,590,018	\$	\$ (1,390,018)	\$ 5,200,000	\$ 1,300,000
Claims and judgements	3,769,562	2,014,443	(1,763,145)	4,020,860	2,195,524
Compensated absences	5,364,058	4,050,822	(3,865,562)	5,549,318	617,576
Bonds/Notes payable	90,739,248		(5,591,068)	85,148,180	5,724,612
Lease payable	4,443	159,735	(4,443)	159,735	64,691
SBITA payable	95,917			95,917	47,236
Total OPEB liability	13,192,540	436,345	(5,734,736)	7,894,149	305,442
Net Pension liability	29,456,779	99,074,790	(17,745,659)	110,785,910	
Governmental activity long term liabilities	<u>\$ 149,212,565</u>	<u>\$ 105,736,135</u>	<u>\$ (36,094,631)</u>	<u>\$ 218,854,069</u>	<u>\$ 10,255,081</u>
<b>Business-type activities</b>					
Due to other governments	\$	\$ 9,750	\$	\$ 9,750	\$ 9,750
Compensated absences	2,106,223	1,079,188	(994,514)	2,190,897	799,105
Bonds/Notes payable	46,700,000		(4,644,000)	42,056,000	4,777,000
Lease payable	292,996		(10,388)	282,608	11,161
SBITA payable	203,486	3,045	(105,089)	101,442	101,442
Total OPEB liability	5,149,766	169,690	(2,292,416)	3,027,040	122,371
Net Pension liability	9,260,271	26,336,337	(5,553,028)	30,043,580	
Business-type activity long term liabilities	<u>\$ 63,712,742</u>	<u>\$ 27,598,010</u>	<u>\$ (13,599,435)</u>	<u>\$ 77,711,317</u>	<u>\$ 5,820,829</u>

The City's outstanding bonds payable and notes payable do not contain any significant events of default with finance-related consequences, termination events with finance-related consequences, or subjective acceleration clauses.

Due to other governments includes an Interlocal agreement between the City of Pensacola and the Emerald Coast Utilities Authority (ECUA) which committed the City to contribute to the Main Street Wastewater Treatment Plant Replacement Project (the Project). The City committed \$19.5 million for the project and agreed to budget and appropriate water and sewer franchise fees and the beverage license tax revenues. For accounting purposes, this is a voluntary non-exchange transaction. In December 2012, ECUA provided documentation which showed all eligibility criteria had been met as of September 30, 2012. Therefore, the long-term liability and expenditure were recorded in the City's government-wide financial statements. Since the long-term liability is not due and payable in the current period it is not recorded in the fund financial statements.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

Related to this transaction, the City entered in an agreement with the Community Redevelopment Agency (CRA) wherein the annual installments to ECUA will be paid from CRA revenues and any shortfall paid by the City will be reimbursed.

Compensated absences are estimated at year end only. In addition, for the governmental activities, claims and judgments are liquidated by the insurance retention fund and compensated absences are liquidated primarily by the general fund.

Other Postemployment Benefits (OPEB) were calculated by an independent consultant which provided an actuarial valuation of post-employment benefits as required by GASB 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*.

Pension liability was calculated by an independent consultant which provided an actuarial valuation of pension benefits as required by GASB 67, *Financial Reporting for Pension Plans*, and GASB 68, *Accounting and Financial Reporting for Pensions*. Net pension liability is liquidated primarily by the general fund.

**Summary of Debt Service Requirements to Maturity**

Annual debt service requirements to maturity for the City's long-term bonds and notes as well as the material long-term bonds and notes for the City's component unit are as shown on the next page; includes both fixed and variable interest rate bonds/notes:

**Governmental Long-Term Debt**

Fiscal Year Ending September 30,	Principal	Interest	Total Principal and Interest
2024	\$ 5,724,612	\$ 2,491,224	\$ 8,215,836
2025	5,854,981	2,349,013	8,203,994
2026	5,989,901	2,203,375	8,193,276
2027	6,135,210	2,054,121	8,189,331
2028	5,143,969	1,915,182	7,059,151
2029-2033	17,172,514	7,865,542	25,038,056
2034-2038	16,753,418	5,344,400	22,097,818
2039-2043	18,273,568	2,586,815	20,860,383
2044	4,100,007	104,550	4,204,557
<b>Total</b>	<b>85,148,180</b>	<b>26,914,222</b>	<b>112,062,402</b>
Less: Current	(5,724,612)	-	(5,724,612)
<b>Total government debt</b>	<b>\$ 79,423,568</b>	<b>\$ 26,914,222</b>	<b>\$ 106,337,790</b>

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

Business-Type Activities Long-Term Debt

Fiscal Year Ending September 30,	Principal	Interest	Total Principal and Interest
2024	\$ 4,777,000	\$ 1,309,150	\$ 6,086,150
2025	4,905,000	1,180,846	6,085,846
2026	5,051,000	1,048,612	6,099,612
2027	5,190,000	912,276	6,102,276
2028	3,267,000	792,271	4,059,271
2029-2033	7,590,000	2,984,521	10,574,521
2034-2038	9,215,000	1,338,656	10,553,656
2039	2,061,000	40,499	2,101,499
<b>Total</b>	<u>42,056,000</u>	<u>9,606,831</u>	<u>51,662,831</u>
Less: Current	<u>(4,777,000)</u>	<u>-</u>	<u>(4,777,000)</u>
<b>Total business-type debt</b>	<u>\$ 37,279,000</u>	<u>\$ 9,606,831</u>	<u>\$ 46,885,831</u>

**Debt Restriction**

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions. The City has no legal debt margin.

**Revenues Pledged for Debt Repayment**

The City has pledged future Tax Increment Revenues derived from the Urban Core Redevelopment Area to repay \$6,715,000 in Bonds issued in 2009, \$8,000,000 in Bonds issued in 2017 and a \$58,140,000 Bond issued in 2019. Proceeds of the 2009 bonds provided financing for the construction of a Community Maritime Park. Proceeds from the 2019 bond provided financing to refund \$38,925,000 in outstanding 2009 bonds. Proceeds of the 2017 bond and remaining proceeds from the 2019 bond provided financing for certain community redevelopment capital improvements in the Urban Core Community Redevelopment Area included in the Urban Core Community Redevelopment Area Plan. The bonds are secured by Tax Increment Revenues derived from the Urban Core Redevelopment Area, and with respect to the Series 2009B Bonds Federal Direct Payments, and in the event that these revenues are insufficient a Covenant to Budget and Appropriate and are payable through 2043. Principal and interest paid for the current year on the 2017 bond was \$311,434 and the 2019 bonds was \$3,442,142 and Tax Increment Revenues for the current year were \$9,101,349.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

The City has pledged future Tax Increment Revenues derived from the Eastside Redevelopment Area to repay a \$1,307,000 Bond issued in 2017. Proceeds of the bond provided financing for certain community redevelopment capital improvements in the Eastside Neighborhood Redevelopment Area included in the Eastside Neighborhood Plan. The bond is secured by Tax Increment Revenues derived from the Eastside Redevelopment Area and in the event that these revenues are insufficient, the Local Business Tax and are payable through 2037. Principal and interest paid for the current year were \$89,732 and Tax Increment Revenues for the current year were \$377,004.

The City has pledged future Tax Increment Revenues derived from the Westside Redevelopment Area to repay a \$4,082,000 Bond issued in 2017. Proceeds of the bond will provide financing for certain community redevelopment capital improvements in the Westside Neighborhood Redevelopment Area included in the Westside Neighborhood Plan. The bond is secured by Tax Increment Revenues derived from the Westside Redevelopment Area and in the event that these revenues are insufficient, the Local Business Tax, and are payable through 2037. Principal and interest paid for the current year were \$279,492 and Tax Increment Revenues for the current year were \$1,602,654.

The City has pledged future Infrastructure Sales Tax to repay \$25,000,000 in a Bond issued in 2017. Proceeds from the 2017 bond were used to finance the cost of acquisition, construction renovation and equipping of additions, extensions, and improvements to facilities and general infrastructure of the City of Pensacola. Debt service payments are secured with the Infrastructure Sales Tax revenues and are payable through 2028. Principal and interest paid for the current year on the 2017 bond was \$2,561,809 and Infrastructure Sales Tax revenues for the current year were \$12,194,355.

The City has pledged future Local Option Gasoline Tax (LOGT) revenues to repay \$14,314,000 in a Bond issued in 2016. Proceeds of the bond was used to finance the cost of the acquisition and construction of capital improvements to the road system of the City of Pensacola and the costs of issuance on the borrowing. Debt service payments are secured with the LOGT revenues through 2026. In the event that LOGT is insufficient to pay debt service, the loan is furthered secured by a covenant to budget and appropriate from the City's non-ad valorem revenues. Principal and interest paid for the current year were \$1,536,356 and LOGT revenues for the current year were \$1,477,395. Local Option Gasoline Tax revenues along with funds available in the Local Option Gas Tax Debt Service Fund are sufficient to make annual debt service payments.

The City has pledged future Net Revenues of the Utility System to repay \$20,000,000 in Notes issued in 2011 and 2016. Proceeds of the notes were used to provide financing for the construction of and rehabilitation of capital improvements to the gas system. Debt service payments are secured with the Net Revenues of the Utility System through 2026. Principal and interest paid (cash basis) for the current year were \$2,041,066 and net revenues for the current year were \$11,733,955.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

The City has pledged future Net Revenues of the Airport to repay \$48,443,000 in Bonds and Notes issued between 2015 through 2018. Proceeds of the bonds were used to finance the acquisition, construction and rehabilitation improvements to the Airport Facilities as well as refinance its Airport Revenue Refunding Bond, Series 2005A, Airport Improvement Revenue Bonds, Series 2008 and Airport Revenue Bonds, Series 2012. Debt service payments are secured with the Net Revenues of the Airport through 2038. Principal and interest paid (cash basis) for the current year were \$2,317,584 and net revenues for the current year were \$17,915,601. Net Revenues excludes CFC revenues of \$3,109,627 pledged towards the Airport Taxable Customer Facility Charge Revenue Note, Series 2008, operating expenses of \$856,979, and grant operating expenses of \$9,579,946.

The City has pledged future Passenger Facility Charge (PFC) revenue (to the extent they are deposited into the Bond Fund) of the Airport to refinance its Airport Revenue Bonds, Series 2008. Proceeds of the bonds were used to finance acquisition, construction, and rehabilitation improvements to the Airport Facilities. Debt service payments are secured with the Passenger Facility Charge (PFC) revenue to the extent they are deposited into the Bond Fund through 2038. Principal and interest paid (cash basis) for the current year were \$1,719,110 and net revenues for the current year were \$5,257,691.

**Direct Borrowings, Direct Placements and Lines of Credit**

The City has no direct borrowings, direct placements, or unused lines of credit.

**Leases Payable**

The City is a lessee for noncancellable leases of land and equipment. At September 30, 2023, the City's lease payable of \$442,343 was composed of the following:

**Governmental Activities**

Equipment leases – annual lease payments total \$40,022; due date March 2026. This amount includes interest at a rate of 3%.	<u>\$159,735</u>
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Total Governmental Activities Lease Payable	<u><u>\$159,735</u></u>
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**Business-like Activities**

Land leases – annual lease payments total \$19,041; due dates ranging from September 2032 to March 2046. This amount includes interest at a rate of 3%.	<u>\$282,608</u>
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Total Business-like Activities Lease Payable	<u><u>\$282,608</u></u>
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**CITY OF PENSACOLA, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

The future principal and interest lease payments as of September 30, 2023 were as follows:

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>Business-like Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 64,691	\$ 3,795	\$ 11,161	\$ 8,344
2025	66,671	1,812	12,015	7,973
2026	28,372	160	12,884	7,600
2027	-	-	13,793	7,200
2028	-	-	14,724	6,792
2029-2033	-	-	75,996	26,603
2034-2038	-	-	46,003	18,013
2039-2043	-	-	60,625	10,036
2044-2046	-	-	35,408	1,291
	<u>\$ 159,735</u>	<u>\$ 5,767</u>	<u>\$ 282,608</u>	<u>\$ 93,852</u>

**SBITA Payable**

The City has subscription-based information technology arrangements. At September 30, 2023, The City's SBITA payable of \$197,359 was composed of the following:

**Governmental Activities**

Annual subscription payments total \$50,162; due date of September 2026. This amount includes interest at a rate of 3%. \$95,917

Total Governmental Activities SBITA Payable \$95,917

**Business-like Activities**

Annual subscription payments total \$106,410; due dates ranging from August 2024 to September 2024. This amount includes interest at a rate of 3%. \$101,442

Total Business-like Activities SBITA Payable \$101,442

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

The future principal and interest SBITA payments as of September 30, 2023 were as follows:

<u>Fiscal Year</u>	<b>Governmental Activities</b>		<b>Business-like Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2024	\$ 47,236	\$ 2,829	\$ 101,442	\$ 1,268
2025	48,681	1,381	-	-
	\$ 95,917	\$ 4,211	\$ 101,442	\$ 1,268

**Florida Ports Finance Commission Agreement**

Florida Ports Financing Commission Revenue Bonds, Series 1999 – On July 17, 1996, the Florida Ports Financing Commission (the “Commission”) was created pursuant to Section 320.20(3) and Chapter 163, Part I, Florida Statutes through an Interlocal Agreement among Canaveral Port Authority, Jacksonville Port Authority and Panama City Port Authority. The Commission’s purpose is to provide a cost-effective means of financing various capital projects for the State of Florida’s ports by issuing bonds and transferring the proceeds thereof to the individual ports. The Commission and SunTrust Bank, Central Florida, National Association, Orlando, Florida (the “Trustee”) entered into an Indenture of Trust, dated September 1, 1999 (the “Indenture”), which authorized the issuance of \$153,115,000 Florida Ports Financing Commission Revenue Bonds (State Transportation Trust Fund), Series 1999 (the Bonds”). The Bonds were refunded in 2011 with principal and interest payments through October 1, 2029.

On October 14, 1999, the Bonds were issued to provide funds to finance the costs of acquiring and constructing capital projects undertaken by 10 ports located in the State of Florida (the “Ports”), including the City. The amount allocated to the City was not to exceed \$3,000,000, which was available for approved expenditures. The Commission loaned the proceeds of the Bonds (the “Loans”) to the Ports pursuant to separate loan agreements (the “Loan Agreements”) entered into between each of the Ports individually and the Commission.

The Loan Agreement entered into by the City provides that the City will repay its Loan solely from monies due from the State Transportation Trust Funds. Pursuant to Section 320.20(4), Florida Statutes, \$15,000,000 of the revenues received by the State of Florida from motor vehicle registration fees is to be deposited annually in the State Transportation Trust Fund for funding Projects (the “State Monies”). Basic Payments under the Loan Agreement are payable solely from monies on deposit in the State Transportation Trust Fund. The Department of Transportation and the Commission entered into a Master Agreement pursuant to which the Department of Transportation agrees to transfer the State Monies annually into an escrow account held by the State Department of Insurance, Division of Treasury, on behalf of the Trustee which may be drawn upon by the Trustee in order to pay the debt service on the Bonds as the same becomes due. The City has assigned all of its right, title and interest to the monies allocated to the City from State Monies to the Trustee on behalf of the Commission, to pay its portion of debt service on the Bonds.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

In addition to the Basic Payments, the City agreed to pay on demand of the Commission or the Trustee additional payments constituting (a) its proportionate share of certain ongoing fees, costs and expenses related to the financing program, (b) all reasonable fees and expenses of the Commission and the administrator of the financing program, (c) its proportionate share of rebate obligations relating to the Bonds pursuant to Section 149 of the Internal Revenue Code of 1986, and (d) any unallowable costs required to be repaid by the Borrower under the Loan Agreement (the “Additional Payments”). The City has agreed to pay from legally available non-ad valorem revenues of its Port facilities (the “Port Revenues”) sufficient monies to make such Additional Payments. Such agreement is applicable solely to the Additional Payments and does not cover the Basic Payments.

The Bonds do not create nor constitute an obligation or debt of the State of Florida or any political subdivision thereof or any public corporation, port or governmental agency existing under the laws of the State of Florida other than the Commission. The Bonds do not constitute the giving, pledging or loan of the faith and credit of the State of Florida or any political subdivision thereof or any public corporation, port or governmental agency existing under the laws of the State of Florida. The Bonds are payable solely from State Monies as the Basic Payments of the Borrowers.

The financing program of the Commission described above is in substance a grant program, inasmuch as all debt service payments on the Bonds are payable solely from monies in the State Transportation Trust Fund. The program was structured with Loan Agreements in order to satisfy certain legal requirements. Bondholders have no recourse to the Borrowers, including the City, for payment of the principal and interest on the Bonds.

The City has not recorded a liability for the loan since it does not have any obligation except for monies due it from the State Transportation Trust Fund. As discussed above, all of such monies have been assigned to the Trustee to pay the debt. Except to the extent the City is obligated to pay Additional Payments from the Port Revenues, the City has no other obligation on the debt and no other monies of the Authority have been pledged or are obligated for payment of the debt. As expenditures were incurred for the approved projects, the City recorded a receivable from the Commission for 50% of qualified amounts and recorded the amount to be reimbursed as contributed capital. Monies not expended on approved projects by individual ports (excess project funds) are returned to the funding pool and reallocated. The amount expended by the City in excess of the allocated \$2.7 million was made possible through the excess funding reallocation program. The bond proceeds have since been fully expended by the ports to which they were allocated. The City has incurred in total \$3,904,251 of eligible expenditures.

On January 12, 2021, the Commission agreed to issue Florida Ports Financing Commission Refunding Revenue Bonds, Series 2021 in order to refinance the Series 2011 Bonds with principal and interest payments through October 1, 2029. The City of Pensacola received an additional allocation of \$1,081,712 from the savings that were realized and deposited into the State of Florida’s Seaport Grant Program.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

**F. Fund Balance Disclosure**

Fund Balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing ones, or enhance the financial position of the City, in accordance with policies established by the City Council. In accordance with Governmental Accounting and Financial Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies fund balance as follows.

Non-Spendable Fund Balance – Amounts that are not in a spendable form or are required to be maintained intact (such as inventory or prepaids).

Restricted Fund Balance – Amounts that can be spent only for the specific purposes stipulated by external resource providers (such as grantors) or enabling legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally. An Ordinance adopted by Council establishes a fund balance commitment.

Assigned Fund Balance – Amounts the City intends to use for a specific purpose. The City Council via resolution or the Mayor, as authorized by City Council Policy (enacted through resolution), establishes fund balance assignments.

Unassigned Fund Balance – The residual classification for the General Fund and includes amounts that are not contained in the other classifications. Unassigned amounts are the portion of fund balance which is not obligated or specifically designated and is available for any purpose. The general fund is the only fund that reports a positive unassigned balance amount.

For classification of fund balance 1) when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first 2) when expenditures are incurred for purposes for which amounts in any of unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

In June 2010, the City Council approved Resolution No. 31-10 which established the Fund Balance Policy of Governmental Funds as well as committed the Council Reserves Fund Balance in the General Fund. On September 25, 2014, the City Council approved the same Council Reserve Policy by Ordinance, amending chapter 3-1 of the Code of the City of Pensacola, Florida, creating section 3-1-13.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

On March 9, 2017, City Council amended chapter 3-1-13 of the Code of the City of Pensacola, Florida, increasing the minimum reserve from 15 percent to 20 percent.

The Council Reserve, which is required to be a minimum of 20 percent of the General Fund beginning adopted appropriations, is reported as committed fund balance in the General Fund. The Council Reserve shall not be used until current year revenues decrease by 5 percent or more of the total adopted beginning estimated revenues, including transfers and all efforts have been exhausted to fund unanticipated needs and/or emergencies, such as implementing a modified hiring freeze and expenditure reductions. Upon determination of the need, the Mayor may initiate use of the reserves through written communication to the City Council, explaining the nature of the emergency with approval by a two-thirds vote of City Council. Proceeds from the sale of City (general government) owned surplus real property, specifically approved by City Council for such purpose, and any other funds identified in the annual budget (and amendments thereto) will be used to increase the reserve. Interest earnings will be applied on the reserve balance each fiscal year.

The City does not have a formal minimum fund balance policy for unassigned fund balance. A schedule of City fund balances is provided in the following pages.

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

	<b>Major Funds</b>			
	<b>General Fund</b>	<b>Housing Assistance Payments</b>	<b>American Rescue Plan Act Fund</b>	<b>Local Option Sales Tax Fund</b>
<b><i>Fund Balance</i></b>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays and Deposits	58,739	1,032		
Subtotal non-spendable fund balance	<u>58,739</u>	<u>1,032</u>	<u>-</u>	<u>-</u>
Restricted				
Parking				
Redevelopment Rev Bond(s) debt payments				
Stormwater projects				
Section 8 program administrative		2,178,219		
Natural disaster projects				
General government	361,782		161,060	
Transportation	817,666			292,404
Physical Environment				
Saenger capital	442,625			
Public safety	621,539			755,624
Community development projects				
Culture and recreation	161,028			1,022,955
Tree landscape	20,472			
Building inspections				
Local Option Sales Tax debt payment				2,430,929
Subtotal restricted fund balance	<u>2,425,112</u>	<u>2,178,219</u>	<u>161,060</u>	<u>4,501,912</u>
Committed				
Council Reserve	14,398,521			
Tree landscape	507,826			
Park purchases	22,316			
Stormwater projects				
Subtotal committed fund balance	<u>14,928,663</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned				
General government	7,875,000			
Demolition	513,793			
Lien amnesty	27,184			
Housing Initiatives Fund	449,140			
Inner City Housing Initiatives				
Parking				
Community development projects				
Natural disaster projects	2,550,000			
Culture and recreation				
Subtotal assigned fund balance	<u>11,415,117</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	2,408,440		(161,060)	(2,225,854)
<b><i>Total Fund Balance</i></b>	<u>\$ 31,236,071</u>	<u>\$ 2,179,251</u>	<u>\$ -</u>	<u>\$ 2,276,058</u>

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

	<u>Nonmajor Funds</u>			
	<u>Special Revenue Funds</u>			
	<u>Special Grants</u>	<u>Local Option Gasoline Tax</u>	<u>Community Development Block Grant</u>	<u>Community Redevelopment Agency</u>
<b><i>Fund Balance</i></b>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays and Deposits				151
Subtotal non-spendable fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>151</u>
Restricted				
Parking				
Redevelopment Rev Bond(s) debt payments				
Stormwater projects				
Section 8 program administrative				
Natural disaster projects				
General government				
Transportation		967,775		
Physical Environment	321,431			
Saenger capital				
Public safety	60,926			
Community development projects			2,032	3,617,866
Culture and recreation	668,101			
Tree landscape				
Building inspections				
Local Option Sales Tax debt payment				
Subtotal restricted fund balance	<u>1,050,458</u>	<u>967,775</u>	<u>2,032</u>	<u>3,617,866</u>
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Stormwater projects				
Subtotal committed fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned				
General government				
Demolition				
Lien amnesty				
Housing Initiatives Fund				
Inner City Housing Initiatives				
Parking				
Community development projects				4,120,299
Natural disaster projects				
Culture and recreation				
Subtotal assigned fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,120,299</u>
Unassigned	(892,462)		(2,032)	
Total Fund Balance	<u>\$ 157,996</u>	<u>\$ 967,775</u>	<u>\$ -</u>	<u>\$ 7,738,316</u>

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

	<u>Nonmajor Funds</u>			
	<u>Special Revenue Funds</u>			
	<u>Stormwater Utility Fund</u>	<u>Parking Fund</u>	<u>Law Enforcement Trust</u>	<u>Natural Disaster Fund</u>
<b><i>Fund Balance</i></b>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays and Deposits	1,319	2,613		
Subtotal non-spendable fund balance	<u>1,319</u>	<u>2,613</u>	<u>-</u>	<u>-</u>
Restricted				
Parking		55,124		
Redevelopment Rev Bond(s) debt payments				
Stormwater projects	8,625			
Section 8 program administrative				
Natural disaster projects				195,677
General government				
Transportation				
Physical Environment				
Saenger capital				
Public safety			245,428	
Community development projects				
Culture and recreation				
Tree landscape				
Building inspections				
Local Option Sales Tax debt payment				
Subtotal restricted fund balance	<u>8,625</u>	<u>55,124</u>	<u>245,428</u>	<u>195,677</u>
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Stormwater projects	768,355			
Subtotal committed fund balance	<u>768,355</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned				
General government				
Demolition				
Lien amnesty				
Housing Initiatives Fund				
Inner City Housing Initiatives				
Parking		736,481		
Community development projects				
Natural disaster projects				3,094,878
Culture and recreation				
Subtotal assigned fund balance	<u>-</u>	<u>736,481</u>	<u>-</u>	<u>3,094,878</u>
Unassigned				
<b><i>Total Fund Balance</i></b>	<u>\$ 778,299</u>	<u>\$ 794,218</u>	<u>\$ 245,428</u>	<u>\$ 3,290,555</u>

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

	<u>Nonmajor Funds</u>			
	<u>Special Revenue Funds</u>			
	<u>Golf Course Fund</u>	<u>Eastside Tax Increment Financing District</u>	<u>Inspections Fund</u>	<u>Westside Tax Increment Financing District</u>
<b><i>Fund Balance</i></b>				
Non-spendable				
Inventories	\$ 613	\$	\$	\$
Prepays and Deposits	4,629			
Subtotal non-spendable fund balance	<u>5,242</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted				
Parking				
Redevelopment Rev Bond(s) debt payments				
Stormwater projects				
Section 8 program administrative				
Natural disaster projects				
General government				
Transportation				
Physical Environment				
Saenger capital				
Public safety				
Community development projects		829,724		2,310,649
Culture and recreation	4,941			
Tree landscape				
Building inspections			2,230,190	
Local Option Sales Tax debt payment				
Subtotal restricted fund balance	<u>4,941</u>	<u>829,724</u>	<u>2,230,190</u>	<u>2,310,649</u>
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Stormwater projects				
Subtotal committed fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned				
General government				
Demolition				
Lien amnesty				
Housing Initiatives Fund				
Inner City Housing Initiatives				
Parking				
Community development projects				
Natural disaster projects				
Culture and recreation	474,776			
Subtotal assigned fund balance	<u>474,776</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned				
<b><i>Total Fund Balance</i></b>	<u>\$ 484,959</u>	<u>\$ 829,724</u>	<u>\$ 2,230,190</u>	<u>\$ 2,310,649</u>

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

	Nonmajor Funds			
	Special Revenue Funds			Debt Service Fund
	Recreation Fund	Tennis Fund	CMP	CRA Debt Service
			Management Services Fund	
<b><i>Fund Balance</i></b>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays and Deposits	1,014	1,249	14,756	
Subtotal non-spendable fund balance	<u>1,014</u>	<u>1,249</u>	<u>14,756</u>	<u>-</u>
Restricted				
Parking				
Redevelopment Rev Bond(s) debt payments				4,118,220
Stormwater projects				
Section 8 program administrative				
Natural disaster projects				
General government				
Transportation				
Physical Environment				
Saenger capital				
Public safety				
Community development projects				
Culture and recreation			220,125	
Tree landscape				
Building inspections				
Local Option Sales Tax debt payment				
Subtotal restricted fund balance	<u>-</u>	<u>-</u>	<u>220,125</u>	<u>4,118,220</u>
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Stormwater projects				
Subtotal committed fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned				
General government				
Demolition				
Lien amnesty				
Housing Initiatives Fund				
Inner City Housing Initiatives				
Parking				
Community development projects				
Natural disaster projects				
Culture and recreation	771,836	274,608	2,120,813	
Subtotal assigned fund balance	<u>771,836</u>	<u>274,608</u>	<u>2,120,813</u>	<u>-</u>
Unassigned				
<b><i>Total Fund Balance</i></b>	<u>\$ 772,850</u>	<u>\$ 275,857</u>	<u>\$ 2,355,694</u>	<u>\$ 4,118,220</u>

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

	Nonmajor Funds			
	Debt Service Fund	Capital Projects Funds		
	Local Option	CRA 2017 Project Fund	CRA 2019 Project Fund	Stormwater Capital
	Gasoline Tax Debt Service			
<b><i>Fund Balance</i></b>				
Non-spendable				
Inventories	\$	\$	\$	\$
Prepays and Deposits				
Subtotal non-spendable fund balance	-	-	-	-
Restricted				
Parking				
Redevelopment Rev Bond(s) debt payments				
Stormwater projects				296,025
Section 8 program administrative				
Natural disaster projects				
General government				
Transportation	1,536,224			
Physical Environment				
Saenger capital				
Public safety				
Community development projects		5,307,792	7,942,239	
Culture and recreation				
Tree landscape				
Building inspections				
Local Option Sales Tax debt payment				
Subtotal restricted fund balance	1,536,224	5,307,792	7,942,239	296,025
Committed				
Council Reserve				
Tree landscape				
Park purchases				
Stormwater projects				5,999,115
Subtotal committed fund balance	-	-	-	5,999,115
Assigned				
General government				
Demolition				
Lien amnesty				
Housing Initiatives Fund				
Inner City Housing Initiatives				
Parking				
Community development projects				
Natural disaster projects				
Culture and recreation				
Subtotal assigned fund balance	-	-	-	-
Unassigned				
<b><i>Total Fund Balance</i></b>	<b>\$ 1,536,224</b>	<b>\$ 5,307,792</b>	<b>\$ 7,942,239</b>	<b>\$ 6,295,140</b>

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

**NOTE III. - DETAIL NOTES ON ALL FUNDS (Continued)**

<i>Fund Balance</i>	<u>Total All Funds</u>
Non-spendable	
Inventories	613
Prepays and Deposits	85,502
Subtotal non-spendable fund balance	<u>86,115</u>
Restricted	
Parking	55,124
Redevelopment Rev Bond(s) debt payments	4,118,220
Stormwater projects	304,650
Section 8 program administrative	2,178,219
Natural disaster projects	195,677
General government	522,842
Transportation	3,614,069
Physical Environment	321,431
Saenger capital	442,625
Public safety	1,683,517
Community development projects	20,010,302
Culture and recreation	2,077,150
Tree landscape	20,472
Building inspections	2,230,190
Local Option Sales Tax debt payment	-
Subtotal restricted fund balance	<u>37,774,488</u>
Committed	
Council Reserve	14,398,521
Tree landscape	507,826
Park purchases	22,316
Stormwater projects	6,767,470
Subtotal committed fund balance	<u>21,696,133</u>
Assigned	
General government	7,875,000
Demolition	513,793
Lien amnesty	27,184
Housing Initiatives Fund	449,140
Inner City Housing Initiatives	-
Parking	736,481
Community development projects	4,120,299
Natural disaster projects	5,644,878
Culture and recreation	3,642,033
Subtotal assigned fund balance	<u>23,008,808</u>
Unassigned	1,557,961
<i>Total Fund Balance</i>	<u>\$ 84,123,505</u>

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

**NOTE IV. – OTHER INFORMATION**

**A. Risk Management**

The City is self-insured with respect to general, auto liability and workers' compensation claims. An excess liability policy for workers' compensation has been purchased. In any given fiscal year, insurance settlements have not exceeded insurance coverage. Coverage limits decreased for the Port and increased for the Airport in fiscal year 2023. The coverage limits and deductibles are as follows:

<u>Primary Coverage</u>	<u>Coverage (in millions)</u>	<u>Deductible</u>
Port operations	16	10,000
Airport operations	250	0
Law Enforcement	2	150,000
Public officials	2	75,000

<u>Excess Liability Coverage</u>	<u>Coverage (in millions)</u>	<u>Self Insured Retentions</u>
Workers' compensation (W/C)	Per Florida Statutory Limits	500,000 Per Occurrence
Gas Operation	35	500,000 Per Occurrence
Gas Operation - Pollution	35	500,000 Per Occurrence

The City has established reserves of \$4,174,614 in the Insurance Retention Fund representing a contract between the City and its employees regarding health, life, dental, and survivor disability insurance; a majority of which is survivor disability insurance. This amount is not available for city-wide catastrophic losses.

All departments of the City participate in the self-insurance program and make payments to the Insurance Retention Fund. Claims liability of \$4,020,860 on September 30, 2023 is based on the requirements of *Governmental Accounting Standards Board* (GASB) Statements No. 10 and No. 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is a) probable that a liability has been incurred at the date of the financial statements and b) the amount of the loss can be reasonably estimated.

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

**NOTE IV. – OTHER INFORMATION (Continued)**

Claim liabilities, including incurred but not reported (IBNR) claims, are based on the estimated ultimate cost of settling the claim (including the effects of inflation and other societal and economic factors), using past experience adjusted for current trends, and any other factors that would modify past experience. Claim liabilities also include specific, incremental claim adjustment expenses. In addition, estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Expenses and liabilities are estimated through a case-by-case review of all claims and the application of historical experience of the outstanding claims. Estimates of IBNR losses are based on historical experience and are stratified to general, automobile and workers' compensation liabilities.

On September 30, 2023, the claims liability for automobile, general, and workers' compensation liability were \$585,553, \$409,554, and \$3,025,753 respectively. The City's insurance administrators do not calculate, or report discounted amounts for automobile and general liability. Workers' compensation liability is discounted at a rate of 8%. Each claim under workers' compensation is calculated independently using the monthly payment amount and the present value factor. The undiscounted amount is not calculated and, therefore unavailable for disclosure.

Changes in the Fund's claims liability amount in fiscal year 2022 and 2023 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2022	\$4,578,294	2,105,419	(2,914,151)	\$3,769,562
2023	\$3,769,562	2,014,443	(1,763,145)	\$4,020,860

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

**NOTE IV. – OTHER INFORMATION (Continued)**

**B. Pension Plans**

The financial statements for the General, Fire, and Police Pension Plans are presented below:

**STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

	<u>General Pension and Retirement Fund</u>	<u>Firefighter's Relief and Pension Fund</u>	<u>Police Officers' Retirement Fund</u>	<u>Total Pension Trust Funds</u>
<b>ASSETS</b>				
Other cash	\$ 91,090	\$ 118,918	\$ 9,071,298	\$ 9,281,306
<b>Receivables:</b>				
Employer	198	274	145	617
Employee	10,878	30,102	7,552	48,532
Due from other governments		285,455		285,455
Total receivables	<u>11,075</u>	<u>315,830</u>	<u>7,697</u>	<u>334,603</u>
<b>Investments :</b>				
Short term investments	2,591,558	2,374,798	442,582	5,408,938
Debt Securities & Bond Mutual Funds	23,245,152	19,417,337	19,009,275	61,671,764
Convertible Corporate Bonds	12,491,494	13,625,387		26,116,881
Stock Mutual Funds	4,331,939	22,855,045		27,186,984
Mortgage Backed Securities	22,469,349	11,753,458	22,744,106	56,966,913
Commingled Trust Fund	393,825	7,814,612		8,208,437
Domestic Stocks	46,323,600	40,224,874	45,737,819	132,286,293
Preferred Stocks	184,637	203,536		388,173
Foreign Stocks	23,256,391	1,836,991	18,543,882	43,637,264
Total investments	<u>135,287,945</u>	<u>120,106,038</u>	<u>106,477,664</u>	<u>361,871,647</u>
<b>Total assets</b>	<u>\$ 135,390,111</u>	<u>\$ 120,540,786</u>	<u>\$ 115,556,658</u>	<u>\$ 371,487,556</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 137,441	\$ 135,595	\$ 71,766	\$ 344,802
Total liabilities	<u>137,441</u>	<u>135,595</u>	<u>71,766</u>	<u>344,802</u>
<b>NET POSITION</b>				
Restricted for pension benefits	<u>\$ 135,252,670</u>	<u>\$ 120,405,191</u>	<u>\$ 115,484,892</u>	<u>\$ 371,142,753</u>

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

**NOTE IV. – OTHER INFORMATION (Continued)**

**STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>General Pension and Retirement Fund</b>	<b>Firefighter's Relief and Pension Fund</b>	<b>Police Officers' Retirement Fund</b>	<b>Total Pension Trust Funds</b>
<b>Additions:</b>				
Contributions - city	\$ 5,599,918	\$ 776,239	\$ 3,248,120	\$ 9,624,277
Contributions - employee	258,091	719,300	203,586	1,180,977
Commission recapture		57	1,392	1,449
Insurance proceeds - State of Florida		900,253	755,911	1,656,164
Total contributions	<u>5,858,009</u>	<u>2,395,849</u>	<u>4,209,009</u>	<u>12,462,867</u>
Investment income				
Net appreciation/(loss)				
in fair value of investments	8,344,174	9,959,461	7,458,971	25,762,606
Interest and dividends	3,106,199	2,426,505	2,840,127	8,372,831
	<u>11,450,373</u>	<u>12,385,966</u>	<u>10,299,098</u>	<u>34,135,437</u>
Less investment expense	554,723	528,667	402,872	1,486,262
Net investment income	<u>10,895,650</u>	<u>11,857,299</u>	<u>9,896,226</u>	<u>32,649,175</u>
Total additions	<u>16,753,659</u>	<u>14,253,148</u>	<u>14,105,235</u>	<u>45,112,042</u>
<b>Deductions:</b>				
Pensions paid - employees	10,723,450	7,696,703	7,083,504	25,503,657
Pensions paid - widows	2,171,153	1,089,950	718,307	3,979,410
Pensions paid - children	7,574			7,574
Refunds to employees		143,226		143,226
Deferred retirement option plan	258,561	1,422,415	310,843	1,991,819
Health insurance assistance	95,228			95,228
Administrative expenses	150,308	132,260	124,368	406,936
Total deductions	<u>13,406,274</u>	<u>10,484,554</u>	<u>8,237,022</u>	<u>32,127,850</u>
<b>Change in net position</b>	<u>3,347,385</u>	<u>3,768,594</u>	<u>5,868,213</u>	<u>12,984,192</u>
<b>Net position restricted for pension benefits:</b>				
<b>Beginning of year</b>	<u>131,905,285</u>	<u>116,636,597</u>	<u>109,616,679</u>	<u>358,158,561</u>
<b>End of year</b>	<u>\$ 135,252,670</u>	<u>\$ 120,405,191</u>	<u>\$ 115,484,892</u>	<u>\$ 371,142,753</u>

The State Insurance proceeds are based on Chapter 185.08 and Chapter 175.101 of the Laws of Florida.

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

**NOTE IV. – OTHER INFORMATION (Continued)**

**Plan Description**

*Plan administration.* The City maintains three contributory, defined benefit, single employer pension plans which are administered by the City’s Finance Director. The Firefighters’ Relief and Pension Plan covers full-time firefighters; the Police Officers’ Retirement Fund covers full-time police officers hired prior to January 1, 2013; the General Pension and Retirement Plan covers non-public safety, full-time employees hired prior to June 18, 2007. The administrative costs are included in the City’s cost and contribution rate provided in the actuarial valuation. Benefits and refunds of the defined pension plan are recognized when due and payable in accordance with the terms of the plan.

As of June 18, 2007, the General Pension and Retirement Plan was closed to new participants. Existing non-public safety, full-time employees were given an option to remain in the General Pension and Retirement Plan or join the Florida Retirement System (FRS), multiple-employer, cost sharing public employee retirement system. New participants hired after June 18, 2007 are required to participate in FRS.

The Police Officers’ Retirement Fund is for all full-time sworn officers. The Police Officers’ Retirement Fund was closed on January 1, 2013 to new participants. The existing participants were given the opportunity to remain in the current plan or participate in the FRS. New officers hired after January 1, 2013 are required to participate in FRS.

Management of all three retirement plans is vested in a Board of Trustees for each plan. The General Pension and Retirement Plan Board consists of six members, two which are elected by the participants, one elected by City Council President and three are appointed by the City Council. The Firefighters’ Relief and Pension Plan and the Police Officers’ Retirement Fund Board consist of five members, two which are elected by the participants, two are appointed by the City Council and the fifth member is elected by the other four members.

The City also participates in the Florida Retirement System (FRS). The FRS provides two cost sharing, multiple employers defined benefit plans which are administered by Florida Department of Management Services, Division of Retirement (division), including the FRS Pension Plan (“FRS Plan”) and Retiree Health Insurance Subsidy (“HIS Plan”). These two plans cover non-public safety, full-time employees hired after June 18, 2007 and new police officers hired after January 1, 2013. Unlike the City’s three contributory, defined benefit, single employer pension plans, FRS requires employees to participate in the Federal Social Security Program. The FRS Plan was established and is administered in accordance with Chapter 121, Florida Statutes. The HIS Plan was established and administered in accordance with section 112.363, Florida Statutes.

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

**NOTE IV. – OTHER INFORMATION (Continued)**

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. That report may be obtained by writing to the Florida Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32399, calling 1-877-377-1737 or from the web site:

[http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications).

*Plan Membership.* Actuarial reports for the General Pension and Retirement plan, Firefighters' Relief and Pension plan and Police Officers' Retirement plan are required to be updated every three years per State Statute Chapter 112.63(2), 175.261(1)(b) and 185.221(2)(b), respectively. Membership of the General Pension and Retirement Plan, on September 30, 2023 as well as the Firefighters' Relief and Pension Plan and the Police Officers' Retirement plan as of September 30, 2023 consisted of the following:

	<u>General Pension and Retirement</u>	<u>Firefighters' Relief and Pension</u>	<u>Police Officers' Retirement</u>
Retirees and beneficiaries receiving benefits	566	173	171
Terminated plan members entitled to but not yet receiving benefits	51	4	16
DROP plan members	16	11	3
Active plan members	<u>73</u>	<u>112</u>	<u>55</u>
Total	<u><u>706</u></u>	<u><u>300</u></u>	<u><u>245</u></u>
Number of participating Employers	1	1	1

The General Pension and Retirement Plan was closed to new participants hired on or after June 18, 2007. The Police Officers' Retirement Fund was closed to new participants hired after January 1, 2013.

Membership of the FRS broken down by class, per City payroll records, as of September 30, 2023 consisted of the following:

DROP	2
Elected Officials	6
Senior Management Retired	1
Regular Class	379
Regular Class Retired	1
Senior Management	10
Special Risk	119
Special Risk Retired	<u>1</u>
Total	<u><u>519</u></u>

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

**NOTE IV. – OTHER INFORMATION (Continued)**

*Benefits Provided.* For the HIS Plan, fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30, and the maximum payment is \$150 per month. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide subsidy benefits to all participants, benefits may be reduced or cancelled. All other pension plan benefits are shown in the chart below.

	<u>FRS Plan</u>	<u>General Pension and Retirement</u>	<u>Firefighters' Relief and Pension</u>	<u>Police Officers' Retirement</u>
Vesting	Prior to 7/1/2011 6 years; On or after 07/1/2011 8 years	6 years	10 years	12 years
Eligibility for retirement	Prior to 7/1/2011 Age 62 with (w/o) 30 yrs. of svc or 30 yrs. of svc w/no age requirement After 7/1/2011 age 65 with 33 yrs if svc	Age 55 w/ 20 yrs. of svc or 30 yrs. of svc w/no age requirement	Age 52 w/10 yrs. of svc or 25 yrs. of svc w/no age requirement	Age 55 w/12 yrs. of svc or 25 yrs. of svc w/ no age requirement
Monthly retirement benefit	Based on final average earnings (Prior to 07/1/2011) highest 5 yrs.) (After 07/1/2011 highest 8 yrs.):  Regular Class - Age 62 1.6% - Age 63 1.63% - Age 64 1.65% - Age 65 1.68%  Senior Mgmt. - Age 62 2%  Elected Officials - Age 62 3%  Special Risk - Age 62 - 2% if hired between 12/1/70 and 9/30/74 - 3% if hired after 10/1/74	Based on final average earnings (last 5 yrs.): - 75% of 1st \$2,400 - 50% of next \$1,200 - 40% of excess or 2.1% times yrs. of svc prior to 10/1/12 and 1.75% times yrs. of svc after 10/1/12 (30 yrs. max) times final monthly average earnings (whichever formula provides the greater benefit) but not less than 25 per yrs. of svc	Based on final average earnings (highest 2 of last 5 yrs.) or last 5 yrs. if less than 20 yrs. on 6/10/2015:  75% of final monthly average earnings for normal retirements with 25 or more yrs. of svc or: - 75% of 1st \$2,400 - 70% of next \$1,200 - 65% of any add '1 amount for disability retirements and normal retirements w/less than 25 yrs. of svc	Based on final average earnings (highest 2 of last 5 yrs. or last 5 if less than 20 yrs. on 1/1/2013):  Percentage of average final compensation for each full year of credited service: - Hired before 10/1/79 receive 2% - Hired on or after 10/1/79 who elected to participate receive 3%
Other Benefits	- Early retirement - Deferred retirement - Disability retirement - Health insurance subsidy - Death benefits - Deferred retirement option program	- Early retirement - Deferred retirement - Disability retirement - Health ins. subsidy - Death benefits - Deferred retirement option program	- Early retirement - Deferred retirement - Disability retirement - Death benefits - Deferred retirement option program	- Early retirement - Deferred retirement - Disability retirement - Death benefits - Deferred retirement option program
Post-retirement COLA	3% per year if retired prior to 7/1/2011; if retired on or after 07/1/2011, years of service before 7/1/2011 divided by total years of service times 3%	Retired prior to 10/1/12 up to 1.5% annually and retired on or after 10/1/12 up to 1% w/a corresponding increase in the CPI	Up to 3% annually w/a corresponding increase in the CPI for those hired prior to 7/1/99; hired between 7/1/99 and 6/10/15 up to 2% annually w/a corresponding increase in CPI; hired after 6/10/15 no COLA	Retired Prior to 1/1/13 up to 3% annually; retired on or after 1/1/13 up to 3% first ten years and not to exceed 2% thereafter w/a corresponding increase in the CPI (Increase at the discretion of Pension Bd)

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

**NOTE IV. – OTHER INFORMATION (Continued)**

*Contributions.* For the three contributory, defined benefit, single employer pension plans, the Boards of Trustees establish contributions based on an actuarially determined rate recommended by an independent actuary. The rate is the estimated cost of benefits earned by employees during the year, with an additional amount to finance the unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate, the contribution rate of employees and any Chapter 175/185 funds applied.

The City is required to make contributions to FRS Plan based on state-wide contribution rates, established by the Florida Legislature. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS Plan. The rates are updated as of July 1 of each year. As reported by the FRS, the City’s contributions, including employee’s three percent contribution to the FRS plan totaled \$3,682,652 for the State’s fiscal year ended June 30, 2023.

The HIS Plan is funded by required contributions from FRS participating employers. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS Program. The City’s contributions are a percentage of gross compensation for all active FRS members. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. As reported by the FRS, the City’s contributions to the plan totaled \$489,617 for the State’s fiscal year ended June 30, 2023.

For the year ended September 30, 2023, the contribution rates were as follows:

	FRS Plan	HIS Plan	General Pension and Retirement	Firefighters' Relief and Pension	Police Officers' Retirement
Contributions					
Employee	3.00%	N/A	5.50%	11.00%	5.20%
Employer	See Below	2.00%	119.30%	11.87%	82.96%
Regular Class	13.57%	N/A	N/A	N/A	N/A
Senior Mgmt.	34.52%	N/A	N/A	N/A	N/A
Elect Officials	58.68%	N/A	N/A	N/A	N/A
DROP	21.13%	N/A	N/A	N/A	N/A
Special Risk	32.67%	N/A	N/A	N/A	N/A
Retired	6.78%	N/A	N/A	N/A	N/A
Sr. Mgmt Ret.	25.90%	N/A	N/A	N/A	N/A
Sr. Risk Ret.	13.95%	N/A	N/A	N/A	N/A
State	N/A	N/A	N/A	13.76%	19.30%

All employee contributions to the pension plans are based on a percentage of pay. The remaining contribution percentages shown above are reported as a percentage of pay for comparative purposes only. The General Pension and Retirement and the Police Officers’ Retirement plans are closed plans therefore the percentage of pay will continue to increase as participants retire.

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

**NOTE IV. – OTHER INFORMATION (Continued)**

**Investments**

*Investment policy.* The City’s three contributory, defined benefit, single employer pension plans investment policy for the allocation of invested assets is established and may be amended by their respective Board of Trustees by a majority vote of its members. It is the policy of the Boards of Trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Board’s policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Boards’ adopted asset allocation policy as of September 30, 2023 and the State Board of Administrations policy as of June 30, 2023.

	Florida Retirement System (FRS)	General Pension and Retirement	Firefighters' Relief and Pension	Police Officers' Retirement
Asset Class:				
Global Equity	54.0%			
Domestic Equity		37%	37%	40%
International Eq		15%	15%	15%
Master Limited Partnerships		5%	5%	
Real Estate	10.3%	8%	8%	10%
Convertible Sec		10%	10%	
Fixed Income	19.8%	25%	25%	25%
Private Equity	11.1%			
Strategic Investments	3.8%			
Cash Equivalents/ Short Term TIPS	1.0%			
Alternatives				10%
Total	100%	100%	100%	100%

*Concentrations.* The plans did not hold assets in any one organization that exceeded five percent or more of the pension plan’s fiduciary net position.

*Rate of Return.* For the year ended September 30, 2022, the annual money-weighted rate of return on pension plan investments for the General Pension and Retirement Plan was -17.40 percent. For the year ended September 30, 2022, the Firefighters’ Relief and Pension Plan was -17.88 percent and the Police Officers’ Retirement Fund was -15.52 percent. This reflects the changing amounts actually invested.

**Receivables.** The pension plans do not have receivables from long-term contracts.

**Allocated Insurance Contracts.** The pension plans do not have allocated insurance contracts.

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

**NOTE IV. – OTHER INFORMATION (Continued)**

**Reserves.** The Police Officers' Retirement Fund has a small portion of funds deposited in a Contribution Surplus Account (\$1,063,956) as of September 30, 2023. These funds can be used to fund required contributions and possibly for benefit improvements, respectively.

**Deferred Retirement Option Program (DROP)**

The City has a DROP for each of the defined benefit plans established by City ordinance. A participant may join when he/she is eligible to receive a retirement benefit. The DROP provides for an accrual of interest at a 4% rate for all participants in the Firefighters' Relief and Pension Plan who entered prior to June 10, 2015 and 1.3% for those who enter thereafter, 4% for the Police Officers' Retirement Fund who entered prior to January 1, 2013 and 1.3% for those who enter thereafter and 4% for the General Pension and Retirement Plan who entered prior to October 1, 2012 and 1.3% for those who enter thereafter.

The DROP ordinance provides that all participants who entered DROP prior to October 1, 2012 may receive a Cost-of-Living Adjustment (COLA) while in DROP. However, those in the Firefighters' Relief and Pension Plan hired after July 1, 1999 and who enter DROP on or after June 10, 2015, those in the Police Officers' Retirement Fund who enter DROP on or after January 1, 2013 and those in the General Pension and Retirement Plan who entered on or after October 1, 2012 receive no COLA while in DROP.

Drop balances as of September 30, 2023 for the General Pension and Retirement Plan, Firefighters' Relief and Pension Plan and Police Officers' Retirement Fund were \$1,844,202, \$1,073,282, and \$396,092, respectively.

The FRS Plan has a DROP available for eligible employees. A participant may join upon reaching normal retirement. Each month the participant defers joining reduces the length of eligible participation. FRS DROP participants accrue interest at a rate of 1.3%.

**Net Pension Liability**

The General Pension and Retirement Plan, the Firefighters' Relief and Pension Plan and the Police Officers' Retirement Fund do not issue audited stand-alone financial statements but rely on the audit performed for the City. All three of the defined benefit pension plans are included within this financial report. The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS.

The funded status of the General Pension and Retirement Plan as of September 30, 2022, the Firefighters' Relief and Pension Plan as of October 1, 2022, the Police Officers' Retirement Fund as of October 1, 2022, and the Florida Retirement System and HIS Plan as of June 30, 2023 are provided in the table on the following page.

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

**NOTE IV. – OTHER INFORMATION (Continued)**

	<u>General Pension</u>	<u>Fire Pension</u>	<u>Police Pension</u>	<u>FRS Plan</u>	<u>HIS Plan</u>	<u>Total</u>
Total Pension Liability	\$ 174,582,913	\$ 139,184,402	\$ 141,929,617	\$ 173,164,260	\$ 12,328,029	\$ 641,189,221
Plan Fiduciary Net Position	(131,905,287)	(116,636,600)	(109,616,680)	(142,660,637)	(507,478)	(501,326,682)
Less Reserve Accounts			966,951			
City Net Pension Liability	<u>42,677,626</u>	<u>22,547,802</u>	<u>33,279,888</u>	<u>30,503,623</u>	<u>11,820,551</u>	<u>140,829,490</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.55%	83.80%	77.23%	82.38%	4.12%	

*Basis for Allocation.* The City’s proportion of the net pension liability for the FRS Plan and HIS plan was calculated based on contributions for each of the fiscal years 2022 and 2023 relative to the contributions of all participants.

On June 30, 2023, the City’s FRS Plan proportionate share of net pension liability was .0766%, which was an increase of .0031% from its proportionate share of .0735% measured as June 30, 2022. The City’s HIS proportionate share of net pension liability was .0744% which was an increase of .0042% from its proportionate share .0702% measured as of June 30, 2022.

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

In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

*Differences between expected and actual experience with regard to economic and demographic factors* – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).

*Changes of assumptions or other inputs* – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).

*Changes in proportion and differences between contributions and proportionate share of contributions* – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees).

*Differences between expected and actual earnings on pension plan investments* – amortized over five years.

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

**NOTE IV. – OTHER INFORMATION (Continued)**

The actuarial recognized pension expense, calculated in accordance with GASB 68, for the year ended September 30, 2023, is as follows: General Pension and Retirement Plan \$6,633,903; Firefighters’ Relief and Pension Plan \$3,439,129; and Police Officers’ Retirement Fund \$(2,951,593) for a total pension expense of \$7,121,439. For the year ended September 30, 2023, the City recognized pension expense of \$7,741,090 for its proportionate share of the FRS Plan and \$4,973,212 for its proportionate share of the HIS plan.

Contributions made after the measurement date for the year ended September 30, 2023 are as follows: General Pension and Retirement Plan \$5,599,918 (one year of contributions); Firefighters’ Relief and Pension Plan \$1,676,492; Police Officers’ Retirement Fund \$4,004,031; City’s proportionate share of the FRS Plan \$927,867 and City’s proportionate share of the HIS plan \$135,678. Due to the timing of the actuarial reports, contributions made after the measurement date for the City’s three pension plans covered twelve months and contributions made after the measurement date for FRS and HIS covered three months. Contributions made after the measurement date are not included as a deferred outflow of resources in the table below. On September 30, 2023, the City reported deferred outflows of resources, excluding contributions made after the measurement date, and deferred inflows of resources related to pension from the following sources:

	General Pension		Fire Pension		Police Pension		FRS		HIS		Total	Total
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$		\$ -	2,376,786	\$ -	1,270,595	\$ 2,864,027		\$ 173,045	27,745	\$ 3,037,072	\$ 3,675,126
Changes of assumptions			767,544	-	-	-	1,988,479		310,759	1,024,291	3,066,782	1,024,291
Net difference between projected and actual investment earnings	21,514,246		18,206,322		13,898,167		1,273,914		6,104	-	54,898,753	-
Differences in Proportionate Share of Contributions							3,584,585		1,776,829	-	5,361,414	-
Total	\$ 21,514,246	\$ -	\$ 18,973,866	\$ 2,376,786	\$ 13,898,167	\$ 1,270,595	\$ 9,711,005	\$ -	\$ 2,266,737	\$ 1,052,036	\$ 66,364,021	\$ 4,699,417

Amounts reported as the net of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	General Pension	Fire Pension	Police Pension	FRS	HIS
September 30:					
2024	5,519,320	3,750,278	1,632,226	1,323,486	212,241
2025	3,747,271	2,573,654	2,315,812	(524,359)	128,682
2026	4,101,289	3,097,437	2,639,042	7,941,522	214,100
2027	8,146,366	7,175,711	6,040,492	754,378	419,942
2028				215,978	222,447
Thereafter				0	17,290
Total	\$ 21,514,246	\$ 16,597,080	\$ 12,627,572	\$ 9,711,005	\$ 1,214,702

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

**NOTE IV. – OTHER INFORMATION (Continued)**

*Actuarial assumptions.* The General Pension and Retirement Plan as of September 30, 2022, the Firefighters’ Relief and Pension Plan as of October 1, 2022, and the Police Officers’ Retirement Fund as of October 1, 2022 total pension liability was determined by an actuarial valuation and the Florida Retirement System was determined by actuarial assumptions as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement.

	General Pension and Retirement	Firefighters’ Relief and Pension	Police Officers’ Retirement	FRS Plan	HIS Plan
Actuarial Assumptions:					
Inflation	2.40%	2.70%	2.50%	2.40%	2.40%
Salary increases	4.50% - 9.50%	Service Based	4.00%	3.25%	3.25%
Investment rate of return	7.00%	7.75%	7.13%	6.70%	
Municipal bond rate					3.65%
Mortality	PUB-2010 Mortality table for males & females as appropriate	PUBS.H-2010	PUBS.H-2010	Generational PUB- 2010 with Projection Scale MP-2018	Generational PUB- 2010 with Projection Scale MP-2018

For the City’s three defined benefit plans, the long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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.

The long-term expected rate of return on the FRS plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption.

The long-term expected rate of return for each major asset class are summarized in the table below:

Asset Class:	General Pension and Retirement	Firefighters’ Relief and Pension	Police Officers’ Retirement	Florida Retirement System
Domestic Equity	7.07%	7.10%	7.50%	N/A
International Equity	3.11%	3.10%	8.50%	N/A
Global Equity	N/A	N/A	7.50%	7.10%
Private Equity	N/A	N/A	N/A	8.80%
Master Limited Partnerships	5.60%	5.60%	N/A	N/A
Real Estate	6.38%	6.40%	4.50%	6.60%
Convertible Sec	6.35%	6.40%	N/A	N/A
Strategic Investments	N/A	N/A	N/A	6.10%
Fixed Income	2.00%	2.00%	2.50%	4.40%
TIPS	N/A	N/A	N/A	N/A
Global Bonds	N/A	N/A	3.50%	N/A
Cash	N/A	N/A	N/A	2.90%

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

**NOTE IV. – OTHER INFORMATION (Continued)**

*Discount rate.* The projection of cash flows used to determine the General Pension and Retirement Plan’s 7.0% discount rate, the Firefighters’ Relief and Pension Plan’s 7.75% discount rate, the Police Officers’ Retirement Fund’s 7.125% discount rate and FRS Plan’s 6.70% discount rate assumed that contributions would continue at the current rates. For all plans excluding the HIS Plan, the fiduciary net position was projected to cover all future benefit payments of current plan members. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return. The discount rate used for calculating the total HIS pension liability is equal to the single rate that results in the same actuarial present value as would be calculated by using two different discount rates for the discount at the long-term expected rate of return for benefit payments prior to the projected depletion of the fiduciary net pension (trust assets) and the discount at a municipal bond rate for benefit payments after the projected depletion date. The HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the plan sponsor.

**General Pension  
Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 09/30/22</b>	\$175,260,893	\$168,990,567	\$ 6,270,326
<b>Changes for the year:</b>			
Service Cost	598,194		598,194
Interest	12,115,554		12,115,554
Differences between expected and Actual Experience	(2,466,070)		(2,466,070)
Changes of Assumptions	3,052,973		3,052,973
Contributions - employer		5,599,854	(5,599,854)
Contributions - employee		266,873	(266,873)
New investment income		(28,860,605)	28,860,605
Benefit payments, including refunds of employee contributions	(13,978,631)	(13,978,631)	
Administrative expense		(112,771)	112,771
<b>Net changes</b>	(677,980)	(37,085,280)	36,407,300
<b>Balances at 09/30/23</b>	\$174,582,913	\$131,905,287	\$ 42,677,626

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

**NOTE IV. – OTHER INFORMATION (Continued)**

**Fire Pension  
Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (a) - (b)
<b>Balances at 09/30/22</b>	\$ 137,847,311	\$149,229,764	\$ (11,382,453)
<b>Changes for the year:</b>			
Service Cost	1,569,316		1,569,316
Interest	10,453,664		10,453,664
Differences between expected and Actual Experience	(1,624,615)		(1,624,615)
Changes of assumptions	-		-
Changes in benefit terms	-		-
Contributions - employer		1,995,497	(1,995,497)
Contributions - employee		732,734	(732,734)
New investment income		(26,186,134)	26,186,134
Benefit payments, including refunds of employee contributions	(9,061,274)	(9,061,274)	
Administrative expense		(73,987)	73,987
<b>Net changes</b>	<u>1,337,091</u>	<u>(32,593,164)</u>	<u>33,930,255</u>
<b>Balances at 09/30/23</b>	<u>\$ 139,184,402</u>	<u>\$116,636,600</u>	<u>\$ 22,547,802</u>

**Police Pension  
Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 09/30/22</b>	\$142,343,805	\$133,273,921	\$ 9,069,884
<b>Changes for the year:</b>			
Service Cost	794,084		794,084
Interest	9,893,600		9,893,600
Differences between expected and Actual Experience	(2,541,190)		(2,541,190)
Changes in Assumptions	-		-
Contributions - employer		4,655,139	(4,655,139)
Contributions - employee		214,372	(214,372)
Contributions - buy back	-	-	-
New investment income		(20,777,957)	20,777,957
Benefit payments, including refunds of employee contributions	(8,560,682)	(8,560,682)	
Administrative expense		(66,997)	66,997
Other changes		(88,067)	88,067
<b>Net changes</b>	<u>(414,188)</u>	<u>(24,624,192)</u>	<u>24,210,004</u>
<b>Balances at 09/30/23</b>	<u>\$141,929,617</u>	<u>\$108,649,729</u>	<u>\$ 33,279,888</u>

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

**NOTE IV. – OTHER INFORMATION (Continued)**

*Sensitivity of the net pension liability to changes in the discount rate.* Below represents the net pension liability of the City, calculated using the current discount rate as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current rate:

<u>General Pension</u>	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City’s net pension liability	\$ 59,527,194	\$ 42,677,626	\$ 28,305,836

<u>Fire Pension</u>	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
City’s net pension asset	\$ 38,524,218	\$ 22,547,802	\$ 9,306,573

<u>Police Pension</u>	1% Decrease 6.13%	Current Discount Rate 7.13%	1% Increase 8.13%
City’s net pension liability	\$ 51,335,263	\$ 33,279,888	\$ 18,418,101

<u>FRS</u>	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
City’s net pension liability	\$ 52,106,400	\$ 30,503,623	\$ 12,430,316

<u>HIS</u>	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
City’s net pension liability	\$ 13,485,405	\$ 11,820,551	\$ 10,440,501

**Payable to the Pension Plan**

As of September 30, 2023, the City reported a payable of \$11,075 to the General Pension and Retirement Plan, \$30,376 to the Firefighters’ Relief and Pension Plan, \$7,697 to the Police Officers’ Retirement Fund, \$278,336 to the FRS Plan, and \$18,872 to HIS Plan for the outstanding amount of contributions to the pension plans required for the year ended September 30, 2023.

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

**NOTE IV. – OTHER INFORMATION (Continued)**

**C. Post-Employment Benefits Other Than Pensions (OPEB)**

GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. The total OPEB liability is recorded at the fund level for proprietary activities and the allocated amount for governmental activities is presented at the government-wide level.

The annual OPEB cost is included in the line item of *salaries* for proprietary fund statements and is allocated by function for governmental activities on the government-wide financial statements.

**General Information about the Plan**

*Plan Description.* The City of Pensacola administers a single employer defined benefit plan which offers three plans for health care through Blue Cross Blue Shield of Florida: Health Options HMO, Blue Options PPO Health Savings Account, and BlueMedicare Group PPO. Insurance is offered to both active employees and retirees who worked for the City for a continuous six or more years and had health insurance coverage at the time of their retirement.

The City has followed a pay-as-you-go funding policy, contributing only those amounts necessary to provide for its portion of current year benefit costs and expenses plus any addition to the reserve for accrued costs incurred but not yet reported, as determined as part of the insurance contract. The contribution requirements of plan members are established by the City. For active employees, the City pays any remaining required amounts after the contributions of plan members are taken into account. Retired members pay the full premium associated with the coverage elected; except for General Pension and Retirement Plan participants who receive a direct subsidy from the General Pension and Retirement Plan of \$56 per month. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement 75.

The City contracted with a recognized and certified actuarial firm to provide an actuarial valuation of post-employment benefits (a copy of this report can be obtained by contacting the City of Pensacola's Financial Services Department).

*Benefits provided.* Post-employment benefits, such as health care, are offered on a retiree pay all basis; whereas retired members pay the full premium associated with the coverage elected, except for General Pension and Retirement Plan participants who receive a direct subsidy from the General Pension and Retirement Plan of \$56 per month. The State of Florida, per Statute 112.08(01), requires claims experience of the retiree group to be co-mingled with that of active employees in determining the health plan cost. The co-mingling of claims requirement equates to an implicit subsidy to retirees which creates an OPEB liability on the part of the City. The benefit payments recognized is due to the \$56 monthly subsidy as well as the implicit rate subsidy.

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

**NOTE IV. – OTHER INFORMATION (Continued)**

*Employees covered by benefit terms.* On December 31, 2022, the valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving a benefit	225
Inactive employees entitled to but not yet receiving a benefit	0
Active employees	766
Total	<u>991</u>

**Total OPEB Liability**

The total OPEB liability of \$10,921,189 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions or other inputs.* Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. As such, amounts regarding the funding status of the plan and the annual required contributions of the employer are subject to revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Significant accrual methods and assumptions for the reporting period of September 30, 2023 were as follows:

	FISCAL YEAR 2023
Valuation Date	12/31/2022
Inflation	2.50%
Municipal Bond Index Rate:	
Prior measurement date	2.06%
Measurement date	3.72%
Health Care Cost Trends:	
Pre-Medicare	6.50%
ultimate trend rate	4.40%
year of ultimate trend rate	2032
Post-Medicare	4.75%
ultimate trend rate	4.40%
year of ultimate trend rate	2025

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

**NOTE IV. – OTHER INFORMATION (Continued)**

The discount rate used to measure the total OPEB liability was based on the Bond Buyer General Obligation 20-year Municipal Bond Index published at the end of the last week during the month of December by The Bond Buyer

Mortality rates were based on the PubG.H-2010 mortality tables, with sex-distinct collar adjustments that align with the assumption used by the Florida Retirement System Pension Plan as required by 112.63(1)(f), F.S.

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of an actuarial experience study for the period of January 1, 2022 through December 31, 2022.

**Changes to Total OPEB Liability**

	<b>Total OPEB Liability (a)</b>
<b>Balances at 12/31/21</b>	\$ 18,342,306
<b>Changes for the year:</b>	
Service cost *	232,568
Interest	373,467
Changes in benefit terms	0
Differences between expected and actual experience	(5,052,820)
Changes in assumptions or other inputs	(2,546,519)
Benefit payments	(427,813)
<b>Net changes</b>	<b>(7,421,117)</b>
<b>Balances at 12/31/22</b>	<b>\$ 10,921,189</b>
* The service cost includes interest for the year.	

The total OPEB liability is based upon an actuarial valuation performed as of the Valuation Date, December 31, 2022. An expected total OPEB liability is determined as of December 31, 2022, the Measurement Date, using standard roll forward techniques. The roll forward calculation begins with the total OPEB liability, as of the Measurement Date, December 31, 2022, adds the annual normal cost (also called the Service Cost), interest at the Discount Rate for the year, and then subtracts the Benefit Payments for the year.

The City actuary has assumed no significant changes, other than the change in the Municipal Bond Index Rate, have occurred between the Valuation Date and the Measurement Date.

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

**NOTE IV. – OTHER INFORMATION (Continued)**

Since the Prior Measurement Date, the Discount Rate has changed from 2.06% to 3.72% due to a change in the Municipal Bond Rate.

There are no changes in benefit terms since the Prior Measurement Date.

No benefit payments are attributable to the purchase of allocated insurance contracts.

*Sensitivity of the total OPEB liability to changes in the discount rate.* Below represents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percent-point lower or 1-percent-point higher than the current discount rate:

<b>Discount Rate Sensitivity</b>			
	1% Decrease	Current Discount Rate	1% Increase
	<u>2.72%</u>	<u>3.72%</u>	<u>4.72%</u>
City’s total OPEB liability \$	12,417,589	\$ 10,921,189	\$ 9,685,495

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The blended rate is comprised of the pre-Medicare health care cost trend rate is 6.50%, decreasing to 4.4% by 2032, and the post-Medicare health care cost trend rate is 4.75%, decreasing to 4.4% by 2025. Below represents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percent-point lower or 1-percent-point higher than the current healthcare cost trend rates:

<b>Health Care Cost Trend Rate Sensitivity</b>			
	1% Decrease	Current	1% Increase
	<u>Blended Rate</u>	<u>Blended Rate</u>	<u>Blended Rate</u>
City’s total OPEB liability \$	9,667,773	\$ 10,921,189	\$ 12,429,750

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2023, the City recognized an OPEB Income of \$1,203,795. Contributions made after the measurement date for the year ended September 30, 2023 were \$247,106. Contributions made after the measurement date are not included as a deferred outflow of resources in the table below. On September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources shown on the next page:

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

**NOTE IV. – OTHER INFORMATION (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 10,370,986
Changes of assumptions or other inputs	2,227,874	2,256,153
Total	\$ 2,227,874	\$ 12,627,139

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

Measurement Period Ended	
December 31:	
2023	\$ (1,562,725)
2024	(1,809,830)
2025	(1,673,260)
2026	(1,430,471)
2027	(1,430,471)
Thereafter	(2,492,508)
Total	\$ (10,399,265)

**D. Deferred Compensation/Replacement Benefit Program**

The City of Pensacola also has four retirement plans which are defined contribution pension plans. These plans provide benefits at retirement to general and public safety employees of the City. On September 30, 2023 there were 368 active plan members. The plan provisions and contribution requirements are established and may be amended by the City of Pensacola City Council. The following, on the next page, is a schedule of employee and employer contributions.

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

**NOTE IV. – OTHER INFORMATION (Continued)**

	General & Police Social Security Replacement Plan	Pension Replacement Plan	Non-Social Security Plan	Elected Officers & Part-time Employees Plan
Employee Contribution	4.7%, 5.7% or 6.7%	5.5%	\$10 minimum	7.5%
City Contributions	Matches employee's contribution up to 6.7%	0-5 yrs. of service 1.5% 5-10 yrs. of service 2.5% 10 or more years 6.5%	None	None
Employee Contribution for 9/30/23	\$1,074,229	\$33,740	\$707,081	\$-0-
City Contribution for 9/30/23	\$626,249	\$36,921	N/A	N/A

Employer and plan member contributions are recognized in the period that the contributions are due.

As required by Internal Revenue Code Section 457, the assets are held in trust for the employees' benefit. The Finance Director, selected by the government as the administrator, is responsible for the administration of the plan, including approval of certain investment alternatives (funds) which are made available to plan participants. The government has a fiduciary duty to administer the plan properly and to assure that the investment alternatives made available are reasonable. However, since plan participants select the investment fund or funds in which their deferred compensation accounts are invested, the government has no liability for investment losses which occur as a result of the investments selected by the plan participants.

**E. Termination Benefits**

The City of Pensacola does not offer any termination benefits to employees.

**F. Litigation**

The City is contingently liable with respect to other lawsuits and other claims incidental to the ordinary course of its operations. Although the outcome of these lawsuits is not presently determinable, in the opinion of management, based on the advice of counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**G. Grant Contingencies**

The City has received numerous state and federal grants. The disbursement of funds received under these programs is subject to review and audit by grantor agencies. Any disbursements disallowed by these agencies could become a liability of the City. In the opinion of management, any such claims should not have a material adverse effect on the financial position of the City.

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

**NOTE IV. – OTHER INFORMATION (Continued)**

**H. Contractual, Construction, and Equipment Commitments**

The City has outstanding commitments for contractual services and for the construction and acquisition of property, plant, and equipment at year-end. The commitments represent the difference between the contract prices of the various projects and the amounts paid on each contract. Outstanding commitments by fund on September 30, 2023 were:

General Fund	\$	2,306,490
Housing Assitances Payments		78,810
Local Option Sales Tax		2,746,953
American Rescue Plan Fund		417,514
Utility Fund		1,665,955
Sanitation Fund		12,512
Port Fund		169,978
Airport Fund		11,288,243
Nonmajor Government		8,848,144
Internal Service Funds		<u>468,899</u>
Total	\$	<u><u>28,003,498</u></u>

The Airport’s outstanding commitment of \$11,288,243 is mainly due to project Titan. Project Titan is the continuation of the development of a commercial aircraft maintenance, repair, and overhaul (“MRO”) campus at Pensacola International Airport that began with the occupancy of MRO Hangar 1 by VT MAE in the summer of 2018. Project Titan consists of the construction of up to three additional MRO Hangars, including warehouses/support services centers and an administrative office space, all of which will be leased to VT MAE under the Master Lease Agreement. Total cost of Project Titan is estimated not to exceed the amount of committed funds, currently totaling \$210,125,000. The first phase of which consisted of the construction of MRO Hanger 2 was completed in fiscal year 2023. The second phase of the project includes an additional hanger(s), connector taxiway, apron and parking lot which the Airport began design for in fiscal year 2023. Airport’s construction commitments will continue to be large until the project is completed.

**I. Note Receivables**

**1. Compressed Natural Gas (CNG) station financing.** In August 2014, the City entered a ten-year non-cancelable contract to lease a second CNG Station to ECUA. The CNG station is financed for a principal amount of \$965,655 at 2.09% for ten years. The monthly payments of \$8,924 are paid to the City at the beginning of each month until the end of the term (July 31, 2024), at which time ECUA will receive ownership of the building. As of September 30, 2023, the outstanding balance is \$88,430.

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

**NOTE IV. – OTHER INFORMATION (Continued)**

**J. Tax Abatements**

The City of Pensacola provides tax abatements under the Economic Development Ad Valorem Tax Exemption (EDATE) program. The EDATE program provides tax abatements to attract and/or expand businesses within the City limits. The program was established by ordinance in accordance with Florida Statute Chapter 196.1995. The abatements are up to 100% of the assessed value of all improvements to real property made by or for the use of a new business and all tangible personal property of such new business, or up to 100% of the assessed value of all added improvements to real property made to facilitate the expansion of an existing business and the net increase in all tangible personal property acquired to facilitate such expansion of an existing business through a direct reduction of the business's property bill. Tax abatements may be granted to any new or expanding business as defined in Florida Statute Chapter 196.

The agreements include recapture provisions should the business receiving the tax abatement fail to meet its commitments, such as the submittal of the annual renewal application. No other commitments were made by the City as part of those agreements.

For the fiscal year ended September 30, 2023, the City abated real and tangible property taxes totaling \$235,492 under the EDATE program, including the following tax abatement agreements that exceed 10 percent of the total amount abated:

- A 100% real property tax abatement to real estate company for opening an apartment complex in the enterprise zone. The abatement amounted to \$232,794.

**K. Change in Accounting Principle**

The city adopted GASB Statement 96, "Subscription-Based Information Technology Arrangements" in fiscal year 2023. The change required the restatement of beginning net position for the business-type activities. The beginning net position for business-type activities decreased by \$4,355.

**L. Other Significant Commitments**

1. *Pensacola Energy Contract – Natural Gas Purchases.* Pensacola Energy has the option under its contract with its natural gas supplier, BP Corporation North America, to exercise several hedging options for the purchase of natural gas. This hedging strategy allows Pensacola Energy to purchase a percentage of its natural gas at specified prices for future delivery. Pensacola Energy, in concurrence with its commodities consultant, decided on pricing strategies due to the volatility in the market price of natural gas. Pensacola Energy enters into these hedging contracts to protect itself against volatility in the market price of natural gas. However, due to the instability of the market, the market price to purchase natural gas may be lower than the price at which Pensacola Energy is committed to buy.

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

**NOTE IV. – OTHER INFORMATION (Continued)**

Should the natural gas supplier fail to fulfill the gas hedging contracts, the terms of the contract include provisions for recovering the cost in excess of the guaranteed price from the natural gas supplier should Pensacola Energy have to procure natural gas on the open market. While Pensacola Energy does take advantage of the hedging contract, since BP Corporation North America is not required to store a set amount of natural gas for Pensacola Energy there is no financial statement value.

**2. Multi-Use Facility Agreement.** On July 20, 2011, CMPA and Northwest Florida Professional Baseball (NFPB), the owner of the Blue Wahoos “AA” minor league baseball franchise, entered into an agreement for NFPB’s use of the baseball stadium at the Park. The term of the agreement is for 10 years, with two optional 5-year renewal periods, and requires NFPB to pay an annual use fee of \$175,000 plus attendance and variable ticket surcharges. In addition, the agreement requires that revenues collected from the variable ticket surcharge be set aside to fund capital maintenance and repairs at the Vince Whibbs Sr. Community Maritime Park.

In April 2015, NFPB exercised the option to purchase the naming rights to the multi-use facility. After payment of costs and expenses associated with the sale of the naming rights, CMPA was entitled to receive 50% of the revenue generated from the sale which totaled \$787,500. CMPA will receive these funds over the course of 7 years in annual payments of \$112,500. With the dissolution of the CMPA on June 1, 2017, the Multi-Use Facility Agreement was assigned to the City.

On September 22, 2021, NFPB provided notice to the City to extend the agreement and exercise their option through March 31, 2032, utilizing both of the two (2) five (5) year renewal terms available under the agreement.

**Community Redevelopment Agency (CRA)**

**1. CRA Interlocal Agreement – Downtown Improvement Board.** On September 11, 2022, the Agency and the Pensacola Downtown Improvement Board (DIB) entered into an Interlocal Agreement whereby the Agency agreed to contribute to the DIB an annual amount equal to the funds paid into the Urban Core Redevelopment Trust Fund by the DIB through September 30, 2025. The primary purpose of the contribution was for the development and implementation of a downtown housing and parking strategy or any other proper functions of the DIB, provided such functions are reasonably consistent and compatible with the long-term goals and objectives outlined in the Urban Core Redevelopment Plan. The annual installments to the DIB are paid from Tax Increment Revenues derived from the Urban Core Redevelopment Area. Payments for the year ended September 30, 2023 totaled \$404,624.

**2. CRA Interlocal Agreement - Main Street Wastewater Treatment Plant.** On June 26, 2009, the City and the Agency entered into an Interlocal Agreement whereby the Agency agreed to pay the Emerald Coast Utilities Authority \$19.5 million towards the relocation of the Main Street Wastewater Treatment Plant.

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

**NOTE IV. – OTHER INFORMATION (Continued)**

The obligation was recorded in fiscal year 2012 upon project completion. Annual installments to the Authority of \$1.3 million began in fiscal year 2013 and will extend through fiscal year 2027. The annual installments to the Authority will be paid from Tax Increment Revenues derived from the Urban Core Redevelopment Area and any shortfall paid by the City will be reimbursed by the Agency when funds are available. Payments for the year ended September 30, 2023 totaled \$1,300,000.

**3. CRA Interlocal Agreement – Eastside Redevelopment Loan.** On September 30, 2016, as amended on August 10, 2017, the City and the Agency entered into an Interlocal Agreement which established the terms and conditions by which the City would provide a loan to the Agency in the principal amount of \$500,000 to finance a portion of the cost associated with the design, construction and acquisition of the General Daniel “Chappie” James, Jr. Museum and Youth Flight Academy. The loan was made from the City’s Insurance Retention Fund to the Agency’s Eastside TIF District and has a thirty (30) year term with interest only being paid until the twenty (20) year Eastside Redevelopment Revenue Bond, Series 2017 has matured. Principal payments begin December 31, 2037 and end on December 31, 2045. Since the principal repayment on the loan does not start until December 31, 2037, the full interfund balance was reduced and a transfer between the Eastside TIF District Fund and the City was recorded. At the point of repayment, the full long-term liability will be recorded and the transfer reversed.

**4. CRA Interlocal Agreement – Administrative Services.** On September 22, 2017, as amended on August 13, 2019, the City and the Agency entered into an Interlocal Agreement whereby the City agreed to provide administrative services to the Agency through December 31, 2045. Administrative services include personnel, financial, legal, engineering, planning, purchasing, construction, insurance, title, and construction services. All personnel assigned by the City are employees of the City and are not officers, employees, or agents of the Agency. As such, the Agency has no pension obligation, other post-employment obligations, or other liabilities related to personnel. In consideration of the services, the Agency reimburses the City based on the actual cost of services. Payments for the year ended September 30, 2023 totaled \$704,087.

**5. CRA Interlocal Agreement – Urban Core Landscape Maintenance Services.** On September 22, 2017, the City and the Agency entered into an Interlocal Agreement whereby the City agreed to provide landscape maintenance services and park and public space enhancements and accessibility improvements on the Agency’s behalf through December 31, 2043. These services include the cost to maintain any improvements to various public facilities within the Urban Core Community Redevelopment Area which, pursuant to the Urban Core Community Redevelopment Plan, the Agency has made. In consideration of the services, the Agency reimburses the City based on the actual cost of services. Payments for the year ended September 30, 2023 totaled \$419,183.

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

**NOTE IV. – OTHER INFORMATION (Continued)**

6. *CRA Interlocal Agreement – Eastside Landscape Maintenance Services.* On November 15, 2017, the City and the Agency entered into an Interlocal Agreement whereby the City agreed to provide landscape, park, property management, leasing, accessibility improvement, public space enhancement, and facilities maintenance services on the Agency's behalf through December 31, 2045. These services include the cost to maintain any improvements to various public facilities within the Eastside Community Redevelopment Area which, pursuant to the Eastside Community Redevelopment Plan, the Agency has made. In consideration of the services, the Agency reimburses the City based on the actual cost of services. Payments for the year ended September 30, 2023 totaled \$12,916.

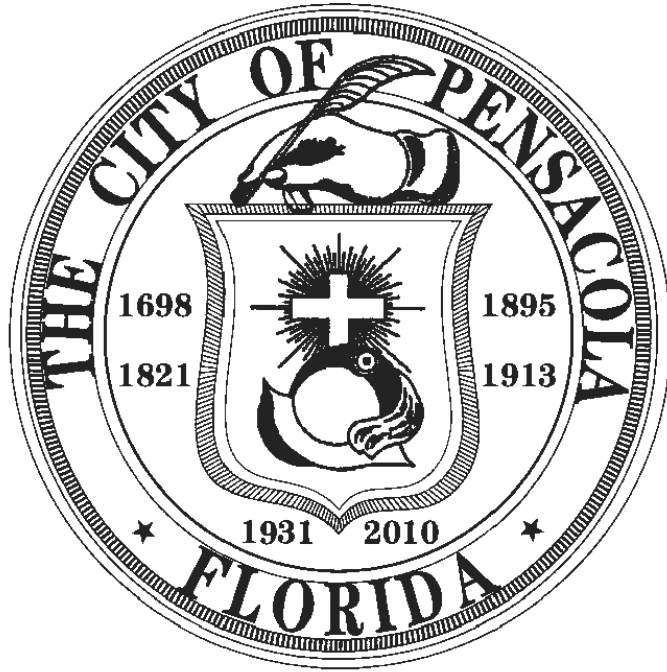
7. *CRA Interlocal Agreement – Community Policing Innovations.* On September 23, 2022, the City and the Agency entered into an Interlocal Agreement whereby the City agreed to provide additional policing services within the Urban Core Community Redevelopment Area through September 30, 2023. These services aim to reduce crime by reducing opportunities for, and increasing perceived risk of engaging in, criminal activity through visible presence of police. In consideration of the services, the Agency reimburses the City based on the actual cost of services. Payments for the year ended September 30, 2023 totaled \$116,017.

8. *CRA Interlocal Agreement – Community Maritime Park Stadium Improvements.* On July 23, 2021, the City and the Agency entered into an Interlocal Agreement whereby the Agency agreed to contribute up to \$2,000,000 to fund certain improvements at the Vince Whibbs Sr. Community Maritime Park Blue Wahoos Stadium. Such improvements include, but are not limited to, the conversion of the Blue Wahoos Stadium baseball field from natural grass to synthetic turf and any irrigation changes needed to accommodate the conversion, the conversion of the Blue Wahoos Stadium lights to LED, the removal of existing bullpens and construction of new bullpens, the construction of new batting cages, the purchase of additional training tables, dishwashers and surveillance equipment, internet and phone upgrades, replacement of HWC chairs, painting, repairs to seats, flooring, electrical outlets and elevators all in furtherance of maximizing the use and impact of the Vince Whibbs Sr. Community Maritime Park improvements paid for with tax increment revenues derived from the Urban Core Community Redevelopment Area. As of September 30, 2023, \$1,713,220 has been paid towards improvements for the project, life-to-date.

## **REQUIRED SUPPLEMENTARY INFORMATION**

PENSION FUNDS SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND  
RELATED RATIOS, PROPORTIONATE SHARE OF THE NET PENSION LIABILITY,  
EMPLOYER CONTRIBUTIONS AND  
INVESTMENT RETURNS

OTHER POSTEMPLOYEMENT BENEFITS  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY



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**CITY OF PENSACOLA, FLORIDA  
GENERAL PENSION & RETIREMENT FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS  
Fiscal Year \***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>										
Service Cost (BOY)	\$ 598,194	\$ 653,860	\$ 706,288	\$ 692,814	\$ 806,853	\$ 806,853	\$ 960,937	\$ 875,872	\$ 875,872	\$ 929,202
Interest	12,115,554	12,200,468	12,830,343	12,870,665	13,096,503	13,087,373	13,265,393	13,080,194	13,039,418	13,016,576
Difference between Expected & Actual Experience	(2,466,070)	-	(3,644,260)		(2,139,264)		(6,829,727)			
Changes in Assumptions	3,052,973	-	(62,137)		3,260,021		8,088,948			
Changes of benefit terms								1,929,586		
Benefit payments, including refunds of member contributions	(13,978,631)	(14,078,231)	(13,412,714)	(13,364,040)	(13,213,824)	(14,334,373)	(13,902,080)	(13,007,151)	(13,664,554)	(13,746,602)
Refunds of contributions	-	(10,529)	(23,117)	(31,267)			(82,082)	(31,304)	(82,048)	
Net change in total pension liability	(677,980)	(1,234,432)	(3,605,597)	168,172	1,810,289	(440,147)	1,501,389	2,847,197	168,688	199,176
Total pension liability - beginning	175,260,893	176,495,325	180,100,922	179,932,750	178,122,461	178,562,608	177,061,219	174,214,022	174,045,334	169,580,500
<b>Total pension liability - ending (a)</b>	<b>\$ 174,582,913</b>	<b>\$ 175,260,893</b>	<b>\$ 176,495,325</b>	<b>\$ 180,100,922</b>	<b>\$ 179,932,750</b>	<b>\$ 178,122,461</b>	<b>\$ 178,562,608</b>	<b>\$ 177,061,219</b>	<b>\$ 174,214,022</b>	<b>\$ 169,779,676</b>
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 5,599,854	\$ 5,946,411	\$ 5,946,490	\$ 6,200,753	\$ 6,200,956	\$ 6,788,208	6,788,559	\$ 6,586,144	\$ 6,586,424	\$ 6,658,185
Contributions - member	266,873	279,948	285,355	294,284	305,534	341,314	360,693	375,026	388,789	388,789
Net investment income	(28,860,605)	30,484,953	11,992,518	1,761,461	11,373,720	14,963,864	11,356,088	(2,230,201)	14,895,032	15,135,023
Benefit payments, including refunds of member contributions	(13,978,631)	(14,078,231)	(13,412,714)	(13,364,040)	(13,199,103)	(14,334,373)	(13,902,080)	(13,007,151)	(13,664,554)	(13,746,602)
Health insurance assistance										(149,688)
Refunds of Contributions	-	(10,529)	(23,117)	(31,267)	(14,721)		(82,082)	(31,304)	(82,048)	
Administrative expense	(112,771)	(114,316)	(97,740)	(113,078)	(112,430)	(134,684)	(102,605)	(126,054)	(103,765)	(103,764)
Other								2,149,812		
Net change in plan fiduciary net position	(37,085,280)	22,508,236	4,690,792	(5,251,887)	4,553,956	7,624,329	4,418,573	(6,283,728)	8,019,878	8,181,943
Plan fiduciary net position - beginning	168,990,567	146,482,331	141,791,539	147,043,426	142,489,470	134,865,141	130,446,568	136,730,296	128,710,418	130,767,804
<b>Plan fiduciary net position - ending</b>	<b>131,905,287</b>	<b>168,990,567</b>	<b>146,482,331</b>	<b>141,791,539</b>	<b>147,043,426</b>	<b>142,489,470</b>	<b>134,865,141</b>	<b>130,446,568</b>	<b>136,730,296</b>	<b>138,949,747</b>
Less health care reserves										2,219,451
<b>Total plan fiduciary net position (b)</b>	<b>\$ 131,905,287</b>	<b>\$ 168,990,567</b>	<b>\$ 146,482,331</b>	<b>\$ 141,791,539</b>	<b>\$ 147,043,426</b>	<b>\$ 142,489,470</b>	<b>\$ 134,865,141</b>	<b>\$ 130,446,568</b>	<b>\$ 136,730,296</b>	<b>\$ 136,730,296</b>
<b>City's net pension liability - ending (a)-(b)</b>	<b>\$ 42,677,626</b>	<b>\$ 6,270,326</b>	<b>\$ 30,012,994</b>	<b>\$ 38,309,383</b>	<b>\$ 32,889,324</b>	<b>\$ 35,632,991</b>	<b>\$ 43,697,467</b>	<b>\$ 46,614,651</b>	<b>\$ 37,483,726</b>	<b>\$ 33,049,380</b>
Plan fiduciary net position as a percentage of the total pension liability	75.55%	96.42%	83.00%	78.73%	81.72%	80.00%	75.53%	73.67%	78.48%	80.53%
<b>Covered payroll</b>	<b>4,852,230</b>	<b>5,076,072</b>	<b>5,067,293</b>	<b>5,258,416</b>	<b>5,555,159</b>	<b>6,174,853</b>	<b>6,347,558</b>	<b>6,901,570</b>	<b>6,757,461</b>	<b>6,757,461</b>
<b>City's pension liability as a percentage of covered payroll</b>	<b>879.55%</b>	<b>123.53%</b>	<b>592.29%</b>	<b>728.53%</b>	<b>592.05%</b>	<b>577.07%</b>	<b>688.41%</b>	<b>675.42%</b>	<b>554.70%</b>	<b>489.08%</b>
<b>Annual money-weighted rate of return</b>	<b>-17.40%</b>	<b>23.46%</b>	<b>8.46%</b>	<b>1.20%</b>	<b>8.02%</b>	<b>11.10%</b>	<b>11.20%</b>	<b>8.80%</b>	<b>-1.90%</b>	

\* The amounts presented for each fiscal year were determined as of September 30<sup>th</sup>, of the prior year.

NOTE: Information is presented for those years in which information is available. The General Pension and Retirement Plan is a closed plan therefore the percentage of covered employee payroll will continue to increase as participants retire.

**CITY OF PENSACOLA, FLORIDA  
GENERAL PENSION & RETIREMENT FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**Notes to Schedule:**

*Method and assumptions used in calculations of actuarially determined contributions.* 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. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

<b>SCHEDULE OF EMPLOYER CONTRIBUTIONS</b>										
<b>Last 10 Fiscal Years *</b>										
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined employer contribution	\$ 5,599,854	\$ 5,599,853	\$ 5,946,411	\$ 5,946,490	\$ 6,200,753	\$ 6,200,956	\$ 6,788,208	\$ 6,788,560	\$ 7,515,167	\$ 7,448,089
Actual employer contribution	<u>5,599,854</u>	<u>5,599,854</u>	<u>5,946,411</u>	<u>5,946,490</u>	<u>6,200,753</u>	<u>6,200,956</u>	<u>6,788,208</u>	<u>6,788,560</u>	<u>7,515,167</u>	<u>7,448,089</u>
Annual contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ (1)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 4,852,230	\$ 5,076,072	\$ 5,089,969	\$ 5,067,293	\$ 5,258,416	\$ 5,555,159	\$ 6,174,853	\$ 6,347,558	\$ 6,901,570	\$ 6,757,461
Actual contributions as a % of covered payroll	115.41%	110.32%	116.83%	117.35%	117.92%	111.63%	109.93%	106.95%	108.89%	110.22%
<p>2014 actuarially determined employer contribution includes \$553,997 in prepaid reserves and excludes \$71,761 in health care contributions.</p> <p>Current year covered payroll is not actuarially determined therefore subject to change in future years.</p> <p>* Based on contributions made during the fiscal year noted.</p>										

**CITY OF PENSACOLA, FLORIDA  
GENERAL PENSION & RETIREMENT FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Valuation Date	9/30/2022	9/30/2020	9/30/2020	9/30/2018	9/30/2018	9/30/2016	9/30/2016	9/30/2015	9/30/2014	9/30/2013
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed
Remaining Amortization Period	7 years	7 years	7 years	8 years	9 years	10 years	11 years	12 years	13 years	15 years
Asset Valuation Method	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market	5 year smoothed market
Actuarial Assumptions:										
Inflation	2.40%	2.40%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Salary increase	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%	4.50% - 9.50%
Investment rate of return	7.2%, net of pension plan investment expense, including inflation	7.2%, net of pension plan investment expense, including inflation	7.2%, net of pension plan investment expense, including inflation	7.4%, net of pension plan investment expense, including inflation	7.4%, net of pension plan investment expense, including inflation	7.6%, net of pension plan investment expense, including inflation	7.6%, net of pension plan investment expense, including inflation	7.8%, net of pension plan investment expense, including inflation	7.8%, net of pension plan investment expense, including inflation	8%, net of pension plan investment expense, including inflation
Cost of living adjustments	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%	1.0-1.5%
Mortality Rates	PUB-2010 Headcount Weighted	PUB-2010 Headcount Weighted	PUB-2010 Headcount Weighted	RP-2000 Generational Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP 2000 Combined Healthy set forward 5 years for males and RP 2000 combined Healthy for females	RP 2000 Combined Healthy set forward 5 years for males and RP 2000 combined Healthy for females	RP 2000 Combined Healthy set forward 5 years for males and RP 2000 combined Healthy for females

NOTE: Information is presented for those years in which information is available.

**CITY OF PENSACOLA, FLORIDA  
FIREFIGHTER'S RELIEF & PENSION FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS  
Fiscal year \***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>									
Service Cost (BOY)	\$ 1,569,316	\$ 1,497,129	\$ 1,258,728	\$ 1,290,959	\$ 1,263,734	\$ 1,317,501	\$ 1,340,661	\$ 1,189,882	\$ 1,578,578
Interest	10,453,664	10,322,867	9,985,729	9,887,893	9,735,179	9,731,641	9,595,671	9,016,289	9,116,288
Difference between Expected and Actual Experience	(1,624,615)	(1,424,849)	(511,791)	(87,339)	260,034	(3,442,328)	(482,293)	30,585	
Changes in Assumptions	-	-	1,918,859			967,856		7,780,467	
Changes in Benefit Terms	-	411,685		(1,793)			802,334	(4,080,439)	
Contributions - Buy Back							44,064		
Benefit payments, including refunds of member contributions	(9,061,274)	(8,497,992)	(9,404,872)	(10,188,894)	(8,438,858)	(8,511,653)	(8,929,344)	(6,788,324)	(8,163,106)
Net change in total pension liability	1,337,091	2,308,840	3,246,653	900,826	2,820,089	63,017	2,371,093	7,148,460	2,531,760
Total pension liability - beginning	137,847,311	135,538,471	132,291,818	131,390,992	128,570,903	128,507,886	126,136,793	118,988,333	116,456,573
<b>Total pension liability - ending (a)</b>	<b>\$ 139,184,402</b>	<b>\$ 137,847,311</b>	<b>\$ 135,538,471</b>	<b>\$ 132,291,818</b>	<b>\$ 131,390,992</b>	<b>\$ 128,570,903</b>	<b>\$ 128,507,886</b>	<b>\$ 126,136,793</b>	<b>\$ 118,988,333</b>
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 1,995,497	\$ 1,898,060	\$ 1,720,961	\$ 1,658,203	\$ 2,009,062	\$ 2,336,545	3,826,740	\$ 4,334,264	\$ 3,649,568
Contributions - member	732,734	619,231	543,443	505,660	480,066	449,131	421,774	474,193	457,362
Contributions - Buy Back							44,064		
Net investment income	(26,186,134)	28,553,234	13,110,520	3,440,824	10,905,810	12,473,832	9,928,990	(1,770,463)	10,980,094
Benefit payments, including refunds of member contributions	(9,061,274)	(8,497,992)	(9,404,872)	(10,188,894)	(8,438,858)	(8,511,653)	(8,929,344)	(6,788,324)	(8,163,106)
Administrative expense	(73,987)	(65,256)	(75,205)	(73,186)	(93,728)	(90,536)	(105,921)	(92,822)	(131,563)
Other						81,471			
Net change in plan fiduciary net position	(32,593,164)	22,507,277	5,894,847	(4,657,393)	4,862,352	6,738,790	5,186,303	(3,843,152)	6,792,355
Plan fiduciary net position - beginning	149,229,764	126,722,487	120,827,640	125,485,033	120,622,681	113,883,891	108,697,588	112,540,740	106,396,777
<b>Plan fiduciary net position - ending</b>	<b>116,636,600</b>	<b>149,229,764</b>	<b>126,722,487</b>	<b>120,827,640</b>	<b>125,485,033</b>	<b>120,622,681</b>	<b>113,883,891</b>	<b>108,697,588</b>	<b>113,189,132</b>
LESS RESERVE ACCOUNTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 648,392
<b>Total plan fiduciary net position (b)</b>	<b>\$ 116,636,600</b>	<b>\$ 149,229,764</b>	<b>\$ 126,722,487</b>	<b>\$ 120,827,640</b>	<b>\$ 125,485,033</b>	<b>\$ 120,622,681</b>	<b>\$ 113,883,891</b>	<b>\$ 108,697,588</b>	<b>\$ 112,540,740</b>
<b>City's net pension liability - ending (a)-(b)</b>	<b>\$ 22,547,802</b>	<b>\$ (11,382,453)</b>	<b>\$ 8,815,984</b>	<b>\$ 11,464,178</b>	<b>\$ 5,905,959</b>	<b>\$ 7,948,222</b>	<b>\$ 14,623,995</b>	<b>\$ 17,439,205</b>	<b>\$ 6,447,593</b>
Plan fiduciary net position as a percentage of the total pension liability	83.80%	108.26%	93.50%	91.33%	95.51%	93.82%	88.62%	86.17%	94.58%
<b>Covered payroll</b>	<b>6,661,211</b>	<b>5,629,353</b>	<b>4,940,394</b>	<b>4,596,890</b>	<b>4,364,222</b>	<b>4,082,999</b>	<b>3,834,292</b>	<b>7,494,388</b>	<b>4,157,835</b>
<b>City's pension liability as a percentage of covered payroll</b>	<b>338.49%</b>	<b>-202.20%</b>	<b>178.45%</b>	<b>249.39%</b>	<b>135.33%</b>	<b>194.67%</b>	<b>381.40%</b>	<b>232.70%</b>	<b>155.07%</b>
<b>Annual money-weighted rate of return</b>	<b>-17.88%</b>	<b>22.94%</b>	<b>11.12%</b>	<b>2.83%</b>	<b>9.20%</b>	<b>11.14%</b>	<b>9.18%</b>	<b>-1.56%</b>	<b>10.16%</b>

\* The amounts presented for each fiscal year were determined as of September 30<sup>th</sup>, of the prior year.

NOTE: Information is presented for those years in which information is available.

**CITY OF PENSACOLA, FLORIDA  
FIREFIGHTER'S RELIEF & PENSION FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**Notes to Schedule:**

*Method and assumptions used in calculations of actuarially determined contributions.* 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. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

<b>FIREFIGHTERS' RELIEF &amp; PENSION FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS Last 10 Fiscal Years *</b>										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined employer contribution	\$ 1,342,706	\$ 1,979,502	\$ 1,837,352	\$ 1,711,806	\$ 1,644,078	\$ 1,993,643	\$ 2,321,285	\$ 3,822,480	\$ 4,334,264	\$ 3,097,587
Actual employer contribution	<u>1,342,706</u>	<u>1,995,497</u>	<u>1,898,060</u>	<u>1,720,961</u>	<u>1,658,203</u>	<u>2,009,062</u>	<u>2,336,545</u>	<u>3,826,740</u>	<u>4,334,264</u>	<u>3,097,587</u>
Annual contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ (15,995)</u>	<u>\$ (60,708)</u>	<u>\$ (9,155)</u>	<u>\$ (14,125)</u>	<u>\$ (15,419)</u>	<u>\$ (15,260)</u>	<u>\$ (4,260)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 6,329,377	\$ 6,611,211	\$ 5,629,353	\$ 4,939,900	\$ 4,596,890	\$ 4,364,222	\$ 4,082,999	\$ 3,834,292	\$ 7,494,388	\$ 4,157,835
Actual contributions as a % of covered payroll	21.21%	30.18%	33.72%	34.84%	36.07%	46.03%	57.23%	99.80%	57.83%	74.50%
2014 actuarially determined employer contribution excludes \$551,981 in current year prepaid reserves.										
Current year covered payroll is not actuarially determined therefore subject to change in future years.										
* Based on contributions made during the fiscal year noted.										

**CITY OF PENSACOLA, FLORIDA  
FIREFIGHTER'S RELIEF & PENSION FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Valuation Date	10/1/2022	10/1/2021	10/1/2020	10/1/2019	10/1/2018	10/1/2017	10/1/2016	10/1/2015	10/1/2014
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	New UAAL amortization bases are amortized over 15 years	New UAAL amortization bases are amortized over 15 years	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed
Remaining Amortization Period	12	12	30 years	30 years	30 years	30 years	30 years	30 years	30 years
Asset Valuation Method	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period	5 year phased in period
Actuarial Assumptions:									
Inflation	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	3.00%	3.00%
Salary increase	Service Based	Service Based	5.5%-12.68%	5.5%-12.68%	5.5%-12.68%	5.5%-12.68%	5.5%-12.68%	5.5%-12.68%	5.5%-13.95%
Investment rate of return	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	8.00%
Cost of living adjustments	2.875%	2.875%	2.875%	2.875%	2.875%	2.875%	2.875%	2.875%	2.875%
Mortality:	PUBS.H-2010	PUBS.H-2010	PUBS.H-2010	RP-2000 Generational Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP-2000 Generational Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB	RP 2000 Combined Healthy Projected to 2011 Sex Distinct	1994 UP Mortality Projected to 2006 - Sex Distinct

NOTE: Information is presented for those years in which information is available.

**CITY OF PENSACOLA, FLORIDA  
POLICE OFFICERS' RETIREMENT FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY  
AND RELATED RATIOS  
Fiscal Year \***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>									
Service Cost (BOY)	\$ 794,084	\$ 785,361	\$ 825,932	\$ 786,760	\$ 816,071	\$ 761,793	\$ 912,596	\$ 818,742	\$ 860,340
Interest	9,893,600	9,624,254	9,511,040	9,193,908	8,949,790	8,977,910	8,876,315	8,390,513	8,151,071
Differences between expected and actual experience	(2,541,190)	1,350,334	699,810	1,361,896		(2,653,681)		312,274	866,959
Changes of assumptions	-	-	(1,978,840)					6,217,609	3,431,350
Contributions - buy back	-	-	51,726		47,123	41,367			
Benefit payments, including refunds of member contributions	(8,560,682)	(7,416,057)	(7,544,199)	(6,317,326)	(6,397,599)	(8,755,072)	(7,539,629)	(6,446,003)	(5,994,107)
Net change in total pension liability	(414,188)	4,343,892	1,565,469	5,025,238	3,415,385	(1,627,683)	2,249,282	9,293,135	7,315,613
Total pension liability - beginning	142,343,805	137,999,913	136,434,444	131,409,206	127,993,821	129,621,504	127,372,222	118,079,087	110,763,474
<b>Total pension liability - ending (a)</b>	<b>\$ 141,929,617</b>	<b>\$ 142,343,805</b>	<b>\$ 137,999,913</b>	<b>\$ 136,434,444</b>	<b>\$ 131,409,206</b>	<b>\$ 127,993,821</b>	<b>\$ 129,621,504</b>	<b>\$ 127,372,222</b>	<b>\$ 118,079,087</b>
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 3,972,023	\$ 4,157,135	\$ 4,254,519	\$ 4,445,468	\$ 4,528,544	\$ 4,331,190	\$ 3,830,736	\$ 3,830,839	\$ 3,825,656
Contributions - member	214,372	215,050	219,429	211,533	209,565	218,457	240,097	240,097	156,000
Net investment income	(20,777,957)	24,880,274	9,020,508	4,289,802	9,429,700	11,614,044	8,651,676	(2,362,487)	6,881,022
Benefit payments, including refunds of member contributions	(8,560,682)	(7,416,057)	(7,544,199)	(6,317,326)	(6,397,599)	(8,755,072)	(7,539,629)	(6,446,003)	(5,994,107)
Administrative expense	(66,997)	(48,522)	(38,631)	(48,723)	(52,447)	(115,371)	(93,853)	(82,441)	(69,051)
State Insurance	683,116	640,286	623,811	601,682	572,693	542,277	533,483	512,808	473,283
Member buybacks	-	-	51,726		47,123	41,367	-	-	12,024
Net change in plan fiduciary net position	(24,536,125)	22,428,166	6,587,163	3,182,436	8,337,579	7,876,892	5,609,770	(4,307,187)	5,284,827
Plan fiduciary net position - beginning	134,152,805	111,724,639	105,137,476	101,955,040	93,617,461	85,740,569	80,130,799	84,437,986	79,153,159
<b>Plan fiduciary net position - ending</b>	<b>109,616,680</b>	<b>134,152,805</b>	<b>111,724,639</b>	<b>105,137,476</b>	<b>101,955,040</b>	<b>93,617,461</b>	<b>85,740,569</b>	<b>80,130,799</b>	<b>84,437,986</b>
LESS RESERVE ACCOUNTS	966,951	878,884	769,559	668,865	371,687	775,007	1,168,510	1,203,293	1,097,405
<b>Total Plan fiduciary net position (b)</b>	<b>\$ 108,649,729</b>	<b>\$ 133,273,921</b>	<b>\$ 110,955,080</b>	<b>\$ 104,468,611</b>	<b>\$ 101,583,353</b>	<b>\$ 92,842,454</b>	<b>\$ 84,572,059</b>	<b>\$ 78,927,506</b>	<b>\$ 83,340,581</b>
<b>City's net pension liability - ending (a)-(b)</b>	<b>\$ 33,279,888</b>	<b>\$ 9,069,884</b>	<b>\$ 27,044,833</b>	<b>\$ 31,965,833</b>	<b>\$ 29,825,853</b>	<b>\$ 35,151,367</b>	<b>\$ 45,049,445</b>	<b>\$ 48,444,716</b>	<b>\$ 34,738,506</b>
Plan fiduciary net position as a percentage of the total pension liability	77.2%	94.3%	81.0%	77.1%	77.3%	72.5%	65.2%	62.0%	70.6%
<b>Covered payroll</b>	<b>\$ 4,122,527</b>	<b>\$ 4,135,565</b>	<b>\$ 4,219,813</b>	<b>\$ 4,067,890</b>	<b>\$ 4,030,069</b>	<b>\$ 4,201,063</b>	<b>\$ 4,372,250</b>	<b>\$ 4,423,864</b>	<b>\$ 4,466,862</b>
<b>City's pension liability as a percentage of covered payroll</b>	<b>807.3%</b>	<b>219.3%</b>	<b>640.9%</b>	<b>785.8%</b>	<b>740.1%</b>	<b>836.7%</b>	<b>1030.3%</b>	<b>1095.1%</b>	<b>777.7%</b>
<b>Annual money-weighted rate of return</b>	<b>-15.52%</b>	<b>22.47%</b>	<b>8.50%</b>	<b>4.15%</b>	<b>9.92%</b>	<b>13.48%</b>	<b>11.11%</b>	<b>-2.34%</b>	<b>9.00%</b>

\* The amounts presented for each fiscal year were determined as of September 30<sup>th</sup>, of the prior year.

NOTE: Information is presented for those years in which information is available. The Police Officers' Retirement Fund is a closed plan therefore the percentage of covered employee payroll will continue to increase as participants retire.

**CITY OF PENSACOLA, FLORIDA  
POLICE OFFICERS' RETIREMENT FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**Notes to Schedule:**

*Method and assumptions used in calculations of actuarially determined contributions.* 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. The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

<b>SCHEDULE OF EMPLOYER CONTRIBUTIONS</b>										
<b>Last 10 Fiscal Years *</b>										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined employer contribution	\$ 3,884,353	\$ 4,591,571	\$ 4,797,421	\$ 4,878,329	\$ 5,047,150	\$ 5,101,237	\$ 4,873,467	\$ 4,364,219	\$ 4,343,646	\$ 4,298,939
Actual employer contribution	<u>3,884,353</u>	<u>4,655,139</u>	<u>4,797,421</u>	<u>4,878,329</u>	<u>5,047,150</u>	<u>5,101,237</u>	<u>4,873,467</u>	<u>4,364,219</u>	<u>4,343,646</u>	<u>4,298,939</u>
Annual contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ (63,568)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 4,037,524	\$ 4,122,527	\$ 4,135,576	\$ 4,219,795	\$ 4,067,890	\$ 4,030,089	\$ 4,201,063	\$ 4,372,250	\$ 4,423,864	\$ 4,466,862
Actual contributions as a % of covered payroll	96.21%	112.92%	116.00%	115.61%	124.07%	126.58%	116.01%	99.82%	98.19%	96.24%
Current year covered payroll is not actuarially determined therefore subject to change in future years.										
Contributions do not include amounts drawn down from reserves.										
* Based on contributions made during the fiscal year noted.										

**CITY OF PENSACOLA, FLORIDA  
POLICE OFFICERS' RETIREMENT FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Valuation Date	10/1/2022	10/1/2021	10/1/2020	10/1/2019	10/1/2018	10/1/2017	10/1/2016	10/1/2015	10/1/2014
Actuarial cost method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age
Amortization method	New UAAL	New UAAL	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount	Level Dollar Amount
Remaining Amortization Period	10	10	11	12	13 years	14 years	15 years	16 years	17 years
Asset Valuation Method	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index	5 year weighted index
Actuarial Assumptions:									
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Salary increase	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Investment rate of return	7.125%	7.125%	7.125%	7.125%	7.125%	7.125%	7.125%	7.125%	7.25%
Cost of living adjustments	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Mortality Rates	PUBS.H-2010	PUBS.H-2010	PUBS.H-2010	RP-2000 Healthy Annuitant for Males or Females with adjustments for mortality improvements based on Scale BB	RP-2000 Healthy Annuitant for Males or Females with adjustments for mortality improvements based on Scale BB	RP-2000 Healthy Annuitant for Males or Females with adjustments for mortality improvements based on Scale BB	RP-2000 Healthy Annuitant for Males or Females with adjustments for mortality improvements based on Scale BB	RP-2000 Healthy Annuitant for Males or Females with adjustments for mortality improvements based on Scale BB	RP-2000 Healthy Annuitant for Males or Females with adjustments for mortality improvements based on Scale BB

NOTE: Information is presented for those years in which information is available.

**CITY OF PENSACOLA, FLORIDA  
FLORIDA RETIREMENT SYSTEM PENSION PLAN  
REQUIRED SUPPLEMENTARY INFORMATION**

<b>SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY</b>										
<b>Fiscal Year</b>										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the FRS net pension liability (asset)	0.076552186%	0.073462936%	0.067580322%	0.059663066%	0.055026148%	0.049432047%	0.045283952%	0.041335299%	0.039418763%	3.376052900%
City's proportion of the FRS net pension liability (asset)	\$ 30,503,623	\$ 27,334,115	\$ 5,104,925	\$ 25,858,852	\$ 18,949,722	\$ 14,889,189	\$ 13,394,689	\$ 10,437,195	\$ 5,091,462	\$ 2,059,889
Covered payroll	\$ 28,688,445	\$ 25,635,863	\$ 22,838,497	\$ 21,417,967	\$ 19,573,461	\$ 17,140,563	\$ 15,295,017	\$ 12,840,904	\$ 12,296,508	\$ 10,685,417
City's pension liability as a percentage of covered payroll	106.3%	106.6%	22.4%	120.7%	96.8%	86.9%	87.6%	81.3%	41.4%	19.3%
Plan fiduciary net position as a percentage of the total pension liability	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

NOTE: The amounts presented were determined as of June 30, the end of the State of Florida's fiscal year. Information is presented for those years in which information is available.

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<b>SCHEDULE OF EMPLOYER CONTRIBUTIONS</b>										
<b>Last 10 Fiscal Years</b>										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined employer contribution	\$ 3,682,652	\$ 3,134,797	\$ 2,574,518	\$ 1,982,339	\$ 1,706,208	\$ 1,453,249	\$ 1,210,082	\$ 1,099,355	\$ 978,143	\$ 739,499
Actual employer contribution	3,682,652	3,134,797	2,574,518	1,982,339	1,706,208	1,453,249	1,210,082	1,099,355	978,143	739,499
Annual contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll	\$ 32,119,766	\$ 28,415,317	\$ 25,403,511	\$ 22,014,597	\$ 20,065,477	\$ 17,140,563	\$ 15,295,017	\$ 12,840,904	\$ 12,296,508	\$ 10,685,417
Actual contributions as a % of covered payroll	11.47%	11.03%	10.13%	9.00%	8.50%	8.48%	7.91%	8.56%	7.95%	6.92%

NOTE: The amounts presented were determined as of September 30, the end of the City of Pensacola's fiscal year. Information is presented for those years in which information is available.

**CITY OF PENSACOLA, FLORIDA  
FLORIDA RETIREMENT SYSTEM PENSION PLAN  
REQUIRED SUPPLEMENTARY INFORMATION**

**Notes to Schedule:**

*Method and assumptions used in calculations of actuarially determined contributions.* The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Valuation Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Ultimate Entry Age Normal	Individual Entry Age	Individual Entry Age	Individual Entry Age
Asset Valuation Method	Level Percentage Closed, Layered	Level Percentage Closed, Layered	Level Percentage Closed, Layered	Level Percentage Closed, Layered	Level Percentage Closed, Layered	Level Percentage Closed, Layered	Level Percentage Closed, Layered	Level Dollar Amount Closed	Level Dollar Amount Closed	Level Dollar Amount Closed
Asset Valuation Method	20 years	20 years	20 years	25 years	30 years	30 years	30 years	30 years	30 years	30 years
Actuarial Assumptions:										
Inflation	2.40%	2.40%	2.40%	2.40%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Salary increase	Varies	Varies	Varies	Varies	Varies	3.25%	3.25%	3.25%	3.25%	3.25%
Investment rate of return	6.70%	6.70%	7.00%	7.00%	6.90%	7.00%	7.10%	7.60%	7.65%	7.65%
Cost of living adjustments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mortality Rates	Generational PUB-2010 with Scale MP-2018	Generational PUB-2010 with Scale MP-2018	Generational PUB-2010 with Scale MP-2018	Generational PUB-2010 with Scale MP-2018	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables

NOTE: The amounts presented were determined as of June 30, the end of the State of Florida's fiscal year. Information is presented for those years in which information is available.

**CITY OF PENSACOLA, FLORIDA**  
**FRS RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM**  
**REQUIRED SUPPLEMENTARY INFORMATION**

<b>SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY</b>										
<b>Fiscal Year</b>										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the HIS net pension liability (asset)	0.074430476%	0.070189581%	0.064240703%	0.055541371%	0.051069262%	0.047519167%	0.043820246%	0.041586882%	0.040531215%	3.743067500%
City's proportion of the HIS net pension liability (asset)	\$ 11,820,551	\$ 7,434,198	\$ 7,880,088	\$ 6,781,511	\$ 5,714,139	\$ 5,029,482	\$ 4,685,463	\$ 4,846,779	\$ 4,133,546	\$ 3,499,859
Covered payroll	\$ 29,495,000	\$ 25,584,699	\$ 22,747,410	\$ 19,281,404	\$ 18,165,949	\$ 15,524,948	\$ 13,972,362	\$ 12,840,904	\$ 12,296,508	\$ 10,685,417
City's pension liability as a percentage of covered payroll	40.1%	29.1%	34.6%	35.2%	31.5%	32.4%	33.5%	37.7%	33.6%	32.8%
Plan fiduciary net position as a percentage of the total pension liability	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

NOTE: The amounts presented were determined as of June 30, the end of the State of Florida's fiscal year. Information is presented for those years in which information is available.

<b>SCHEDULE OF EMPLOYER CONTRIBUTIONS</b>										
<b>Last 10 Fiscal Years</b>										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined employer contribution	\$ 489,617	\$ 424,706	\$ 377,607	\$ 320,059	\$ 283,583	\$ 262,412	\$ 241,173	\$ 221,345	\$ 169,762	\$ 128,225
Actual employer contribution	489,617	424,706	377,607	320,059	283,583	262,412	241,173	221,345	169,762	128,225
Annual contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered payroll	\$ 31,229,539	\$ 27,149,190	\$ 24,148,144	\$ 20,493,766	\$ 18,244,421	\$ 15,596,591	\$ 14,039,291	\$ 12,840,904	\$ 12,296,508	\$ 10,720,070
Actual contributions as a % of covered payroll	1.57%	1.56%	1.56%	1.56%	1.55%	1.68%	1.72%	1.72%	1.38%	1.20%

NOTE: The amounts presented were determined as of September 30, the end of the City of Pensacola's fiscal year. Information is presented for those years in which information is available.

**CITY OF PENSACOLA, FLORIDA**  
**FRS RETIREE HEALTH INSURANCE SUBSIDY (HIS) PROGRAM**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**Notes to Schedule:**

*Method and assumptions used in calculations of actuarially determined contributions.* The following actuarial methods and assumptions were used to determine contribution rates reported in the schedules:

	2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Valuation Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age
Asset Valuation Method	Fair Market Value	Fair Market Value	Fair Market Value	Fair Market Value	Fair Market Value	Fair Market Value	Fair Market Value	Fair Market Value	Fair Market Value	Fair Market Value
Actuarial Assumptions:										
Inflation	2.40%	2.40%	2.40%	2.40%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
Salary increase	3.25%	3.25%	Varies	Varies	Varies	3.25%	3.25%	3.25%	3.25%	3.25%
Discount rate	3.65%	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%	2.85%	3.80%	4.29%
Cost of living adjustments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mortality Rates	Generational PUB-2010 with Projection Scale MP-2018	Generational PUB-2010 with Projection Scale MP-2018	Generational PUB-2010 with Projection Scale MP-2018	Generational PUB-2010 with Projection Scale MP-2018	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables	Generational RP-2000 with Projection Scale BB tables

NOTE: The amounts presented were determined as of June 30, the end of the State of Florida's fiscal year. Information is presented for those years in which information is available.

**CITY OF PENSACOLA, FLORIDA  
OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
AND RELATED RATIOS**

	Fiscal Year					
	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>						
Service Cost	\$ 232,568	\$ 223,125	\$ 133,896	\$ 91,439	\$ 101,187	\$ 87,688
Interest	373,467	380,268	593,862	977,708	895,230	798,393
Difference between Expected & Actual Experience	(5,052,820)	(130,766)	(5,711,095)	(5,486,957)	(392,192)	(368,076)
Changes in Assumptions or Other Inputs	(2,546,519)	160,291	1,074,050	2,968,014	(2,748,991)	5,416,699
Changes of benefit terms	-	-	642,604	-	-	-
Benefit payments	(427,813)	(453,204)	(485,747)	(610,816)	(351,400)	(329,792)
Net change in total OPEB liability	(7,421,117)	179,714	(3,752,430)	(2,060,612)	(2,496,166)	5,604,912
Total OPEB liability - beginning	18,342,306	18,162,592	21,915,023	23,975,635	26,471,801	20,866,889
<b>Total OPEB liability - ending</b>	<b>\$ 10,921,189</b>	<b>\$ 18,342,306</b>	<b>\$ 18,162,593</b>	<b>\$ 21,915,023</b>	<b>\$ 23,975,635</b>	<b>\$ 26,471,801</b>
<b>Covered-employee payroll</b>	40,714,189	34,492,658	34,492,658	27,368,943	26,571,789	23,130,270

**Notes to Schedule:**

*Changes in benefit terms.* There are no changes in benefit terms since the Prior Measurement Date.

*Changes in assumptions.* Changes in assumptions and other inputs reflect the effects in the discount rate each period. The following are the discount rates used in each period:

2018	3.43%
2019	4.13%
2020	2.74%
2021	2.12%
2022	2.06%
2023	3.72%

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

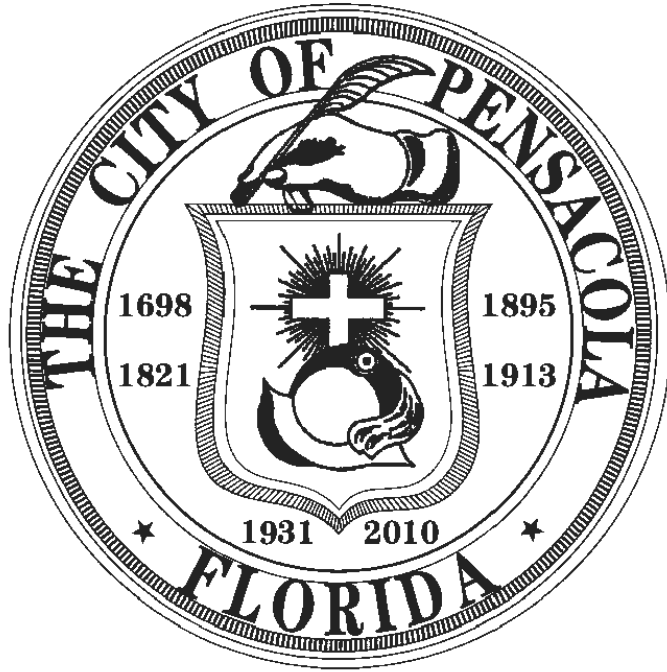
NOTE: Information is presented for those years in which information is available.

**COMBINING FINANCIAL STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

INTERNAL SERVICE FUNDS

FIDUCIARY FUNDS



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# NONMAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

*Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.*

**Special Grants Fund** – to account for various private, state, and federal grant receipts and the expenditures thereof.

**Local Option Gasoline Tax Fund** - to account for the receipt and expenditures of gasoline tax revenue.

**Community Development Block Grant Fund** - to account for the community development block grant and the housing rehabilitation program federal grant receipts and the expenditures thereof.

**Community Redevelopment Agency Fund** - to account for the tax increment development receipts and expenditures thereof.

**Stormwater Utility Fund** – to account for the receipt and expenditures for the operating and maintenance activities related to stormwater.

**Parking Fund** – To account for the public parking services receipts and the expenditures thereof.

**Law Enforcement Trust Fund** - to account for proceeds from the sale of confiscated property. Expenditure of such funds is restricted to law enforcement purposes.

**Natural Disaster Fund** - to account for federal and state monies received and expended for disaster relief as a result of natural disasters.

**Golf Course Fund** - to account for the revenues and expenditures of the Osceola Golf Course and Pro Shop.

**Eastside Tax Increment Financing District** - to account for the tax increment revenues associated with programs and projects identified in Eastside Community Redevelopment Area.

**Inspections Fund** – to account for the revenues and expenditures of collections as regulated under Florida Statute 553 referred to as the ‘Florida Building Code’.

**Westside Tax Increment Financing District** – to account for the tax increment revenues associated with programs and projects identified in Westside Community Redevelopment Area.

**Recreation Fund** – to account for the revenues and expenditures of recreation centers and athletic activities.

**Tennis Fund** – to account for the revenues and expenditures of the Roger Scott Tennis Center.

**CMP Management Services Fund** – to account for the revenues and expenditures related to the Community Maritime Park.

### **Debt Service Fund**

*Debt service funds are used to account for resources accumulated and payments made for principal and interest on long-term debt of governmental funds.*

**CRA Debt Service Fund** - to provide monies for payment of the Redevelopment Revenue Bond(s) financed with tax increment financing revenues derived from the Urban Core, Eastside and Westside Tax Increment Financing Districts.

**Local Option Gas Tax Debt Service Fund** – to provide monies for the payment of the 2016 Local Option Gas Tax Bond. Financing is provided from future Local Option Gasoline Tax proceeds.

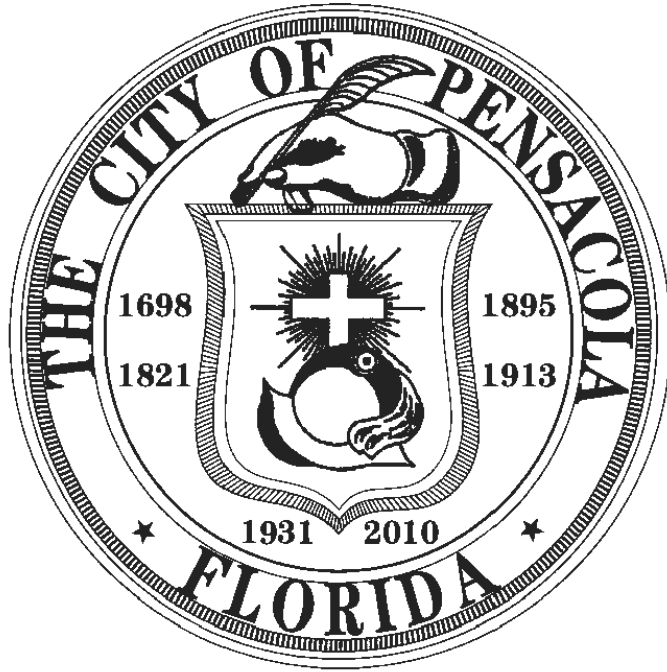
### **Capital Projects Funds**

*Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.*

**CRA 2017 Project Fund** – a capital project fund that accounts for various community development projects within the Pensacola Inner City Community Redevelopment Area. Financing is provided by amounts received from the Eastside Redevelopment Revenue Bond, Series 2017, the Westside Redevelopment Revenue Bond, Series 2017 and the Urban Core Redevelopment Revenue Bond, Series 2017.

**CRA 2019 Project Fund** – a capital project fund that accounts for various community development projects within the Urban Core Redevelopment Area. Financing is provided by amounts received from the Urban Core Redevelopment Revenue Bond, Series 2019.

**Stormwater Capital Fund** – to account for the expenditures of stormwater improvements. Financing is provided by a transfer from the General Fund of matching receipts collected by the stormwater utility fee.



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**CITY OF PENSACOLA, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	<b>Special Revenue Funds</b>			
	<b>Special Grants</b>	<b>Local Option Gasoline Tax</b>	<b>Community Development Block Grant</b>	<b>Community Redevelopment Agency</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$	\$	380,033	\$ 3,157,287
Other cash			8,682	
Investments		454,835		3,778,734
Accrued Interest				6
Accounts receivable				1,071
Due from other funds				
Due from other governments	454,238	132,907	81,527	
Prepays and deposits				151
Inventory				
Notes receivable	503,395		281,326	
Lease Receivable				7,755
Restricted assets				
Cash and cash equivalents				466,256
Investments				558,028
<b>Total assets</b>	<b>\$ 957,633</b>	<b>\$ 967,775</b>	<b>\$ 371,535</b>	<b>\$ 7,969,288</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 26,528	\$	\$ 258	\$ 35,471
Contracts payable	68,824			61,109
Contracts payable - retainage				
Due to other funds	18,239		89,951	24,574
Due to other governments	49,359			
Compensated absences payable				
Unearned revenue	133,292			
Deposits				101,000
<b>Total liabilities</b>	<b>296,242</b>	<b>-</b>	<b>90,209</b>	<b>222,154</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	503,395		281,326	1,071
Related to leases				7,747
<b>Total deferred inflows of resources</b>	<b>503,395</b>	<b>-</b>	<b>281,326</b>	<b>8,818</b>
<b>FUND BALANCE (DEFICITS)</b>				
Non-spendable				151
Restricted	1,050,458	967,775	2,032	3,617,866
Committed				
Assigned				4,120,299
Unassigned	(892,462)		(2,032)	
<b>Total fund balances</b>	<b>157,996</b>	<b>967,775</b>	<b>-</b>	<b>7,738,316</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 957,633</b>	<b>\$ 967,775</b>	<b>\$ 371,535</b>	<b>\$ 7,969,288</b>
<b>Fund balances at end of year</b>	<b>\$ 157,996</b>	<b>\$ 967,775</b>	<b>\$ -</b>	<b>\$ 7,738,316</b>

(continued)

**CITY OF PENSACOLA, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	<b>Special Revenue Funds</b>			
	<b>Stormwater Utility Fund</b>	<b>Parking Fund</b>	<b>Law Enforcement Trust</b>	<b>Natural Disaster Fund</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 385,847	\$ 405,033	\$ 116,956	\$
Other cash				
Investments	461,793	484,755	139,977	
Accrued Interest				
Accounts receivable				
Due from other funds				
Due from other governments	16,259			3,849,080
Prepays and deposits	1,319	2,613		
Inventory				
Notes receivable				
Lease Receivable				
Restricted assets				
Cash and cash equivalents				
Investments				
<b>Total assets</b>	<b>\$ 865,218</b>	<b>\$ 892,401</b>	<b>\$ 256,933</b>	<b>\$ 3,849,080</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,405	\$ 12,352	\$ 67	\$ 2,370
Contracts payable		67,525	11,438	4,941
Contracts payable - retainage				
Due to other funds	56,817	18,306		551,214
Due to other governments				
Compensated absences payable	24,697			
Unearned revenue				
Deposits				
Total liabilities	86,919	98,183	11,505	558,525
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue				
Related to leases				
Total deferred inflows of resources	-	-	-	-
<b>FUND BALANCE (DEFICITS)</b>				
Non-spendable	1,319	2,613		
Restricted	8,625	55,124	245,428	195,677
Committed	768,355			
Assigned		736,481		3,094,878
Unassigned				
Total fund balances	778,299	794,218	245,428	3,290,555
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 865,218</b>	<b>\$ 892,401</b>	<b>\$ 256,933</b>	<b>\$ 3,849,080</b>
<b>Fund balances at end of year</b>	<b>\$ 778,299</b>	<b>\$ 794,218</b>	<b>\$ 245,428</b>	<b>\$ 3,290,555</b>

(continued)

**CITY OF PENSACOLA, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	<b>Special Revenue Funds</b>			
	<b>Golf Course Fund</b>	<b>Eastside Tax Increment Financing District</b>	<b>Inspections Fund</b>	<b>Westside Tax Increment Financing District</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 230,411	\$ 378,531	\$ 1,089,423	\$ 1,100,343
Other cash				
Investments	275,763	453,036	1,303,854	1,316,922
Accrued Interest				
Accounts receivable				
Due from other funds				
Due from other governments				
Prepays and deposits	4,629			
Inventory	613			
Notes receivable				
Lease Receivable				
Restricted assets				
Cash and cash equivalents				
Investments				
<b>Total assets</b>	<b>\$ 511,416</b>	<b>\$ 831,567</b>	<b>\$ 2,393,277</b>	<b>\$ 2,417,265</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 13,819	\$ 645	\$ 27,261	\$ 104,129
Contracts payable			47,760	
Contracts payable - retainage				
Due to other funds	9,201	1,198	51,982	2,487
Due to other governments				
Compensated absences payable				
Unearned revenue				
Deposits	3,437		36,084	
<b>Total liabilities</b>	<b>26,457</b>	<b>1,843</b>	<b>163,087</b>	<b>106,616</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue				
Related to leases				
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE (DEFICITS)</b>				
Non-spendable	5,242			
Restricted	4,941	829,724	2,230,190	2,310,649
Committed				
Assigned	474,776			
Unassigned				
<b>Total fund balances</b>	<b>484,959</b>	<b>829,724</b>	<b>2,230,190</b>	<b>2,310,649</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 511,416</b>	<b>\$ 831,567</b>	<b>\$ 2,393,277</b>	<b>\$ 2,417,265</b>
<b>Fund balances at end of year</b>	<b>\$ 484,959</b>	<b>\$ 829,724</b>	<b>\$ 2,230,190</b>	<b>\$ 2,310,649</b>

(continued)

**CITY OF PENSACOLA, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	<u>Special Revenue Funds</u>			<u>Debt Service Funds</u>
	<u>Recreation Fund</u>	<u>Tennis Fund</u>	<u>CMP Management Services Fund</u>	<u>CRA Debt Service</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 381,100	\$ 129,313	\$ 34,803	\$
Other cash				
Investments	456,111	154,765	41,654	
Accrued Interest	196	88	74,247	
Accounts receivable			359,744	
Due from other funds	77,436			
Due from other governments				
Prepays and deposits	1,014	1,249	14,756	
Inventory				
Notes receivable				
Lease Receivable	596,560	178,473	2,166,778	
Restricted assets				
Cash and cash equivalents			741,892	1,874,620
Investments			887,919	2,243,600
<b>Total assets</b>	<b>\$ 1,512,417</b>	<b>\$ 463,888</b>	<b>\$ 4,321,793</b>	<b>\$ 4,118,220</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 44,857	\$ 5,648	\$ 72,647	\$
Contracts payable			8,125	
Contracts payable - retainage				
Due to other funds			4,797	
Due to other governments				
Compensated absences payable				
Unearned revenue			14,583	
Deposits	116,659		3,300	
Total liabilities	<u>161,516</u>	<u>5,648</u>	<u>103,452</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue				
Related to leases	578,051	182,383	1,862,647	
Total deferred inflows of resources	<u>578,051</u>	<u>182,383</u>	<u>1,862,647</u>	<u>-</u>
<b>FUND BALANCE (DEFICITS)</b>				
Non-spendable	1,014	1,249	14,756	
Restricted			220,125	4,118,220
Committed				
Assigned	771,836	274,608	2,120,813	
Unassigned				
Total fund balances	<u>772,850</u>	<u>275,857</u>	<u>2,355,694</u>	<u>4,118,220</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,512,417</b>	<b>\$ 463,888</b>	<b>\$ 4,321,793</b>	<b>\$ 4,118,220</b>
<b>Fund balances at end of year</b>	<b>\$ 772,850</b>	<b>\$ 275,857</b>	<b>\$ 2,355,694</b>	<b>\$ 4,118,220</b>

(continued)

**CITY OF PENSACOLA, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	
	<u>Local Option Gas Tax Debt Service</u>	<u>CRA 2017 Project Fund</u>	<u>CRA 2019 Project Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$	\$ 2,416,115	\$ 3,700,747
Other cash			
Investments		2,891,677	4,429,163
Accrued Interest			
Accounts receivable			
Due from other funds			
Due from other governments			
Prepays and deposits			
Inventory			
Notes receivable			
Lease Receivable			
Restricted assets			
Cash and cash equivalents	699,291		
Investments	836,933		
<b>Total assets</b>	<u>\$ 1,536,224</u>	<u>\$ 5,307,792</u>	<u>\$ 8,129,910</u>
<b>LIABILITIES</b>			
Accounts payable	\$	\$	\$
Contracts payable			26,000
Contracts payable - retainage			161,671
Due to other funds			
Due to other governments			
Compensated absences payable			
Unearned revenue			
Deposits			
Total liabilities	<u>-</u>	<u>-</u>	<u>187,671</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue			
Related to leases			
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICITS)</b>			
Non-spendable			
Restricted	1,536,224	5,307,792	7,942,239
Committed			
Assigned			
Unassigned			
Total fund balances	<u>1,536,224</u>	<u>5,307,792</u>	<u>7,942,239</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 1,536,224</u>	<u>\$ 5,307,792</u>	<u>\$ 8,129,910</u>
<b>Fund balances at end of year</b>	<u>\$ 1,536,224</u>	<u>\$ 5,307,792</u>	<u>\$ 7,942,239</u>

(continued)

**CITY OF PENSACOLA, FLORIDA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	<b>Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Stormwater Capital</b>	
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,768,861	\$ 16,674,803
Other cash		8,682
Investments	3,313,854	19,956,893
Accrued Interest		74,537
Accounts receivable		360,815
Due from other funds	277,530	354,966
Due from other governments		4,534,011
Prepays and deposits		25,731
Inventory		613
Notes receivable		784,721
Lease Receivable		2,949,566
Restricted assets		
Cash and cash equivalents		3,782,059
Investments		4,526,480
<b>Total assets</b>	<b>\$ 6,360,245</b>	<b>\$ 54,033,877</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 3,887	\$ 251,215
Contracts payable	61,218	461,069
Contracts payable - retainage		161,671
Due to other funds		828,766
Due to other governments		49,359
Compensated absences payable		24,697
Unearned revenue		147,875
Deposits		260,480
Total liabilities	65,105	2,185,132
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue		785,792
Related to leases		2,630,828
Total deferred inflows of resources	-	3,416,620
<b>FUND BALANCE (DEFICITS)</b>		
Non-spendable		26,344
Restricted	296,025	30,939,114
Committed	5,999,115	6,767,470
Assigned		11,593,691
Unassigned		(894,494)
Total fund balances	6,295,140	48,432,125
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 6,360,245</b>	<b>\$ 54,033,877</b>
<b>Fund balances at end of year</b>	<b>\$ 6,295,140</b>	<b>\$ 48,432,125</b>

**CITY OF PENSACOLA, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Special Revenue Funds</b>			
	<b>Special Grants</b>	<b>Local Option Gasoline Tax</b>	<b>Community Development Block Grant</b>	<b>Community Redevelopment Agency</b>
<b>Revenues:</b>				
Taxes	\$	\$ 1,477,395	\$	\$
Licenses and permits				
Intergovernmental	1,709,487		616,147	5,720,123
Charges for services				23,381
Fines and forfeits				
Interest income		55,016	2,909	314,098
Donations	183,450			
Other				
Total revenues	<u>1,892,937</u>	<u>1,532,411</u>	<u>619,056</u>	<u>6,057,602</u>
<b>Expenditures:</b>				
Current -				
General government	34,722		619,056	3,649,815
Public safety	130,127			
Transportation	25,130	4,300		
Culture and recreation	17,983			
Economic environment	706,879			
Physical environment	116,599			
Capital outlay	859,855			271,169
Debt service -				
Principal retirement				
Interest				
Total expenditures	<u>1,891,295</u>	<u>4,300</u>	<u>619,056</u>	<u>3,920,984</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,642</u>	<u>1,528,111</u>	<u>-</u>	<u>2,136,618</u>
<b>Other financing sources (uses):</b>				
Transfers in				3,381,226
Transfers (out)		(1,535,748)		(4,030,516)
Total other financing sources (uses)	<u>-</u>	<u>(1,535,748)</u>	<u>-</u>	<u>(649,290)</u>
<b>Net Change in fund balances</b>	<u>1,642</u>	<u>(7,637)</u>	<u>-</u>	<u>1,487,328</u>
<b>Fund balances at beginning of year</b>	<u>156,354</u>	<u>975,412</u>	<u>-</u>	<u>6,250,988</u>
<b>Fund balances at end of year</b>	<u>\$ 157,996</u>	<u>\$ 967,775</u>	<u>\$ -</u>	<u>\$ 7,738,316</u>

(continued)

**CITY OF PENSACOLA, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Special Revenue Funds</b>			
	<b>Stormwater Utility Fund</b>	<b>Parking Fund</b>	<b>Law Enforcement Trust</b>	<b>Natural Disaster Fund</b>
<b>Revenues:</b>				
Taxes	\$	\$	\$	\$
Licenses and permits				
Intergovernmental				6,137,504
Charges for services	3,188,469	1,103,350		
Fines and forfeits	1,554	1,402	56,333	
Interest income	25,140	22,513	6,848	
Donations				
Other	6,000	1,134		
Total revenues	<u>3,221,163</u>	<u>1,128,399</u>	<u>63,181</u>	<u>6,137,504</u>
<b>Expenditures:</b>				
Current -				
General government				
Public safety			173,431	2,036
Transportation		1,013,065		824,418
Culture and recreation				463,611
Economic environment				
Physical environment	2,849,620			2,405,497
Capital outlay		85,573	16,420	112,908
Debt service -				
Principal retirement				
Interest				
Total expenditures	<u>2,849,620</u>	<u>1,098,638</u>	<u>189,851</u>	<u>3,808,470</u>
Excess (deficiency) of revenues over (under) expenditures	<u>371,543</u>	<u>29,761</u>	<u>(126,670)</u>	<u>2,329,034</u>
<b>Other financing sources (uses):</b>				
Transfers in				
Transfers (out)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in fund balances</b>	<u>371,543</u>	<u>29,761</u>	<u>(126,670)</u>	<u>2,329,034</u>
<b>Fund balances at beginning of year</b>	<u>406,756</u>	<u>764,457</u>	<u>372,098</u>	<u>961,521</u>
<b>Fund balances at end of year</b>	<u>\$ 778,299</u>	<u>\$ 794,218</u>	<u>\$ 245,428</u>	<u>\$ 3,290,555</u>

(continued)

**CITY OF PENSACOLA, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Special Revenue Funds</b>			
	<b>Golf Course Fund</b>	<b>Eastside Tax Increment Financing District</b>	<b>Inspections Fund</b>	<b>Westside Tax Increment Financing District</b>
<b>Revenues:</b>				
Taxes	\$	\$	\$	\$
Licenses and permits			2,475,703	
Intergovernmental		228,722		972,535
Charges for services	798,660		27,525	
Fines and forfeits				
Interest income	12,064	24,533	58,907	71,416
Donations				
Other	2,250			
Total revenues	<u>812,974</u>	<u>253,255</u>	<u>2,562,135</u>	<u>1,043,951</u>
<b>Expenditures:</b>				
Current -				
General government		152,044		529,280
Public safety			2,162,352	
Transportation				
Culture and recreation	881,666			
Economic environment				
Physical environment				
Capital outlay		138,044	139,322	5,258
Debt service -				
Principal retirement				
Interest		15,000		
Total expenditures	<u>881,666</u>	<u>305,088</u>	<u>2,301,674</u>	<u>534,538</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(68,692)</u>	<u>(51,833)</u>	<u>260,461</u>	<u>509,413</u>
<b>Other financing sources (uses):</b>				
Transfers in	200,000	148,282		630,119
Transfers (out)		(89,537)	(5,556)	(278,666)
Total other financing sources (uses)	<u>200,000</u>	<u>58,745</u>	<u>(5,556)</u>	<u>351,453</u>
<b>Net Change in fund balances</b>	<u>131,308</u>	<u>6,912</u>	<u>254,905</u>	<u>860,866</u>
<b>Fund balances at beginning of year</b>	<u>353,651</u>	<u>822,812</u>	<u>1,975,285</u>	<u>1,449,783</u>
<b>Fund balances at end of year</b>	<u>\$ 484,959</u>	<u>\$ 829,724</u>	<u>\$ 2,230,190</u>	<u>\$ 2,310,649</u>

(continued)

**CITY OF PENSACOLA, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Special Revenue Funds			Debt Service Funds
	Recreation Fund	Tennis Fund	CMP Management Services Fund	CRA Debt Service
<b>Revenues:</b>				
Taxes	\$	\$	\$	\$
Licenses and permits				
Intergovernmental				
Charges for services	922,682	123,037	753,796	
Fines and forfeits				
Interest income	42,051	14,556	109,767	13,682
Donations	5,580		155,564	
Other	80		481	
Total revenues	970,393	137,593	1,019,608	13,682
<b>Expenditures:</b>				
Current -				
General government				
Public safety				
Transportation				
Culture and recreation	959,551	110,355	1,021,654	
Economic environment				
Physical environment				
Capital outlay				
Debt service -				
Principal retirement				1,948,068
Interest				2,174,732
Total expenditures	959,551	110,355	1,021,654	4,122,800
Excess (deficiency) of revenues over (under) expenditures	10,842	27,238	(2,046)	(4,109,118)
<b>Other financing sources (uses):</b>				
Transfers in				4,398,719
Transfers (out)				
Total other financing sources (uses)	-	-	-	4,398,719
<b>Net Change in fund balances</b>	10,842	27,238	(2,046)	289,601
<b>Fund balances at beginning of year</b>	762,008	248,619	2,357,740	3,828,619
<b>Fund balances at end of year</b>	\$ 772,850	\$ 275,857	\$ 2,355,694	\$ 4,118,220

(continued)

**CITY OF PENSACOLA, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Debt Service Funds</b>	<b>Capital Project Funds</b>		
	<b>Local Option Gas Tax Debt Service</b>	<b>CRA 2017 Project Fund</b>	<b>CRA 2019 Project Fund</b>	<b>Stormwater Capital</b>
<b>Revenues:</b>				
Taxes	\$	\$	\$	\$
Licenses and permits				
Intergovernmental				
Charges for services				
Fines and forfeits				
Interest income	476	136,055	236,644	163,533
Donations				
Other				
Total revenues	<u>476</u>	<u>136,055</u>	<u>236,644</u>	<u>163,533</u>
<b>Expenditures:</b>				
Current -				
General government		3,766	(350)	
Public safety				
Transportation				
Culture and recreation				
Economic environment				
Physical environment				770,096
Capital outlay		156,676	6,905,952	280,322
Debt service -				
Principal retirement	1,415,000			
Interest	121,356			
Total expenditures	<u>1,536,356</u>	<u>160,442</u>	<u>6,905,602</u>	<u>1,050,418</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,535,880)</u>	<u>(24,387)</u>	<u>(6,668,958)</u>	<u>(886,885)</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,535,748			2,735,000
Transfers (out)				
Total other financing sources (uses)	<u>1,535,748</u>	<u>-</u>	<u>-</u>	<u>2,735,000</u>
<b>Net Change in fund balances</b>	<u>(132)</u>	<u>(24,387)</u>	<u>(6,668,958)</u>	<u>1,848,115</u>
<b>Fund balances at beginning of year</b>	<u>1,536,356</u>	<u>5,332,179</u>	<u>14,611,197</u>	<u>4,447,025</u>
<b>Fund balances at end of year</b>	\$ <u>1,536,224</u>	\$ <u>5,307,792</u>	\$ <u>7,942,239</u>	\$ <u>6,295,140</u>

(continued)

**CITY OF PENSACOLA, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>	
Taxes	\$ 1,477,395
Licenses and permits	2,475,703
Intergovernmental	15,384,518
Charges for services	6,940,900
Fines and forfeits	59,289
Interest income	1,310,208
Donations	344,594
Other	9,945
Total revenues	28,002,552
 <b>Expenditures:</b>	
Current -	
General government	4,988,333
Public safety	2,467,946
Transportation	1,866,913
Culture and recreation	3,454,820
Economic environment	706,879
Physical environment	6,141,812
Capital outlay	8,971,499
Debt service -	
Principal retirement	3,363,068
Interest	2,311,088
Total expenditures	34,272,358
Excess (deficiency) of revenues over (under) expenditures	(6,269,806)
 <b>Other financing sources (uses):</b>	
Transfers in	13,029,094
Transfers (out)	(5,940,023)
Total other financing sources (uses)	7,089,071
 <b>Net Change in fund balances</b>	819,265
 <b>Fund balances at beginning of year</b>	47,612,860
 <b>Fund balances at end of year</b>	\$ 48,432,125

**CITY OF PENSACOLA, FLORIDA  
SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Special Grants</u>			<u>Local Option Gasoline Tax</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Positive/ (Negative)	<u>Budget</u>	<u>Actual</u>	Variance Positive/ (Negative)
<b>Revenues:</b>						
Taxes	\$	\$	\$	\$ 1,370,000	1,477,395	\$ 107,395
Licenses and permits						
Intergovernmental	10,824,098	1,709,487	(9,114,611)			
Charges for services						
Fines and forfeits						
Interest income					55,016	55,016
Donations	2,334,854	183,450	(2,151,404)			
Other						
Total revenues	<u>13,158,952</u>	<u>1,892,937</u>	<u>(11,266,015)</u>	<u>1,370,000</u>	<u>1,532,411</u>	<u>162,411</u>
<b>Expenditures:</b>						
Current -						
General government	416,250	34,722	381,528			
Public safety	1,220,353	130,127	1,090,226			
Transportation	484,000	25,130	458,870	4,300	4,300	-
Culture and recreation	673,274	17,983	655,291			
Economic environment	1,855,516	706,879	1,148,637			
Physical environment	812,449	116,599	695,850			
Human services						
Capital outlay	7,697,110	859,855	6,837,255			
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>13,158,952</u>	<u>1,891,295</u>	<u>11,267,657</u>	<u>4,300</u>	<u>4,300</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,642</u>	<u>1,642</u>	<u>1,365,700</u>	<u>1,528,111</u>	<u>162,411</u>
<b>Other financing sources (uses):</b>						
Transfers in						
Transfers (out)					(1,535,748)	(1,535,748)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,535,748)</u>	<u>(1,535,748)</u>
<b>Net Change in fund balances</b>	<u>\$ -</u>	<u>1,642</u>	<u>\$ 1,642</u>	<u>\$ 1,365,700</u>	<u>(7,637)</u>	<u>\$ (1,373,337)</u>
<b>Fund balances at beginning of year</b>		<u>156,354</u>			<u>975,412</u>	
<b>Fund balances at end of year</b>		<u>\$ 157,996</u>			<u>\$ 967,775</u>	

(continued)

**CITY OF PENSACOLA, FLORIDA  
SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Community Development Block Grant			Community Redevelopment Fund		
	Budget	Actual	Variance Positive/ (Negative)	Budget	Actual	Variance Positive/ (Negative)
<b>Revenues:</b>						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental	2,077,980	616,147	(1,461,833)	5,720,200	5,720,123	(77)
Charges for services				16,000	23,381	7,381
Fines and forfeits						
Interest income		2,909	2,909		314,098	314,098
Donations						
Other				100,000		(100,000)
Total revenues	2,077,980	619,056	(1,458,924)	5,836,200	6,057,602	221,402
<b>Expenditures:</b>						
Current -						
General government	2,063,980	619,056	1,444,924	12,217,556	3,649,815	8,567,741
Public safety						
Transportation						
Culture and recreation						
Economic environment						
Physical environment						
Human services						
Capital outlay	14,000		14,000	2,229,581	271,169	1,958,412
Debt service -						
Principal retirement						
Interest						
Total expenditures	2,077,980	619,056	1,458,924	14,447,137	3,920,984	10,526,153
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(8,610,937)	2,136,618	10,747,555
<b>Other financing sources (uses):</b>						
Transfers in				3,381,300	3,381,226	(74)
Transfers (out)					(4,030,516)	
Total other financing sources (uses)	-	-	-	3,381,300	(649,290)	(74)
<b>Net Change in fund balances</b>	\$ -	\$ -	\$ -	\$ (5,229,637)	1,487,328	\$ 10,747,481
<b>Fund balances at beginning of year</b>		0			6,250,988	
<b>Fund balances at end of year</b>		\$ 0			\$ 7,738,316	

(continued)

**CITY OF PENSACOLA, FLORIDA  
SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Stormwater Utility Fund</u>			<u>Parking Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
<b>Revenues:</b>						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental						
Charges for services	3,100,600	3,188,469	87,869	1,065,000	1,103,350	38,350
Fines and forfeits	5,000	1,554	(3,446)		1,402	1,402
Interest income		25,140	25,140		22,513	22,513
Donations						
Other		6,000	6,000	100	1,134	1,034
Total revenues	<u>3,105,600</u>	<u>3,221,163</u>	<u>115,563</u>	<u>1,065,100</u>	<u>1,128,399</u>	<u>63,299</u>
<b>Expenditures:</b>						
Current -						
General government						
Public safety						
Transportation				1,163,189	1,013,065	150,124
Culture and recreation						
Economic environment						
Physical environment	3,163,900	2,849,620	314,280			
Human services						
Capital outlay				824,452	85,573	738,879
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>3,163,900</u>	<u>2,849,620</u>	<u>314,280</u>	<u>1,987,641</u>	<u>1,098,638</u>	<u>889,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(58,300)</u>	<u>371,543</u>	<u>429,843</u>	<u>(922,541)</u>	<u>29,761</u>	<u>952,302</u>
<b>Other financing sources (uses):</b>						
Transfers in						
Transfers (out)						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in fund balances</b>	<u>\$ (58,300)</u>	<u>371,543</u>	<u>\$ 429,843</u>	<u>\$ (922,541)</u>	<u>29,761</u>	<u>\$ 952,302</u>
<b>Fund balances at beginning of year</b>		<u>406,756</u>			<u>764,457</u>	
<b>Fund balances at end of year</b>		<u>\$ 778,299</u>			<u>\$ 794,218</u>	

(continued)

**CITY OF PENSACOLA, FLORIDA  
SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Law Enforcement Trust</u>			<u>Natural Disaster Fund</u>		
	Budget	Actual	Variance Positive/ (Negative)	Budget	Actual	Variance Positive/ (Negative)
<b>Revenues:</b>						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental					6,137,504	6,137,504
Charges for services						
Fines and forfeits		56,333	56,333			
Interest income		6,848	6,848		(17,332)	(17,332)
Donations						
Other						
Total revenues	<u>-</u>	<u>63,181</u>	<u>63,181</u>	<u>0</u>	<u>6,120,172</u>	<u>6,120,172</u>
<b>Expenditures:</b>						
Current -						
General government				21,260,449		21,260,449
Public safety	234,258	173,431	60,827	2,037	2,036	1
Transportation				903,469	824,418	79,051
Culture and recreation				623,341	463,611	159,730
Economic environment						
Physical environment				2,589,310	2,388,165	201,145
Human services						
Capital outlay	16,565	16,420	145	1,293,669	112,908	1,180,761
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>250,823</u>	<u>189,851</u>	<u>60,972</u>	<u>26,672,275</u>	<u>3,791,138</u>	<u>22,881,137</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(250,823)</u>	<u>(126,670)</u>	<u>124,153</u>	<u>(26,672,275)</u>	<u>2,329,034</u>	<u>29,001,309</u>
<b>Other financing sources (uses):</b>						
Transfers in						
Transfers (out)						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in fund balances</b>	<u>\$ (250,823)</u>	<u>(126,670)</u>	<u>\$ 124,153</u>	<u>\$ (26,672,275)</u>	<u>2,329,034</u>	<u>\$ 29,001,309</u>
<b>Fund balances at beginning of year</b>		<u>372,098</u>			<u>961,521</u>	
<b>Fund balances at end of year</b>		<u>\$ 245,428</u>			<u>\$ 3,290,555</u>	

(continued)

**CITY OF PENSACOLA, FLORIDA  
SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Golf Course Fund</u>			<u>Eastside Tax Increment Financing District</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
<b>Revenues:</b>						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental				228,800	228,722	(78)
Charges for services	686,700	798,660	111,960			
Fines and forfeits						
Interest income	900	12,064	11,164		24,533	24,533
Donations						
Other		2,250	2,250			
Total revenues	<u>687,600</u>	<u>812,974</u>	<u>125,374</u>	<u>228,800</u>	<u>253,255</u>	<u>24,455</u>
<b>Expenditures:</b>						
Current -						
General government				893,925	152,044	741,881
Public safety						
Transportation						
Culture and recreation	937,600	881,666	55,934			
Economic environment						
Physical environment						
Human services						
Capital outlay				201,187	138,044	63,143
Debt service -						
Principal retirement						
Interest				15,000	15,000	-
Total expenditures	<u>937,600</u>	<u>881,666</u>	<u>55,934</u>	<u>1,110,112</u>	<u>305,088</u>	<u>805,024</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(250,000)</u>	<u>(68,692)</u>	<u>181,308</u>	<u>(881,312)</u>	<u>(51,833)</u>	<u>829,479</u>
<b>Other financing sources (uses):</b>						
Transfers in	200,000	200,000	-	148,300	148,282	(18)
Transfers (out)				(89,800)	(89,537)	263
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>58,500</u>	<u>58,745</u>	<u>245</u>
<b>Net Change in fund balances</b>	<u>\$ (50,000)</u>	<u>131,308</u>	<u>\$ 181,308</u>	<u>\$ (822,812)</u>	<u>6,912</u>	<u>\$ 829,724</u>
<b>Fund balances at beginning of year</b>		<u>353,651</u>			<u>822,812</u>	
<b>Fund balances at end of year</b>		<u>\$ 484,959</u>			<u>\$ 829,724</u>	

(continued)

**CITY OF PENSACOLA, FLORIDA  
SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Inspections Fund</u>			<u>Westside Tax Increment Financing District</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
<b>Revenues:</b>						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits	2,330,000	2,475,703	145,703			
Intergovernmental				972,000	972,535	535
Charges for services	23,000	27,525	4,525			
Fines and forfeits						
Interest income		58,907	58,907		71,416	71,416
Donations						
Other						
Total revenues	<u>2,353,000</u>	<u>2,562,135</u>	<u>209,135</u>	<u>972,000</u>	<u>1,043,951</u>	<u>71,951</u>
<b>Expenditures:</b>						
Current -						
General government				2,104,103	529,280	1,574,823
Public safety	2,380,270	2,162,352	217,918			
Transportation						
Culture and recreation						
Economic environment						
Physical environment						
Human services						
Capital outlay	163,592	139,322	24,270	668,380	5,258	663,122
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>2,543,862</u>	<u>2,301,674</u>	<u>242,188</u>	<u>2,772,483</u>	<u>534,538</u>	<u>2,237,945</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(190,862)</u>	<u>260,461</u>	<u>451,323</u>	<u>(1,800,483)</u>	<u>509,413</u>	<u>2,309,896</u>
<b>Other financing sources (uses):</b>						
Transfers in				630,200	630,119	(81)
Transfers (out)		(5,556)	(5,556)	(279,500)	(278,666)	834
Total other financing sources (uses)	<u>-</u>	<u>(5,556)</u>	<u>(5,556)</u>	<u>350,700</u>	<u>351,453</u>	<u>753</u>
<b>Net Change in fund balances</b>	<u>\$ (190,862)</u>	<u>254,905</u>	<u>\$ 445,767</u>	<u>\$ (1,449,783)</u>	<u>860,866</u>	<u>\$ 2,310,649</u>
<b>Fund balances at beginning of year</b>		<u>1,975,285</u>			<u>1,449,783</u>	
<b>Fund balances at end of year</b>		<u>\$ 2,230,190</u>			<u>\$ 2,310,649</u>	

(continued)

**CITY OF PENSACOLA, FLORIDA  
SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Recreation Fund</u>			<u>Tennis Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
<b>Revenues:</b>						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental						
Charges for services	1,155,100	922,682	(232,418)	128,800	123,037	(5,763)
Fines and forfeits						
Interest income		42,051	42,051		14,556	14,556
Donations		5,580	5,580			
Other		80	80			
Total revenues	<u>1,155,100</u>	<u>970,393</u>	<u>(184,707)</u>	<u>128,800</u>	<u>137,593</u>	<u>8,793</u>
<b>Expenditures:</b>						
Current -						
General government						
Public safety						
Transportation						
Culture and recreation	1,238,900	959,551	279,349	128,800	110,355	18,445
Economic environment						
Physical environment						
Human services						
Capital outlay	18,000		18,000	200,000		200,000
Debt service -						
Principal retirement						
Interest						
Total expenditures	<u>1,256,900</u>	<u>959,551</u>	<u>297,349</u>	<u>328,800</u>	<u>110,355</u>	<u>218,445</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(101,800)</u>	<u>10,842</u>	<u>112,642</u>	<u>(200,000)</u>	<u>27,238</u>	<u>227,238</u>
<b>Other financing sources (uses):</b>						
Transfers in						
Transfers (out)						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in fund balances</b>	<u>\$ (101,800)</u>	<u>10,842</u>	<u>\$ 112,642</u>	<u>\$ (200,000)</u>	<u>27,238</u>	<u>\$ 227,238</u>
<b>Fund balances at beginning of year</b>		<u>762,008</u>			<u>248,619</u>	
<b>Fund balances at end of year</b>		<u>\$ 772,850</u>		<u>\$ 275,857</u>		

(continued)

**CITY OF PENSACOLA, FLORIDA  
SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>CMP Management Services Fund</b>		
	<u>Budget</u>	<u>Actual</u>	Variance Positive/ (Negative)
<b>Revenues:</b>			
Taxes	\$	\$	\$
Licenses and permits			
Intergovernmental			
Charges for services	1,070,800	753,796	(317,004)
Fines and forfeits			
Interest income		109,767	109,767
Donations		155,564	155,564
Other		481	481
Total revenues	<u>1,070,800</u>	<u>1,019,608</u>	<u>(51,192)</u>
<b>Expenditures:</b>			
Current -			
General government			
Public safety			
Transportation			
Culture and recreation	1,750,833	1,021,654	729,179
Economic environment			
Physical environment			
Human services			
Capital outlay			
Debt service -			
Principal retirement			
Interest			
Total expenditures	<u>1,750,833</u>	<u>1,021,654</u>	<u>729,179</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(680,033)</u>	<u>(2,046)</u>	<u>677,987</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers (out)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in fund balances</b>	<u>\$ (680,033)</u>	<u>(2,046)</u>	<u>\$ 677,987</u>
<b>Fund balances at beginning of year</b>		<u>2,357,740</u>	
<b>Fund balances at end of year</b>		<u>\$ 2,355,694</u>	

**CITY OF PENSACOLA, FLORIDA  
SCHEDULES OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL (GAAP BASIS)  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>CRA Debt Service Fund</u>			<u>Local Option Gas Tax Debt Service</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative)</u>
<b>Revenues:</b>						
Taxes	\$	\$	\$	\$	\$	\$
Licenses and permits						
Intergovernmental						
Charges for services						
Fines and forfeits						
Interest income		13,682	13,682		476	476
Donations						
Other						
Total revenues	<u>-</u>	<u>13,682</u>	<u>13,682</u>	<u>-</u>	<u>476</u>	<u>476</u>
<b>Expenditures:</b>						
Current -						
General government						
Public safety						
Transportation						
Culture and recreation						
Economic environment						
Physical environment						
Human services						
Capital outlay						
Debt service -						
Principal retirement	2,248,100	1,948,068	300,032	1,415,000	1,415,000	0
Interest	<u>2,174,900</u>	<u>2,174,732</u>	<u>168</u>	<u>121,400</u>	<u>121,356</u>	<u>44</u>
Total expenditures	<u>4,423,000</u>	<u>4,122,800</u>	<u>300,200</u>	<u>1,536,400</u>	<u>1,536,356</u>	<u>44</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,423,000)</u>	<u>(4,109,118)</u>	<u>313,882</u>	<u>(1,536,400)</u>	<u>(1,535,880)</u>	<u>520</u>
<b>Other financing sources (uses):</b>						
Transfers in	4,423,000	4,398,719	(24,281)	1,536,400	1,535,748	(652)
Transfers (out)						
Total other financing sources (uses)	<u>4,423,000</u>	<u>4,398,719</u>	<u>(24,281)</u>	<u>1,536,400</u>	<u>1,535,748</u>	<u>(652)</u>
<b>Net Change in fund balances</b>	<u>\$ -</u>	<u>289,601</u>	<u>\$ 289,601</u>	<u>\$ -</u>	<u>(132)</u>	<u>\$ (132)</u>
<b>Fund balances at beginning of year</b>		<u>3,828,619</u>			<u>1,536,356</u>	
<b>Fund balances at end of year</b>		<u>\$ 4,118,220</u>			<u>\$ 1,536,224</u>	

## **INTERNAL SERVICE FUNDS**

*Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the government on a cost-reimbursement basis.*

**General Stock Account** - to account for the cost of operating a central warehouse facility used by other City departments. Material purchases are recovered from the users.

**Insurance Retention Fund** - to account for the City's self-insurance program.

**Central Services Fund** - to account for the operation of the City Mail Room, Management Information Services, Engineering, and City Garage Facilities.

**CITY OF PENSACOLA, FLORIDA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2023**

	<u>General Stock Account</u>	<u>Insurance Retention Fund</u>	<u>Central Services Fund</u>	<u>Total</u>
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 1,445	\$ 1,103,091	\$ 1,891,235	\$ 2,995,771
Investments	1,729	1,320,211	2,263,486	3,585,426
Accounts receivable (net)		296,955		296,955
Prepaid expenses		270,522	26,421	296,943
Inventory	1,530,196			1,530,196
Total current assets	<u>1,533,370</u>	<u>2,990,779</u>	<u>4,181,142</u>	<u>8,705,291</u>
<b>Noncurrent assets:</b>				
Prepaid expense				
Restricted assets				
Cash and cash equivalents		3,750,756		3,750,756
Investments		4,489,014		4,489,014
Capital assets				
Depreciable (net)			2,292,454	2,292,454
Intangible right-to-use asset (net)			142,562	142,562
Total noncurrent assets	<u>-</u>	<u>8,239,770</u>	<u>2,435,016</u>	<u>10,674,786</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension		474,019	2,793,536	3,267,555
Deferred OPEB		11,914	109,610	121,524
Total deferred outflows of resources	<u>-</u>	<u>485,933</u>	<u>2,903,146</u>	<u>3,389,079</u>
<b>Total assets and deferred outflows</b>	<b>\$ <u>1,533,370</u></b>	<b>\$ <u>11,716,482</u></b>	<b>\$ <u>9,519,304</u></b>	<b>\$ <u>22,769,156</u></b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	\$	\$ 102,374	\$ 34,360	\$ 136,734
Contracts payable			96,458	96,458
Accrued interest payable			197	197
Due to other funds	670,000	26,745	129,259	826,004
Compensated absences payable		67,873	396,128	464,001
Claims and judgments payable		2,195,524		2,195,524
SBITA payable			47,236	47,236
Unearned revenue		25,000		25,000
Deposits		25,381		25,381
OPEB Liability		3,399	23,309	26,708
Total current liabilities	<u>670,000</u>	<u>2,446,296</u>	<u>726,947</u>	<u>3,843,243</u>
<b>Noncurrent liabilities:</b>				
Compensated absences payable				
Claims and judgments payable		1,825,336		1,825,336
SBITA payable			48,681	48,681
Net pension liability		880,595	5,549,249	6,429,844
OPEB liability		53,494	538,669	592,163
Total noncurrent liabilities	<u>-</u>	<u>2,759,425</u>	<u>6,136,599</u>	<u>8,896,024</u>
Total liabilities	<u>670,000</u>	<u>5,205,721</u>	<u>6,863,546</u>	<u>12,739,267</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension		12,897	60,762	73,659
Deferred OPEB		87,547	664,050	751,597
Total deferred inflows of resources	<u>-</u>	<u>100,444</u>	<u>724,812</u>	<u>825,256</u>
<b>NET POSITION</b>				
Net investment in capital assets			2,315,790	2,315,790
Unrestricted	863,370	6,410,317	(384,844)	6,888,843
Total net position	<u>863,370</u>	<u>6,410,317</u>	<u>1,930,946</u>	<u>9,204,633</u>
<b>Total liabilities and net position</b>	<b>\$ <u>1,533,370</u></b>	<b>\$ <u>11,716,482</u></b>	<b>\$ <u>9,519,304</u></b>	<b>\$ <u>22,769,156</u></b>

**CITY OF PENSACOLA, FLORIDA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

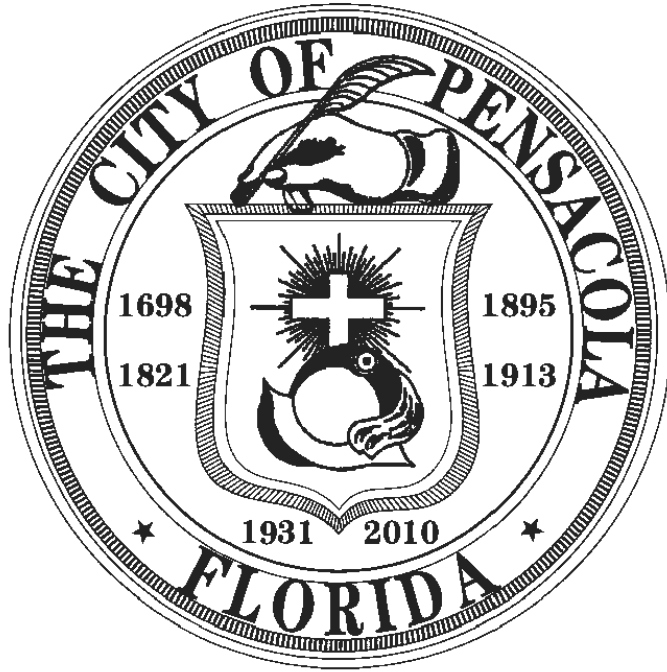
	<b>General Stock Account</b>	<b>Insurance Retention Fund</b>	<b>Central Services Fund</b>	<b>Total</b>
<b>Operating revenues:</b>				
Charges for services	\$	\$	\$ 6,508,105	\$ 6,508,105
Health		11,508,608		11,508,608
Dental		306,522		306,522
Vision		68,997		68,997
Life		220,409		220,409
Survivor disability		217,912		217,912
Liability		6,741,029		6,741,029
Other		12,551	5,725	18,276
Total operating revenues	<u>-</u>	<u>19,076,028</u>	<u>6,513,830</u>	<u>25,589,858</u>
<b>Operating expenses:</b>				
Salaries and employee benefits		757,379	4,188,997	4,946,376
Materials and supplies		1,704	133,906	135,610
Repairs and maintenance		350	139,969	140,319
Contractual services		121,702	1,333,530	1,455,232
Office and utilities		123,709	483,834	607,543
Premiums and claims expense -				
General liability		4,407,695		4,407,695
Workmen's compensation		1,832,648		1,832,648
Auto		68,386		68,386
Health		11,628,062		11,628,062
Dental		311,349		311,349
Vision		69,299		69,299
Life		205,791		205,791
Survivor disability		202,337		202,337
Total operating expenses before depreciation	<u>-</u>	<u>19,730,411</u>	<u>6,280,236</u>	<u>26,010,647</u>
Operating income (loss) before depreciation	-	(654,383)	233,594	(420,789)
Depreciation			302,945	302,945
<b>Operating income (loss)</b>	<u>-</u>	<u>(654,383)</u>	<u>(69,351)</u>	<u>(723,734)</u>
<b>Nonoperating revenues (expenses):</b>				
Gain (loss) on disposal of fixed assets			33,503	33,503
Interest Expense			(197)	(197)
Investment interest		294,451	100,534	394,985
Total nonoperating revenues (expenses)	<u>-</u>	<u>294,451</u>	<u>133,840</u>	<u>428,291</u>
Income (loss) before transfers:	<u>-</u>	<u>(359,932)</u>	<u>64,489</u>	<u>(295,443)</u>
<b>Transfers:</b>				
Transfers in (out)			5,556	5,556
Total transfers	<u>-</u>	<u>-</u>	<u>5,556</u>	<u>5,556</u>
<b>Change in net position</b>	<u>-</u>	<u>(359,932)</u>	<u>70,045</u>	<u>(289,887)</u>
<b>Net position at beginning of year</b>	<u>863,370</u>	<u>6,770,249</u>	<u>1,860,901</u>	<u>9,494,520</u>
<b>Net position at end of year</b>	<u>\$ 863,370</u>	<u>\$ 6,410,317</u>	<u>\$ 1,930,946</u>	<u>\$ 9,204,633</u>

**CITY OF PENSACOLA, FLORIDA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>General Stock Account</u>	<u>Insurance Retention Fund</u>	<u>Central Services Fund</u>	<u>Total</u>
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$	\$ 13,902,448	\$ 6,138,220	\$ 20,040,668
Cash received from other funds	79,266	4,602,423		4,681,689
Cash payments to suppliers for goods and services	(109,364)	(18,317,849)	(2,049,447)	(20,476,660)
Cash payments to employees for services		(1,410,543)	(3,273,046)	(4,683,589)
Net cash provided by (used for) operating activities	<u>(30,098)</u>	<u>(1,223,521)</u>	<u>815,727</u>	<u>(437,892)</u>
<b>Cash flows from noncapital financing activities:</b>				
Advance from (to) other funds		577,689	(29,785)	547,904
Net cash provided by (used for) noncapital financing activities	<u>0</u>	<u>577,689</u>	<u>(29,785)</u>	<u>547,904</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets			(249,504)	(249,504)
Net cash provided by (used for) capital and related financing activities	<u>0</u>	<u>0</u>	<u>(249,504)</u>	<u>(249,504)</u>
<b>Cash flows from investing activities:</b>				
Sale (purchase) of investments	14,880	1,003,665	(1,133)	1,017,412
Interest on investments		52,561	13,080	65,641
Net cash provided by (used for) investing activities	<u>14,880</u>	<u>1,056,226</u>	<u>11,947</u>	<u>1,083,053</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(15,218)</u>	<u>410,394</u>	<u>548,385</u>	<u>943,561</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>19,146</u>	<u>5,861,927</u>	<u>1,739,268</u>	<u>7,620,341</u>
<b>Cash and cash equivalents of end of year</b>	<u>\$ 3,928</u>	<u>\$ 6,272,321</u>	<u>\$ 2,287,653</u>	<u>\$ 8,563,902</u>

**CITY OF PENSACOLA, FLORIDA  
COMBINING STATEMENT OF CASH FLOWS  
RECONCILIATION OF OPERATING INCOME TO NET CASH  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>General Stock Account</b>	<b>Insurance Retention Fund</b>	<b>Central Services Fund</b>	<b>Total</b>
<b>Operating income (loss)</b>	\$	\$ (654,383)	\$ (69,351)	\$ (723,734)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>				
Depreciation			302,945	302,945
<b>Change in assets and liabilities:</b>				
(Increase) decrease in accounts receivable		35,234		35,234
(Increase) decrease in inventory	156,494			156,494
(Increase) decrease in due from other funds		1,513		1,513
(Increase) decrease in prepaid expenses		(20,059)	4,819	(15,240)
Increase (decrease) in accounts payable		25,669	12,640	38,309
Increase (decrease) in contracts payable			(13,189)	(13,189)
Increase (decrease) in due to other funds	(160,000)		22,157	(137,843)
Increase (decrease) in deposits		10,284		10,284
Increase (decrease) in claims and judgments		251,298	(22,242)	229,056
Increase (decrease) in deferred revenue		(25,000)		(25,000)
Increase (decrease) in SBITA			(49,964)	(49,964)
Increase (decrease) in compensated absences		13,748	120,789	134,537
Increase (decrease) in net OPEB obligation		(12,932)	(88,686)	(101,618)
Increase (decrease) in net pension liability		75,983	533,342	609,325
<b>Net cash provided by (used for) operating activities</b>	\$ (3,506)	\$ (298,645)	\$ 753,260	\$ 451,109



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## **FIDUCIARY FUNDS**

*Fiduciary funds are trust funds used to account for assets held by the City in a trustee capacity for individuals, other governmental units and/or other funds.*

### **PENSION TRUST FUNDS**

*Pension Trust Funds account for financial operations of the City's three pension plans.*

**General Pension and Retirement Fund** – to account for the accumulation of resources to be used for pension and retirement payments for substantially all City employees except for those in the Fire and Police Pension Funds. Resources are contributed by employees and the City at actuarially determined rates. On June 18, 2007 the City's General Pension and Retirement Plan was closed to all new employees. Existing participants were given the option to participate in the Florida Retirement System or remain in the City's General Pension and Retirement Plan.

**Firefighter's Relief and Pension Fund** – to account for the accumulation of resources to be used for pension and retirement payments for all firefighters. Resources are contributed by employees and the City at actuarially determined rates.

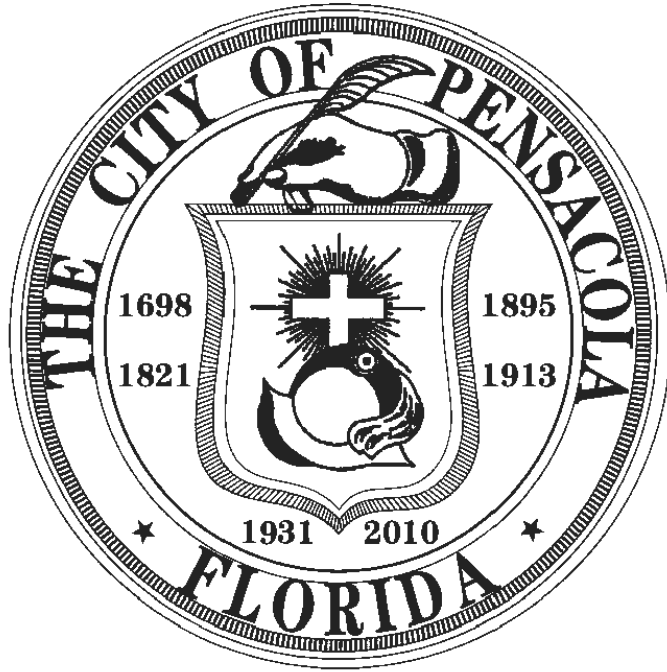
**Police Officer's Retirement Fund** – to account for the accumulation of resources to be used for pension and retirement payments for all police officers. Resources are contributed by employees and the City at actuarially determined rates. On January 1, 2013 the City's Police Officers' Retirement Fund was closed to all new employees. Existing participants were given the option to participate in the Florida Retirement System or remain in the City's Police Officers' Retirement Fund.

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

	<u>General Pension and Retirement Fund</u>	<u>Firefighter's Relief and Pension Fund</u>	<u>Police Officers' Retirement Fund</u>	<u>Total Pension Trust Funds</u>
<b>ASSETS</b>				
Other cash	\$ 91,090	\$ 118,918	\$ 9,071,298	\$ 9,281,306
<b>Receivables:</b>				
Employer	198	274	145	617
Employee	10,878	30,102	7,552	48,532
Due from other governments		285,455		285,455
Total receivables	<u>11,075</u>	<u>315,830</u>	<u>7,697</u>	<u>334,603</u>
<b>Investments :</b>				
Short term investments	2,591,558	2,374,798	442,582	5,408,938
Debt Securities & Bond Mutual Funds	23,245,152	19,417,337	19,009,275	61,671,764
Convertible Corporate Bonds	12,491,494	13,625,387		26,116,881
Stock Mutual Funds	4,331,939	22,855,045		27,186,984
Mortgage Backed Securities	22,469,349	11,753,458	22,744,106	56,966,913
Commingled Trust Fund	393,825	7,814,612		8,208,437
Domestic Stocks	46,323,600	40,224,874	45,737,819	132,286,293
Preferred Stocks	184,637	203,536		388,173
Foreign Stocks	23,256,391	1,836,991	18,543,882	43,637,264
Total investments	<u>135,287,945</u>	<u>120,106,038</u>	<u>106,477,664</u>	<u>361,871,647</u>
<b>Total assets</b>	<u>\$ 135,390,111</u>	<u>\$ 120,540,786</u>	<u>\$ 115,556,658</u>	<u>\$ 371,487,556</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 137,441	\$ 135,595	\$ 71,766	\$ 344,802
Total liabilities	<u>137,441</u>	<u>135,595</u>	<u>71,766</u>	<u>344,802</u>
<b>NET POSITION</b>				
Restricted for pension benefits	<u>\$ 135,252,670</u>	<u>\$ 120,405,191</u>	<u>\$ 115,484,892</u>	<u>\$ 371,142,753</u>

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

	<u>General Pension and Retirement Fund</u>	<u>Firefighter's Relief and Pension Fund</u>	<u>Police Officers' Retirement Fund</u>	<u>Total Pension Trust Funds</u>
<b>Additions:</b>				
Contributions - city	\$ 5,599,918	\$ 776,239	\$ 3,248,120	\$ 9,624,277
Contributions - employee	258,091	719,300	203,586	1,180,977
Commission recapture		57	1,392	1,449
Insurance proceeds - State of Florida		900,253	755,911	1,656,164
Total contributions	<u>5,858,009</u>	<u>2,395,849</u>	<u>4,209,009</u>	<u>12,462,867</u>
Investment income				
Net appreciation/(loss)				
in fair value of investments	8,344,174	9,959,461	7,458,971	25,762,606
Interest and dividends	3,106,199	2,426,505	2,840,127	8,372,831
	<u>11,450,373</u>	<u>12,385,966</u>	<u>10,299,098</u>	<u>34,135,437</u>
Less investment expense	554,723	528,667	402,872	1,486,262
Net investment income	<u>10,895,650</u>	<u>11,857,299</u>	<u>9,896,226</u>	<u>32,649,175</u>
Total additions	<u>16,753,659</u>	<u>14,253,148</u>	<u>14,105,235</u>	<u>45,112,042</u>
<b>Deductions:</b>				
Pensions paid - employees	10,723,450	7,696,703	7,083,504	25,503,657
Pensions paid - widows	2,171,153	1,089,950	718,307	3,979,410
Pensions paid - children	7,574			7,574
Refunds to employees		143,226		143,226
Deferred retirement option plan	258,561	1,422,415	310,843	1,991,819
Health insurance assistance	95,228			95,228
Administrative expenses	150,308	132,260	124,368	406,936
Total deductions	<u>13,406,274</u>	<u>10,484,554</u>	<u>8,237,022</u>	<u>32,127,850</u>
<b>Change in net position</b>	<u>3,347,385</u>	<u>3,768,594</u>	<u>5,868,213</u>	<u>12,984,192</u>
<b>Net position restricted for pension benefits:</b>				
<b>Beginning of year</b>	<u>131,905,285</u>	<u>116,636,597</u>	<u>109,616,679</u>	<u>358,158,561</u>
<b>End of year</b>	<u>\$ 135,252,670</u>	<u>\$ 120,405,191</u>	<u>\$ 115,484,892</u>	<u>\$ 371,142,753</u>



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## STATISTICAL SECTION

This part of the City of Pensacola'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.

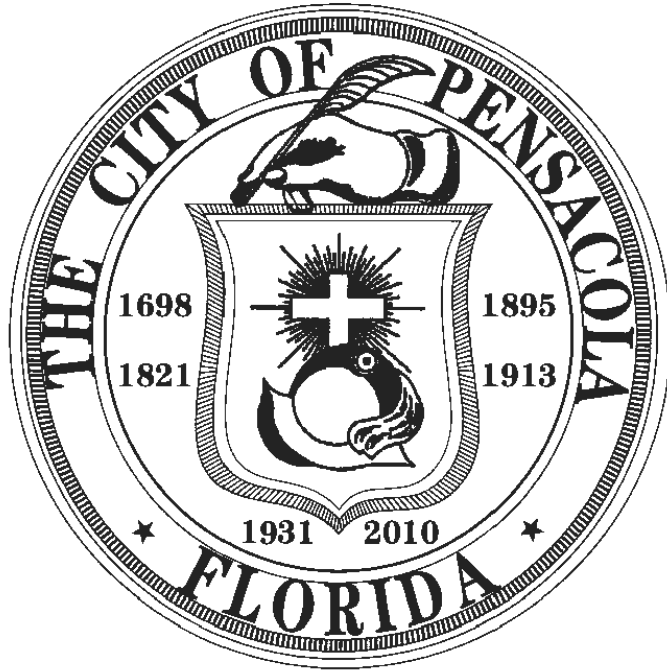
**Revenue Capacity** - These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property, sales taxes, and utility revenue.

**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. Note the city has no general obligation debt.

**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 and to help make a comparison over time and with other governments.

**Operating Information** - These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information 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 comprehensive annual financial reports for the relevant year.*



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**FINANCIAL TRENDS**

**CITY OF PENSACOLA, FLORIDA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General Government	\$ 10,140,686	\$ 11,459,325	\$ 10,675,142	\$ 13,421,994	\$ 12,382,833	\$ 12,101,937	\$ 14,024,575	\$ 12,380,195	\$ 18,281,895	\$ 18,703,847
Public safety	33,276,740	31,187,510	32,478,560	41,001,683	37,978,435	36,484,101	40,407,906	33,074,865	30,403,609	47,513,896
Transportation	2,942,516	3,205,374	4,051,784	2,896,355	4,057,926	5,333,798	6,768,664	7,746,788	8,616,365	9,579,297
Culture and recreation	12,968,344	14,030,560	13,467,494	13,651,877	13,787,334	14,315,481	14,374,666	16,196,710	18,695,537	17,947,317
Economic environment	13,876,714	16,362,079	16,502,619	17,947,509	18,318,018	16,877,887	17,914,891	18,373,202	18,189,837	19,906,544
Physical environment	4,922,313	5,470,198	3,146,051	4,218,895	4,033,681	5,524,973	7,903,072	13,195,272	5,331,122	8,444,383
Human services	30,000	30,000	30,000	30,000	30,000	14,492,331 (c)	9,453,927	30,000	21,666	
Unallocated depreciation	3,418,471	3,592,828	3,898,568	4,139,867	2,025,235	1,917,285	1,797,534	1,716,378	1,682,419	1,638,021
Interest on long-term debt	5,272,532	5,091,611	5,139,876	4,514,339	4,324,860	5,953,180	3,144,298	2,909,320	2,726,705	2,589,840
Total governmental activities expenses	<u>86,848,316</u>	<u>90,429,485</u>	<u>89,390,094</u>	<u>101,822,519</u>	<u>96,938,322</u>	<u>113,000,973</u>	<u>115,789,533</u>	<u>105,622,730</u>	<u>103,949,155</u>	<u>126,323,145</u>
Business-type activities:										
Utility	33,899,904	30,526,216	31,136,870	33,575,070	34,940,330	34,105,382	31,835,300	32,896,169	55,485,713	50,567,655
Sanitation	6,636,126	6,115,820	6,883,649	7,385,517	6,901,117	7,488,155	7,805,854	7,884,591	8,030,569	8,778,303
Port	2,646,153	2,609,159	2,601,580	2,869,779	2,615,462	2,713,331	3,521,004	3,070,577	3,785,115	3,598,499
Airport	24,331,152	23,833,660	25,085,705	25,102,535	26,533,722	28,606,833	28,398,131	26,204,842	28,985,668	33,370,793
Total business-type activities expenses	<u>67,513,335</u>	<u>63,084,855</u>	<u>65,707,804</u>	<u>68,932,901</u>	<u>70,990,631</u>	<u>72,913,701</u>	<u>71,560,289</u>	<u>70,056,179</u>	<u>96,287,065</u>	<u>96,315,250</u>
Total primary government expenses	<u>\$ 154,361,651</u>	<u>\$ 153,514,340</u>	<u>\$ 155,097,898</u>	<u>\$ 170,755,420</u>	<u>\$ 167,928,953</u>	<u>\$ 185,914,674</u>	<u>\$ 187,349,822</u>	<u>\$ 175,678,909</u>	<u>\$ 200,236,220</u>	<u>\$ 222,638,395</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for Services:										
General Government	\$ 679,868	\$ 538,272	\$ 540,401	\$ 492,954	\$ 296,437	\$ 286,817	\$ 1,220,454	\$ 261,078	\$ 153,200	\$ 316,530
Public safety	2,308,840	2,304,786	2,165,304	2,434,239	2,191,063	2,553,611	2,584,504	3,856,136	3,846,061	3,877,867
Transportation	619,630	636,372	722,452	808,801	695,121	738,270	967,281	1,817,144	2,128,911	2,080,499
Culture and recreation	2,763,580	2,817,702	3,064,679	2,996,558	2,826,837	2,777,016	1,749,952	2,605,833	2,647,772	2,941,634
Physical environment	2,619,208	2,609,127	2,785,085	2,713,930	2,779,337	2,845,664	2,845,965	2,902,846	2,994,884	3,142,705
Operating grants and contributions	15,686,464	19,435,541	20,937,879	20,751,603	21,219,767	36,160,940	32,131,025	31,148,673	48,204,504	36,252,808
Capital grants and contributions	4,522,447	9,770,999	5,240,998	5,952,566	3,239,646	2,533,119	1,675,802	938,171	1,303,263	1,241,271
Total governmental activities program revenues	<u>29,200,037</u>	<u>38,112,799</u>	<u>35,456,798</u>	<u>36,150,651</u>	<u>33,248,208</u>	<u>47,895,437</u>	<u>43,174,983</u>	<u>43,529,881</u>	<u>61,278,595</u>	<u>49,853,314</u>
Business-type activities:										
Charges for Services										
Utility	49,170,177	45,466,269	43,278,297	44,741,994	49,914,141	50,231,748	46,608,310	50,804,613	69,715,079	59,780,737
Sanitation	6,989,558	7,060,514	7,084,148	7,190,675	7,744,185	8,255,120	8,439,456	8,867,686	9,355,523	9,946,996
Port	1,906,423	1,900,212	1,609,280	1,058,964	1,259,626	2,400,834	2,740,267	2,809,593	2,881,597	2,870,396
Airport	18,915,396	21,073,261	21,887,992	21,638,635	23,190,940	25,921,379	20,718,662	22,276,241	28,883,526	31,329,994
Operating grants and contributions								5,866,730		
Capital grants and contributions	6,076,663	8,685,517	12,843,595	28,704,147	24,610,034	10,172,410	16,912,674	17,894,768	59,978,639	33,543,067
Total business-type activities program revenues	<u>83,058,217</u>	<u>84,185,773</u>	<u>86,703,312</u>	<u>103,334,415</u>	<u>106,718,926</u>	<u>96,981,491</u>	<u>95,419,369</u>	<u>108,519,631</u>	<u>170,814,364</u>	<u>137,471,190</u>
Total primary government program revenues	<u>\$ 112,258,254</u>	<u>\$ 122,298,572</u>	<u>\$ 122,160,110</u>	<u>\$ 139,485,066</u>	<u>\$ 139,967,134</u>	<u>\$ 144,876,928</u>	<u>\$ 138,594,352</u>	<u>\$ 152,049,512</u>	<u>\$ 232,092,959</u>	<u>\$ 187,324,504</u>

(continued)

**CITY OF PENSACOLA, FLORIDA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (57,648,279)	\$ (52,316,686)	\$ (53,933,296)	\$ (65,671,868)	\$ (63,690,114)	\$ (65,105,536)	\$ (72,614,550)	\$ (62,092,849)	(42,670,560)	(76,469,831)
Business-type activities	15,544,882	21,100,918	20,995,508	34,401,514	35,728,295	24,067,790	23,859,080	38,463,452	74,527,299	41,155,940
Total primary government net expenses	\$ (42,103,397)	\$ (31,215,768)	\$ (32,937,788)	\$ (31,270,354)	\$ (27,961,819)	\$ (41,037,746)	\$ (48,755,470)	\$ (23,629,397)	\$ 31,856,739	\$ (35,313,891)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 12,232,594	\$ 12,728,973	\$ 13,312,773	\$ 13,781,024	\$ 14,638,449	\$ 15,718,156	\$ 16,953,100	\$ 18,137,244	\$ 19,640,104	\$ 21,873,778
Public service taxes and franchise fees	15,720,253	16,339,157	16,000,690	16,092,524	17,222,374	17,135,120	17,097,763	17,473,081	19,100,875	19,955,379
Communication services tax	3,115,591	3,026,561	3,127,266	2,853,565	3,095,646	3,069,511	3,185,927	3,159,425	2,906,976	2,934,967
Local business tax	917,179	909,057	914,773	902,333	915,792	939,973	944,046	918,590	929,411	938,060
Local option gasoline tax	1,553,809	1,541,616	1,585,310	1,353,590	1,365,613	1,364,246	1,301,270	1,431,737	1,428,853	1,477,395
Local option sales tax	7,015,227	7,337,154	7,662,504	7,881,842	8,524,108	8,901,413	8,698,808	10,718,928	12,234,245	12,194,355
Contribution from other governments										
Intergovernmental revenues	6,502,204	6,719,109	6,846,265	6,999,518	7,330,410	7,630,878	7,485,820	8,225,603	9,831,242	9,754,477
Unrestricted investment earnings	1,902,728	1,939,068	2,026,216	1,780,315	946,252	1,683,080	1,358,607	326,148	590,532	2,265,910
Insurance recoveries									272,997	
Donation of capital assets										
Miscellaneous	41,068	4,872	14,316	139,669	35,573	29,113	38,755	58,984	199,714	226,811
Net gain (loss) on sale of asset	71,972	56,851		1,496,281	2,529,358	708,896	94,056	84,366	65,623	97,367
Gain (loss) on impairment of asset - Hurricane Ivan										
Special Item	(1,306,106)	5,351,922 (a)		14,266,276 (b)				689,131		
Transfers	8,206,788	8,070,459	8,000,000	8,000,000	8,000,000	7,282,376	5,752,854	6,966,490	7,226,404	7,229,019
Overhead transfers	2,372,500	2,376,600	2,355,500	2,458,900	2,480,300	2,662,700	2,708,800	2,839,300	3,066,900	2,822,500
Total governmental activities	58,345,807	66,401,399	61,845,613	78,005,837	67,083,875	67,125,462	65,619,806	71,029,027	77,493,876	81,770,018
Business-type activities:										
Unrestricted investment earnings	121,682	170,836	215,216	467,169	837,949	1,353,089	1,281,334	377,237	931,927	4,181,440
Insurance recoveries								1,650,924		
Donation of capital assets										
Miscellaneous	373,481	511,037	424,772	919,630	753,915	605,249	515,442	635,705	703,755	915,681
Net gain (loss) on sale of asset	43,870	19,196		64,870	29,531	112,180	75,921	93,536	60,760	9,200
Gain (loss) on impairment of asset - Hurricane Ivan										
Special Item										
Transfers	(8,206,788)	(8,070,459)	(8,000,000)	(8,000,000)	(8,000,000)	(7,282,376)	(5,752,854)	(6,966,490)	(7,226,404)	(7,229,019)
Overhead transfers	(2,372,500)	(2,376,600)	(2,355,500)	(2,458,900)	(2,480,300)	(2,662,700)	(2,708,800)	(2,839,300)	(3,066,900)	(2,822,500)
Total business-type activities	(10,040,255)	(9,745,990)	(9,715,512)	(9,007,231)	(8,858,905)	(7,874,558)	(6,588,957)	(7,048,388)	(8,596,862)	(4,945,198)
Total primary government	\$ 48,305,552	\$ 56,655,409	\$ 52,130,101	\$ 68,998,606	\$ 58,224,970	\$ 59,250,904	\$ 59,030,849	\$ 63,980,639	\$ 68,897,014	\$ 76,824,820
<b>Change in Net Position</b>										
Governmental activities	\$ 697,528	\$ 14,084,713	\$ 7,912,317	\$ 12,333,969	\$ 3,393,761	\$ 2,019,926	\$ (6,994,744)	\$ 8,936,178	\$ 34,823,316	\$ 5,300,187
Business-type activities	5,504,627	11,354,928	11,279,996	25,394,283	26,869,390	16,193,232	17,270,123	31,415,064	65,930,437	36,210,742
Total primary government	\$ 6,202,155	\$ 25,439,641	\$ 19,192,313	\$ 37,728,252	\$ 30,263,151	\$ 18,213,158	\$ 10,275,379	\$ 40,351,242	\$ 100,753,753	\$ 41,510,929

**Notes:**

- (a) In FY 15, BP claim was settled for the BP Deep Horizon Oil Spill in 2010 and the City was awarded \$5,351,922
- (b) In FY 17, the City cancelled the \$54,079,902 loan the CTA Investment Fund, LLC made to CMPA and the loan the City made to CTA Investment Fund, LLC which resulted in a net gain to the City of \$14,266,276.
- (c) In FY 19, the City created the Hospital Special Assesment Fund to account for the receipts from local hospitals and subsequently submit to the State for health care provisions.

**CITY OF PENSACOLA, FLORIDA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

	Fiscal Year									
	2014	2015 (a)	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 175,446,759	\$ 173,000,255	\$ 163,348,312	\$ 190,491,657	\$ 191,203,167	\$ 186,615,457	\$ 186,703,675	\$ 190,220,754	\$ 192,144,576	\$ 197,105,128
Restricted	16,283,438	27,838,599	35,352,306	29,751,412	23,754,264	24,688,258	29,203,635	24,748,663	27,110,940	25,290,316
Unrestricted	(7,264,919)	(63,328,173)	(53,277,620)	(62,486,102)	(58,653,937)	(52,980,295)	(64,578,634)	(54,704,563)	(23,526,321)	(21,366,062)
Total governmental activities net position	<u>\$ 184,465,278</u>	<u>\$ 137,510,681</u>	<u>\$ 145,422,998</u>	<u>\$ 157,756,967</u>	<u>\$ 156,303,494</u>	<u>\$ 158,323,420</u>	<u>\$ 151,328,676</u>	<u>\$ 160,264,854</u>	<u>\$ 195,729,195</u>	<u>\$ 201,029,382</u>
Business-type activities										
Net investment in capital assets	\$ 131,081,295	\$ 135,878,607	\$ 142,842,026	\$ 168,168,989	\$ 186,225,485	\$ 194,787,731	\$ 198,846,540	\$ 212,977,675	\$ 268,611,152	\$ 282,278,975
Restricted	8,703,100	9,904,200	9,956,165	10,497,398	12,176,912	13,227,612	13,905,112	20,333,112	22,407,112	24,857,112
Unrestricted	34,313,383	20,040,759	24,305,371	23,831,458	29,067,346	35,647,632	48,181,446	59,037,375	67,423,400	87,511,964
Total business-type activities net position	<u>\$ 174,097,778</u>	<u>\$ 165,823,566</u>	<u>\$ 177,103,562</u>	<u>\$ 202,497,845</u>	<u>\$ 227,469,743</u>	<u>\$ 243,662,975</u>	<u>\$ 260,933,098</u>	<u>\$ 292,348,162</u>	<u>\$ 358,441,664</u>	<u>\$ 394,648,051</u>
Primary government										
Net investment in capital assets	\$ 306,528,054	\$ 308,878,862	\$ 306,190,338	\$ 358,660,646	\$ 377,428,652	\$ 381,403,188	\$ 385,550,215	\$ 403,198,429	\$ 460,755,728	\$ 479,384,103
Restricted	24,986,538	37,742,799	45,308,471	40,248,810	35,931,176	37,915,870	43,108,747	45,081,775	49,518,052	50,147,428
Unrestricted	27,048,464	(43,287,414)	(28,972,249)	(38,654,644)	(29,586,591)	(17,332,663)	(16,397,188)	4,332,812	43,897,079	66,145,902
Total primary government net position	<u>\$ 358,563,056</u>	<u>\$ 303,334,247</u>	<u>\$ 322,526,560</u>	<u>\$ 360,254,812</u>	<u>\$ 383,773,237</u>	<u>\$ 401,986,395</u>	<u>\$ 412,261,774</u>	<u>\$ 452,613,016</u>	<u>\$ 554,170,859</u>	<u>\$ 595,677,433</u>

Notes: (a) The City implemented GASB Statement 68 in fiscal year 2015.

**CITY OF PENSACOLA, FLORIDA**  
**PROGRAM REVENUES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
*(accrual basis of accounting)*

Function/Programs	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
General government	\$ 3,153,436	\$ 3,283,833	\$ 3,427,107	\$ 3,700,398	\$ 3,901,755	\$ 4,479,037	\$ 6,187,932	\$ 6,211,248	\$ 12,180,037	\$ 10,592,312
Public safety	3,328,936	2,484,036	2,349,489	2,666,971	2,280,040	2,818,481	2,677,146	4,743,763	4,208,681	4,053,510
Transportation	859,734	2,807,030	1,911,016	808,801	695,121	747,358	967,281	2,252,364	10,864,110	3,614,261
Culture and recreation	4,990,080	6,822,539	5,076,963	4,168,728	3,916,783	4,118,589	1,819,592	5,802,050	12,715,325	5,191,135
Economic environment	13,503,294	16,793,245	17,147,764	17,850,657	17,484,499	16,858,471	17,662,062	18,985,778	17,984,432	19,175,383
Physical environment	3,364,557	5,922,116	5,544,459	6,955,096	4,970,010	4,411,169	4,437,043	5,534,678	3,326,010	7,226,713
Human services						14,462,332 (a)	9,423,927			
Total governmental activities	<u>29,200,037</u>	<u>38,112,799</u>	<u>35,456,798</u>	<u>36,150,651</u>	<u>33,248,208</u>	<u>47,895,437</u>	<u>43,174,983</u>	<u>43,529,881</u>	<u>61,278,595</u>	<u>49,853,314</u>
Business-type activities:										
Utility	49,387,343	45,939,470	43,761,940	45,297,295	50,548,308	50,231,748	46,608,310	50,804,613	69,715,079	60,319,429
Sanitation	6,989,558	7,074,746	7,084,148	7,192,089	7,744,185	8,255,120	9,620,538	8,867,686	10,395,004	9,946,996
Port	2,026,744	2,108,450	2,457,376	2,753,554	4,971,116	5,186,090	3,156,635	3,842,119	3,321,881	3,435,479
Airport	24,654,572	29,063,107	33,399,848	48,091,477	43,455,317	33,308,533	36,033,886	45,005,213	87,382,400	63,769,286
Total business-type activities	<u>83,058,217</u>	<u>84,185,773</u>	<u>86,703,312</u>	<u>103,334,415</u>	<u>106,718,926</u>	<u>96,981,491</u>	<u>95,419,369</u>	<u>108,519,631</u>	<u>170,814,364</u>	<u>137,471,190</u>
<b>Total primary government</b>	<b>\$ <u>112,258,254</u></b>	<b>\$ <u>122,298,572</u></b>	<b>\$ <u>122,160,110</u></b>	<b>\$ <u>139,485,066</u></b>	<b>\$ <u>139,967,134</u></b>	<b>\$ <u>144,876,928</u></b>	<b>\$ <u>138,594,352</u></b>	<b>\$ <u>152,049,512</u></b>	<b>\$ <u>232,092,959</u></b>	<b>\$ <u>187,324,504</u></b>

**Notes:** (a) In FY 19, the City created the Hospital Special Assesment Fund to account for the receipts from local hospitals and subsequently submit to the State for health care provisions.

**CITY OF PENSACOLA, FLORIDA**  
**FUND BALANCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Non-spendable	\$ 37,491	\$ 31,016	\$ 28,729	\$ 23,339	\$ 23,422	\$ 26,635	\$ 50,814	\$ 43,890	\$ 48,499	\$ 58,739
Restricted	447,395	632,697	665,283	891,857	1,038,512	880,968	1,064,330	1,154,652	1,191,930	2,425,112
Committed	8,816,950	9,210,488	10,143,175	11,694,280	14,017,235	14,397,663	14,628,212	14,620,074	14,677,876	14,928,663
Assigned	2,986,393	2,761,806	2,640,289	2,692,973	4,591,459	7,170,387	9,236,622	9,879,232	9,881,458	11,415,117
Unassigned	1,110,671	1,102,141	1,128,736	1,721,705	208,800	1,516,294	537,926	98,402	3,222,097	2,408,440
Total General Fund	<u>\$ 13,398,900</u>	<u>\$ 13,738,148</u>	<u>\$ 14,606,212</u>	<u>\$ 17,024,154</u>	<u>\$ 19,879,428</u>	<u>\$ 23,991,947</u>	<u>\$ 25,517,904</u>	<u>\$ 25,796,250</u>	<u>\$ 29,021,860</u>	<u>\$ 31,236,071</u>
All Other Governmental Funds										
Non-spendable	\$ 3,770,589	\$ 7,510,198	\$ 3,437,808	\$ 3,519,866	\$ 17,153	\$ 19,944	\$ 20,867	\$ 18,040	\$ 24,383	\$ 27,376
Restricted	57,319,028	58,928,951	75,306,214 (a)	38,838,782	53,562,885	62,274,000	56,111,278	49,200,597	47,574,085	37,780,305
Committed	3,695,188	5,760,423	6,525,521	5,888,016	5,181,575	5,571,152	4,191,794	3,121,347	4,494,441	6,767,470
Assigned	715,949	3,137,792	1,712,813	867,343	716,721	872,612	4,844,743	6,913,127	7,710,896	11,593,691
Unassigned	(6,974,974)	(7,341,255)	(6,642,268)	(8,547,881)	(260,165)	(415,247)	(8,620,052)	(15,550,037)	(3,962,014)	(3,281,408)
Total all other governmental funds	<u>\$ 58,525,780</u>	<u>\$ 67,996,109</u>	<u>\$ 80,340,088</u>	<u>\$ 40,566,126</u>	<u>\$ 59,218,169</u>	<u>\$ 68,322,461</u>	<u>\$ 56,548,630</u>	<u>\$ 43,703,074</u>	<u>\$ 55,841,791</u>	<u>\$ 52,887,434</u>

**Notes:**

(a) Increase in restricted fund balance is related to the unspent bond proceeds in the Local Option Gas Tax Project Fund.

**CITY OF PENSACOLA, FLORIDA**  
**CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*

Revenues	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Taxes	\$ 32,259,057	\$ 33,316,544	\$ 34,076,354	\$ 34,883,249	\$ 37,034,176	\$ 38,493,239	\$ 39,663,462	\$ 43,132,137	\$ 46,421,093	\$ 49,184,082
Licenses and permits	1,277,978	1,346,721	1,415,580	1,771,849	1,593,488	1,751,816	1,797,767	3,124,299	2,858,523	2,688,873
Franchise fees	8,295,596	8,565,974	8,289,710	8,218,881	8,727,806	8,635,180	8,517,452	8,706,868	9,819,371	10,189,852
Intergovernmental	25,037,986	34,883,053	31,227,672	31,348,598	30,882,832	31,258,032	32,281,626	39,864,893	58,976,026	45,786,490
Charges for services	6,472,779	6,634,483	6,995,182	7,008,094	6,621,643	6,763,745	6,058,848	7,894,124	8,402,116	8,863,288
Fines and forfeits	483,732	318,933	286,782	153,648	166,780	271,104	239,869	147,436	280,272	144,226
Assessments	35,191	14,347	27,187	78,741	52,326	14,519,578	9,462,697	52,383	14,748	15,239
Interest income	1,921,332	1,943,368	2,045,038	1,812,692	994,564	1,714,509	1,401,730	341,669	579,606	2,589,126
Donations	529,217	106,536	1,017,668	2,011,038	1,125,245	71,160	20,498	87,071	246,302	801,989
Other	1,576,588	915,518	1,320,438	775,965	840,582	647,406	713,365	681,761	948,697	754,366
<b>Total revenues</b>	<b>77,889,456</b>	<b>88,045,477</b>	<b>86,701,611</b>	<b>88,062,755</b>	<b>88,039,442</b>	<b>104,125,769</b>	<b>100,157,314</b>	<b>104,032,641</b>	<b>128,546,754</b>	<b>121,017,531</b>
<b>Expenditures</b>										
Current -										
General government	8,370,721	9,763,178	8,731,145	8,756,239	9,394,210	9,315,718	10,686,826	11,221,735	16,371,718	14,664,641
Public safety	31,613,523	33,344,112	32,344,989	31,692,091	32,948,093	33,820,334	35,378,579	37,090,021	38,774,148	40,953,265
Transportation	2,558,589	3,002,495	3,703,713	2,601,106	2,484,138	3,030,089	3,966,855	5,044,289	5,411,710	5,249,321
Culture and recreation	8,265,301	9,888,492	8,961,041	8,901,116	9,207,741	9,255,731	9,168,428	12,575,652	14,054,641	12,237,409
Economic environment	13,795,153	16,379,088	16,512,073	17,840,723	17,613,088	16,821,741	17,765,989	18,572,942	18,375,011	19,626,665
Physical environment	4,927,340	5,596,702	3,345,057	4,089,950	3,233,928	4,190,835	5,791,302	11,828,268	3,879,288	6,141,812
Human services	30,000	30,000	30,000	30,000	30,000	14,492,331	9,453,927	30,000	21,666	
Capital outlay	9,115,258	10,770,532	12,963,404	18,210,965	23,324,603	14,190,938	14,818,379	17,316,526	15,963,344	21,935,926
Debt service -										
Principal retirement	3,365,000	3,520,000	3,695,000	4,561,000	7,740,418	6,332,419	6,593,729	7,048,568	5,483,571	5,591,068
Interest	5,758,346	5,602,755	5,600,516	5,182,598	3,934,010	4,240,349	2,625,797	2,961,332	2,780,201	2,644,897
<b>Total expenditures</b>	<b>87,799,231</b>	<b>97,897,354</b>	<b>95,886,938</b>	<b>101,865,788</b>	<b>109,910,229</b>	<b>115,690,485</b>	<b>116,249,811</b>	<b>123,689,333</b>	<b>121,115,298</b>	<b>129,045,004</b>
Excess (deficiency) of revenues over (under) expenditures	(9,909,775)	(9,851,877)	(9,185,327)	(13,803,033)	(21,870,787)	(11,564,716)	(16,092,497)	(19,656,692)	7,431,456	(8,027,473)

(continued)

**CITY OF PENSACOLA, FLORIDA**  
**CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(modified accrual basis of accounting)*

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Other financing sources (uses)</b>										
Transfers in	65,692,097 (a)	22,172,579	21,700,560	22,697,499	18,645,522	23,813,700	22,556,620	25,216,696	24,561,143	21,029,094
Transfers (out)	(57,485,309) (a)	(14,379,367)	(13,525,081)	(13,388,403)	(10,645,522)	(16,531,324)	(16,803,766)	(18,250,206)	(17,334,739)	(13,805,631)
Capital Lease Note Issuance		6,460,954 (c)								
Loan proceeds				100,000		58,140,000				
Sale of capital assets	67,545	55,366		1,487,365	2,526,004	701,970	91,769	84,366	65,190	63,864
Contributed capital from other funds										
Contributed capital from other governments										
Reimbursement of prior year expenditures										
Insurance recoveries				20,000						
Payment to refund debt						(41,182,811)				
Bonds Issued			14,314,000	5,389,000	33,000,000					
Issuance Cost			(92,109)	(44,822)	(147,900)	(160,008)				
<b>Total other financing sources (uses)</b>	<u>8,274,333</u>	<u>14,309,532</u>	<u>22,397,370</u>	<u>16,260,639</u>	<u>43,378,104</u>	<u>24,781,527</u>	<u>5,844,623</u>	<u>7,050,856</u>	<u>7,291,594</u>	<u>7,287,327</u>
Net change in fund balances										
before prior period adjustments/special items	<u>(1,635,442)</u>	<u>4,457,655</u>	<u>13,212,043</u>	<u>2,457,606</u>	<u>21,507,317</u>	<u>13,216,811</u>	<u>(10,247,874)</u>	<u>(12,605,836)</u>	<u>14,723,050</u>	<u>(740,147)</u>
Special Item-NMTC Unw ind				(39,813,626) (d)						
Special item - sale of capital asset										
Special item - BP Settlement		5,351,922 (b)								
Special item - Parking Transfer								38,626		
PPA/Change in accounting principle									641,277	
<b>Net change in fund balances</b>	<u>\$ (1,635,442)</u>	<u>\$ 9,809,577</u>	<u>\$ 13,212,043</u>	<u>\$ (37,356,020)</u>	<u>\$ 21,507,317</u>	<u>\$ 13,216,811</u>	<u>\$ (10,247,874)</u>	<u>\$ (12,567,210)</u>	<u>\$ 15,364,327</u>	<u>\$ (740,147)</u>
Debt service as a percentage of noncapital expenditures	11.59%	10.47%	11.21%	11.65%	13.48%	10.42%	9.09%	9.41%	7.86%	7.69%

Notes:

- (a) In FY 14, Maritime Community Construction Fund was closed and residual equity transfers were made to the CRA and Debt Service Fund.
- (b) In FY 15, BP claim was settled for the BP Deep Horizon Oil Spill in 2010 and the City was awarded \$5,351,922.
- (c) In FY 15, Motorola released \$6,460,954 to finance the acquisition of technology related equipment.
- (d) In FY 17, the City forgave the loan made with CTA Investment Fund, LLC of \$39,813,626.

## **REVENUE CAPACITY**

**CITY OF PENSACOLA, FLORIDA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
*(in thousands of dollars)*

<u>Fiscal Year</u>	<u>Personal Property</u>	<u>Real Property</u>	<u>Central Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2013	517,534	4,147,698	5,277	1,763,287	2,907,222	4.2895
2014	552,382	4,223,888	5,581	1,840,040	2,941,811	4.2895
2015	539,820	4,491,889	5,682	1,964,598	3,072,793	4.2895
2016	561,229	4,729,674	5,627	2,109,546	3,186,984	4.2895
2017	507,305	5,034,056	5,850	2,222,806	3,324,405	4.2895
2018	520,566	5,306,319	5,809	2,307,122	3,525,572	4.2895
2019	557,576	5,717,586	6,173	2,500,346	3,780,989	4.2895
2020	668,682	6,182,529	5,985	2,769,526	4,087,670	4.2895
2021	605,422	6,504,333	6,640	2,745,635	4,370,760	4.2895
2022	685,264	7,081,565	7,071	3,048,367	4,725,533	4.2895
2023	712,250	8,232,474	7,507	3,690,072	5,262,159	4.2895

**Source:** Escambia County Property Appraiser's Office

**Notes:** Property is reassessed every year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

**CITY OF PENSACOLA, FLORIDA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
*(rate per \$1,000 of assessed value)*

Fiscal Year	City Of Pensacola Total Direct Rate	Overlapping Rates				
		City Of Pensacola Downtown Improvement Board	Escambia County School Board	Escambia County (a)	Escambia County Library MSTU (b)	Northwest Florida Water Management District
2014	4.2895	2.0000	7.5570	6.6165	0.3590	0.0400
2015	4.2895	2.0000	7.3220	6.6165	0.3590	0.0390
2016	4.2895	2.0000	7.1130	6.6165	0.3590	0.0378
2017	4.2895	2.0000	6.8760	6.6165	0.3590	0.0366
2018	4.2895	2.0000	6.6310	6.6165	0.3590	0.0353
2019	4.2895	2.0000	6.3250	6.6165	0.3590	0.0338
2020	4.2895	2.0000	6.0430	6.6165	0.3590	0.0327
2021	4.2895	2.0000	5.9280	6.6165	0.3590	0.0311
2022	4.2895	2.0000	5.6570	6.6165	0.3590	0.0294
2023	4.2895	2.0000	5.2740	6.6165	0.3590	0.0261

**Source:** Escambia County Tax Collector

- Notes:** (a) Escambia County property tax rates do not include MSTU rate. The MSTU rate is a rate charged to County-Only residents.  
(b) Beginning FY 2014 Escambia County began applying Library MSTU to fund the West Florida Public Library System. This MSTU is charged to both City and County properties.

**CITY OF PENSACOLA, FLORIDA  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>2023</u>			<u>2014</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Sacred Heart Hospital	\$ 329,137,060	1	0.82%	\$ 134,535,185	1	0.69%
Florida Power & Light / Gulf Power	213,727,771	2	0.53%	106,449,023	2	0.55%
Baptist Hospital	132,890,476	3	0.33%	48,663,495	3	0.25%
Pensacola Southtowne Owner LLC	62,957,105	4	0.16%	----	----	----
Simon Debartolo/Simon Properties	56,001,456	5	0.14%	38,690,755	4	0.20%
Chapins Landing	54,156,426	6	0.14%	----	----	----
Armstrong World Industries	37,734,572	7	0.09%	29,904,590	5	0.15%
Hallmark Sterling Hill LLC	24,842,827	8	0.06%	----	----	----
Bellsouth/Southern Bell	----	----	----	15,246,425	6	0.08%
Walmart	23,859,773	9	0.06%	14,460,124	7	0.07%
Cox Communications	23,700,185	10	0.06%	----	----	----
Moulton Properties	----	----	----	12,313,694	9	0.06%
Reichhold Inc/Arizona Chemical	----	----	----	14,138,401	8	0.07%
Holi Corp	----	----	----	12,061,901	10	0.06%
<b>Total</b>	<b>\$ 959,007,651</b>		<b>2.40%</b>	<b>\$ 426,463,593</b>		<b>2.20%</b>

**Source:** Escambia County Tax Collector

**CITY OF PENSACOLA, FLORIDA  
PROPERTY TAX LEVIES AND COLLECTIONS  
PAST TEN FISCAL YEARS**

<b>Fiscal Year Ended September 30,</b>	<b>Taxes Levied for the Fiscal Year (a)</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years (c)</b>	<b>Totals Collections to Date</b>	
		<b>Amount (b)</b>	<b>Percentage of Levy</b>		<b>Amount (d)</b>	<b>Percentage of Levy</b>
2014	\$ 12,618,899	12,170,283	96.4%	\$ 62,311	\$ 12,232,594	96.9%
2015	13,156,494	12,701,481	96.5%	27,493	12,728,974	96.8%
2016	13,670,568	13,232,668	96.8%	80,105	13,312,773	97.4%
2017	14,260,035	13,768,035	96.6%	12,989	13,781,024	96.6%
2018	15,122,942	14,589,079	96.5%	49,369	14,638,448	96.8%
2019	16,218,558	15,655,210	96.5%	62,946	15,718,156	96.9%
2020	17,534,064	16,896,732	96.4%	56,368	16,953,100	96.7%
2021	18,748,372	18,093,919	96.5%	43,324	18,137,243	96.7%
2022	20,270,174	19,551,223	96.5%	88,881	19,640,104	96.9%
2023	22,572,035	21,831,672	96.7%	42,106	21,873,778	96.9%

**Source:** Escambia County Tax Collector.

- Notes:** (a) The tax levy is based on the tax roll as certified by the Escambia County Property Appraiser.  
(b) Current tax collections are after applicable discounts for early payment.  
(c) Collections represent subsequent and current year delinquent revenues.  
(d) Property taxes collected are accounted for in the General Fund.

**CITY OF PENSACOLA, FLORIDA**  
**TAXABLE SALES BY CATEGORY**  
**LAST TEN CALENDAR YEARS**  
*(in thousands of dollars)*

	Calendar Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023 (a)</u>
General merchandise stores	\$ 741,251	\$ 747,540	\$ 796,846	\$ 764,661	\$ 772,478	\$ 804,314	\$ 837,736	\$ 922,191	\$ 915,586	\$ 728,536
Grocery stores	242,179	252,702	259,820	275,592	291,707	305,567	341,687	380,464	412,962	329,762
Hotels and apartments	239,013	260,427	278,032	292,298	325,431	350,089	294,496	451,104	489,960	394,030
Lumber and building materials	269,521	273,741	306,993	343,579	368,248	415,590	541,361	774,009	691,271	457,668
Manufacturing and mining	62,944	69,620	79,555	101,702	130,644	120,665	99,706	129,589	154,433	109,890
Motor vehicle dealers	823,294	861,382	902,727	948,633	995,785	1,067,119	1,071,133	1,307,066	1,290,219	993,298
Office space and commercial rentals	217,941	220,022	226,118	232,768	272,278	307,300	299,737	344,822	367,708	284,815
Restaurants and lunchrooms	576,942	614,241	645,724	674,666	698,068	728,320	656,232	843,664	921,954	750,254
<b>Total</b>	<b>\$ <u>3,173,085</u></b>	<b>\$ <u>3,299,675</u></b>	<b>\$ <u>3,495,815</u></b>	<b>\$ <u>3,633,899</u></b>	<b>\$ <u>3,854,639</u></b>	<b>\$ <u>4,098,964</u></b>	<b>\$ <u>4,142,088</u></b>	<b>\$ <u>5,152,909</u></b>	<b>\$ <u>5,244,093</u></b>	<b>\$ <u>4,048,253</u></b>

City direct sales tax rate (b)

**Source:** Florida Department of Revenue

**Notes:** Data presented reflects Escambia County.

(a) 2022 data only represents the first nine months of the calendar year.

(b) The city has no direct tax rate. However, the city receives a portion of the proceeds from the Half Cent Sales Tax and the Local Option Sales Tax. The distribution of the proceeds of the Cents Sales Tax and the Local Option Sales Tax to the incorporated municipalities of the County are controlled by the formula set forth in Section 218.65 and 218.62, Florida Statutes.

**CITY OF PENSACOLA, FLORIDA  
DIRECT AND OVERLAPPING SALES TAX RATES  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Local Option Sales Tax Escambia County</b>	<b>Half Cent Sales Tax School District</b>
2014	1.00%	0.50%
2015	1.00%	0.50%
2016	1.00%	0.50%
2017	1.00%	0.50%
2018	1.00%	0.50%
2019	1.00%	0.50%
2020	1.00%	0.50%
2021	1.00%	0.50%
2022	1.00%	0.50%
2023	1.00%	0.50%

**Source:** City Budget Office

**Note:** The city has no direct tax rate. However, the city receives a portion of the proceeds from the Local Option Sales Tax. The distribution of the proceeds of the Local Option Sales Tax to the incorporated municipalities of the County are controlled by the formula set forth in Section 218.62, Florida Statutes.

**CITY OF PENSACOLA, FLORIDA**  
**SALES TAX REVENUE PAYERS BY INDUSTRY**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(in thousands of dollars)*

	<u>2023</u>			<u>2014</u>	
	<u>Tax Liability (a)</u>	<u>Percentage of Total</u>		<u>Tax Liability (a)</u>	<u>Percentage of Total</u>
Retail trade	\$ 240,550	49.07%	\$	153,996	54.33%
Services	95,586	19.50%		57,100	20.14%
Manufacturing and mining	10,057	2.05%		4,024	1.42%
Wholesale trade	18,682	3.81%		7,349	2.59%
Construction	43,135	8.80%		17,286	6.10%
Finance, insurance, and real estate	51,037	10.41%		26,969	9.51%
Transportation and utilities	24,058	4.91%		13,019	4.59%
Agricultural	3,163	0.65%		1,424	0.50%
Other	3,958	0.81%		2,299	0.81%
Total	\$ <u>490,226</u>	<u>100.00%</u>	\$	<u>283,466</u>	<u>100.00%</u>

**Source:** Florida Department of Revenue Office of Research

**Notes:** Data presented reflects Escambia County. Data is presented on the State Fiscal Year of July 1 - June 30.

(a) Tax liability represents the state percentage of the tax liability paid by businesses in Escambia County. Total tax liability was not available by industry for Escambia County.

**CITY OF PENSACOLA, FLORIDA**  
**ENERGY SERVICES OF PENSACOLA**  
**GAS SOLD IN MCFS BY TYPE OF CUSTOMER**  
**LAST TEN FISCAL YEARS**  
*(in thousands of Mcfs)*

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Type of Customer</b>										
Residential -Inside City Limits	347	306	243	201	270	257	239	273	247	229
Residential -Outside City Limits	767	695	578	501	640	611	590	657	611	561
Commercial -Inside City Limits	322	310	301	298	324	326	292	306	302	294
Commercial -Outside City Limits	441	415	390	351	401	408	389	410	431	426
Municipal	26	25	24	22	25	23	24	25	25	22
Interruptible	1,089	1,046	944	639	647	707	690	674	674	608
Transportation	1,331	1,377	1,478	1,887	1,978	1,799	2,015	1,984	2,952	4,444
<b>Total</b>	<u>4,323</u>	<u>4,174</u>	<u>3,958</u>	<u>3,899</u>	<u>4,285</u>	<u>4,131</u>	<u>4,239</u>	<u>4,329</u>	<u>5,242</u>	<u>6,584</u>
Total direct rate per Mcf (a)	\$ 17.21	\$ 19.86	\$ 22.25	\$ 24.99	\$ 23.02	\$ 23.59	\$ 23.62	\$ 23.57	\$ 26.55	\$ 23.12

**Source:** Pensacola Energy

**Notes:** (a) Total direct rate per Mcf is calculated using residential in/out, commercial in/out, and municipal customers. Interruptible and transportation direct rates are not available.

**CITY OF PENSACOLA, FLORIDA  
ENERGY SERVICES OF PENSACOLA  
GAS RATES  
LAST TEN FISCAL YEARS**

Fiscal Year	Residential - Inside City Limits			Residential - Outside of City Limits			Commercial - Inside City Limits		
	Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA Rate per Mcf (a)	Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA Rate per Mcf (a)	Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA Rate per Mcf (a)
2014(c)	9.08	7.63	7.88	10.15	9.43	7.92	16.09	7.63	7.77
2015(d)	9.22	7.74	7.51	10.30	9.57	7.47	16.33	7.74	7.23
2016(e)	9.21	7.73	9.54	10.29	9.56	9.54	16.31	7.73	8.17
2017	9.21	7.73	11.75	10.29	9.56	11.67	16.31	7.73	9.72
2018 (f)	9.52	7.99	8.51	10.63	9.88	8.49	16.85	7.99	7.40
2019 (g)	9.75	8.18	8.63	10.88	10.12	8.46	17.25	8.18	7.88
2020 (h)	9.94	8.34	8.27	11.09	10.31	8.25	17.58	8.34	7.29
2021	9.94	8.34	8.43	11.09	10.31	8.5	17.58	8.34	7.89
2022	9.94	8.34	14.15	11.09	10.31	14.14	17.58	8.34	12.80
2023	9.94	8.34	7.78	11.09	10.31	7.81	17.58	8.34	6.94

Fiscal Year	Commercial - Outside of City Limits			Municipal			Interruptible and Transportation (b)		
	Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA Rate per Mcf (a)	Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA Rate per Mcf (a)	Fixed Monthly Charge	Base Rate per Mcf	PGA & WNA Rate per Mcf (a)
2014(c)	18.27	9.43	7.74	20.30	2.97	7.64	200.00	N/A	N/A
2015(d)	18.54	9.57	7.26	20.60	3.01	7.15	200.00	N/A	N/A
2016(e)	18.52	9.56	8.28	20.58	3.01	7.72	200.00	N/A	N/A
2017	18.52	9.56	9.88	20.58	3.01	8.70	200.00	N/A	N/A
2018 (f)	19.14	9.88	7.75	21.26	3.11	7.20	200.00	N/A	N/A
2019 (g)	19.60	10.12	7.79	21.77	3.18	7.26	200.00	N/A	N/A
2020 (h)	19.97	10.31	7.37	22.18	3.24	6.68	200.00	N/A	N/A
2021	19.97	10.31	7.92	22.18	3.24	7.23	200.00	N/A	N/A
2022	19.97	10.31	14.14	22.18	3.24	12.21	200.00	N/A	N/A
2023	19.97	10.31	7.24	22.18	3.24	6.93	200.00	N/A	N/A

Source: Pensacola Energy

- Notes:**
- (a) The Purchase Gas Adjustment (PGA) is a monthly adjustment to the gas rate due to increases in the cost of gas purchased for resale. The Weather Normalization Adjustment (WNA) is an adjustment to the gas rate to account for fluctuations in consumption due to colder or warmer weather during the months of October through March of the previous or current fiscal year. PGA and WNA rates are based on a yearly average. Both the base rate and the PGA/WNA rates need to be taking into consideration when determining the yearly rate per Mcf.
  - (b) Interruptible and transportation rates per Mcf are not reported as rates are negotiated on a customer by customer bases.
  - (c) The increase to rates took effect in the beginning of the monthly October 2013 billing cycle
  - (d) The increase to rates took effect in the beginning of the monthly October 2014 billing cycle
  - (e) The decrease to rates took effect in the beginning of the monthly October 2015 billing cycle
  - (f) The increase to rates took effect in the beginning of the monthly October 2017 billing cycle
  - (g) The increase to rates took effect in the beginning of the monthly October 2018 billing cycle
  - (h) The increase to rates took effect in the beginning of the monthly October 2019 billing cycle

## **DEBT CAPACITY**

**CITY OF PENSACOLA, FLORIDA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
*(dollars in thousands, except for per capita)*

Fiscal Year	Governmental Activities									Business-type Activities			Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	Tax and Franchise Fee Bonds	Local Option Sales Tax Bond(s) (b)	Local Option Gas Tax Note	Community Redevelopment Notes	Maritime Community Park Construction Bonds	Maritime Community Park Loans Payable	Capital Leases	Lease/SBITA	Gas Revenue Bonds/Notes	Airport Revenue Bonds/Notes	Lease/SBITA				
2014	\$ -	12,690	\$ -	\$ -	44,545	\$ -	115	\$ -	\$ 10,595	\$ 72,745	\$ -	140,690	1.96%	459	
2015	-	9,750	-	-	43,787	-	6,539	-	8,585	66,526	-	135,187	1.82%	437	
2016	-	6,660	14,314	-	43,190	-	6,501	-	6,510	63,069	-	140,244	1.85%	446	
2017	-	3,415	14,043	5,389	42,152	100	6,461	-	19,355	60,254	-	151,169	1.88%	479	
2018	-	25,000	12,750	13,008	41,074	80	4,915	-	16,830	59,988	-	173,645	2.16%	542	
2019	-	23,048	11,434	70,825	1,175	60	3,323	-	15,105	50,594	-	175,564	2.16%	552	
2020	-	20,957	10,094	70,495	-	40	1,685	-	13,346	48,075	-	164,692	1.86%	518	
2021	-	18,821	8,729	68,653	-	20	-	-	11,551	45,470	-	153,244	1.69%	472	
2022	-	16,640	7,339	66,760	-	-	-	4	9,719	36,981	293	137,439	1.37%	426	
2023	-	14,412	5,924	64,812	-	-	-	256	7,851	34,205	383	127,843	1.17%	394	

**Notes:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(a) See demographic and economic statistics schedule for personal income and population data. These ratios are calculated using Escambia County population and personal income for the corresponding calendar year.

(b) Capital Funding Revenue Bonds, Series 2010A were outstanding during fiscal years 2010-2017. The Infrastructure sales Surtax Revenue Bond, Series 2017 was issued in fiscal year 2018. The Series 2017 Bond shows as a note payable in the financial statements.

**CITY OF PENSACOLA, FLORIDA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES**  
**AS OF SEPTEMBER 30, 2023**  
*(dollars in thousands)*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Other Debt</b>			
Escambia County			
Sales Tax Revenue Bonds/Notes	\$ 109,261	16.58%	\$ 18,115
Capital Improvement Bonds/Notes	30,473	16.58%	5,052
Escambia County School District			
State Board of Education Bonds	699	16.58%	116
Sales Tax Revenue Bonds	29,176	16.58%	4,837
Certificates of Participation	35,037	16.58%	5,809
Subtotal, overlapping debt			<u>33,930</u>
<b>City Direct Debt</b>			
City direct debt bond(s)/notes			85,148
City direct debt loans payable			<u>-</u>
Subtotal, direct debt			<u>85,148</u>
<b>Total direct and overlapping debt</b>			<b><u>\$ 119,078</u></b>

**Source:** Debt outstanding provided by Escambia County Clerks office.

Estimated percentages for Escambia County is obtained by dividing the city's population by the counties population.

Estimated percentages for Escambia County School Board is obtained by dividing the city's population by the counties population.

**Notes:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Pensacola. This process recognizes that, when considering the city's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every tax payer is a resident - and therefore responsible for repaying the debt - of each overlapping government.

Escambia County School District Bonds includes \$7,862,173 of unamortized premiums.

Escambia County Sales Tax Revenue Bonds, Series 2017 and Capital Improvement Refunding Revenue Bonds, Series 2018 includes \$11,729,383 of unamortized premiums.

**CITY OF PENSACOLA, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 LAST TEN FISCAL YEARS  
 (dollars in thousands)**

**Tax and Franchise Fee Bonds**

Fiscal Year	Tax and Franchise Fee Bonds			Local Option Sales Tax Bonds						
	Public Service Tax	Half Cent Sales Tax	Electric Franchise Fee	Debt Service		Coverage	Local Option Sales Tax	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
2014	\$ 7,425	\$ 4,054	\$ 5,793	\$ -	\$ -	-	\$ 7,015	\$ 2,805	\$ 708	2.00
2015	7,773	4,192	6,110	-	-	-	7,337	2,940	575	2.09
2016	7,711	4,359	5,880	-	-	-	7,662	3,090	596	2.08
2017	7,874	4,479	5,688	-	-	-	7,882	3,245	242	2.26
2018	8,495	4,810	5,920	-	-	-	8,524	3,415	331	2.28
2019	8,500	5,062	5,761	-	-	-	8,901	1,952	517	3.61
2020	8,580	4,918	5,743	-	-	-	8,699	2,091	473	3.39
2021	8,766	6,001	5,848	-	-	-	10,719	2,136	428	4.18
2022	9,282	6,531	6,704	-	-	-	12,234	2,181	381	4.78
2023	9,766	6,436	7,109	-	-	-	12,194	2,228	334	4.76

**Community Redevelopment Bond(s)**

**Eastside Community Redevelopment Bond(s)**

Fiscal Year	Community Redevelopment Bond(s)				Eastside Community Redevelopment Bond(s)			
	Urban Core Tax Increment Revenues	Debt Service (g)		Coverage	Eastside Tax Increment Revenues	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2014	\$ 3,790	\$ 560	\$ 2,142	1.40	\$ -	\$ -	\$ -	-
2015	4,075	580	2,112	1.51	-	-	-	-
2016	4,428	605	2,087	1.64	-	-	-	-
2017	4,794	1,045	2,064	1.54	104	-	-	-
2018	5,260	1,210	2,130	1.57	120	62	27	1.35
2019	5,898	1,255	2,899	1.42	159	48	41	1.79
2020	6,837	1,300	1,680	2.29	208	50	40	2.31
2021	7,509	1,631	2,140	1.99	238	51	38	2.67
2022	8,084	1,675	2,086	2.15	295	53	36	3.31
2023	9,101	1,722	2,032	2.42	377	55	35	4.19

**CITY OF PENSACOLA, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 LAST TEN FISCAL YEARS**  
*(dollars in thousands)*

Fiscal Year	Westside Community Redevelopment Bond(s)				Local Option Gas Tax Revenue Bonds			
	Westside Tax Increment Revenues	Debt Service		Coverage	Local Option Gasoline Tax	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2014	\$ -	\$ -	\$ -	-	\$ 1,554	\$ -	\$ -	-
2015	-	-	-	-	1,542	-	-	-
2016	-	-	-	-	1,462	-	-	-
2017	195	-	-	-	1,477	271	242	2.88
2018	307	194	85	1.10	1,366	1,293	245	0.89 (h)
2019	432	150	129	1.55	1,364	1,316	221	0.89 (h)
2020	637	155	124	2.28	1,301	1,340	197	0.85 (h)
2021	814	160	119	2.92	1,432	1,365	172	0.93 (h)
2022	1,203	165	114	4.31	1,429	1,390	147	0.93 (h)
2023	1,603	171	108	5.75	1,477	1,415	121	0.96 (h)

**Gas Revenue Bonds**

Fiscal Year	Utility Charges for Services	Less: Operating Expense (a)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 49,488	\$ 33,176	\$ 16,312	\$ 1,955	\$ 358	7.05
2015	45,783	29,947	15,836	2,010	306	6.84
2016	43,642	30,450	13,192	2,075	240	5.70
2017	45,094	32,549	12,545	2,026	246	5.52
2018	50,240	33,788	16,452	2,525	386	5.65
2019	50,630	32,761	17,869	1,725	317	8.75
2020	46,951	30,186	16,765	1,759	282	8.21
2021	51,150	31,185	19,965	1,795	246	9.78
2022	70,088	53,631	16,457	1,832	214	8.04
2023	60,210	48,476	11,734	1,868	173	5.75

**CITY OF PENSACOLA, FLORIDA  
 PLEDGED REVENUE COVERAGE  
 LAST TEN FISCAL YEARS**  
*(dollars in thousands)*

**Airport Revenue Bonds**

Fiscal Year	Airport Revenues	Expenses			Net Revenue	Debt Service		Coverage before Other Requirements	Other Requirements (b)	Coverage after Prepaid
		Total	Less Grant	Operating/ Maintenance (a)		Principal	Interest			
2014	\$ 16,793	\$ 11,491	\$ -	\$ 11,491	\$ 5,302	\$ 2,080	\$ 1,333	1.55	858	1.80
2015	18,796	11,090	221	10,869	7,927	2,145	1,277	2.32	1,246	2.68
2016	19,479	12,759	-	12,759	6,720	2,180	1,082	2.06	2,407	2.80
2017	19,111	12,847	101	12,746	6,365	2,275	986	1.95	3,479	3.02
2018	20,525	13,311	43	13,268	7,257	2,315	777	2.35	4,749	3.88
2019	22,984	15,078	62	15,016	7,968	2,831	723	2.24	4,749	3.58
2020	18,747	14,739	5,404 (j)	9,335	9,412	1,715	589	4.09	3,954	5.80
2021	19,548	13,287	4,183 (j)	9,104	10,444	1,768	542	4.52	3,684	6.12
2022	26,106	16,359	5,404 (j)	10,955	15,151	1,822	493	6.54	4,346	8.42
2023	27,500	19,165	9,580 (j)	9,585	17,915	1,874	443	7.73	9,694	11.92

**Airport Revenue Note CFC**

**Airport Revenue Bonds PFC**

Fiscal Year	Customer Facility Charge	Less: Operating Expense	Net Available Revenue	Debt Service		Coverage (e)	Passenger Facility Charge	Debt Service		Coverage (f)
				Principal	Interest			Principal	Interest	
2014	\$ 2,128	\$ 741	\$ 1,387	\$ -	\$ 109	12.72	3,025	\$ 485	\$ 1,652	1.42
2015	2,424	720	1,704	-	118	14.44	3,104	510	1,627	1.45
2016	2,415	640	1,775	-	94	18.88	3,127	535	1,600	1.46
2017	2,540	679	1,861	-	141	13.20	3,299	560	1,573	1.55
2018	2,730	711	2,019	-	228	8.86	3,876	590	1,543	1.82
2019	2,972	1,037	1,935	-	176	10.99	4,323	263	658	4.69
2020	2,003	1,767	236	-	114	2.07	2,859	804	917	1.66
2021	2,759	588	2,171	-	51	42.57	4,318	836	885	2.51
2022	2,828	167	2,661	-	12	221.75	4,865	868	852	2.83
2023	3,110	857	2,253	-	-	-	5,718	902	817	3.33

Source: City Finance Office

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Interest consist of both variable and fixed rates.

- (a) Operating expenses are net of depreciation expenses.
- (b) The other requirements amount is comprised of the prior year's coverage plus non-obligated capital improvements and any excess operating funds.
- (c) Excludes debt payments which were paid with bond proceeds.
- (d) Excludes debt payments which were paid with sinking fund reserves.
- (e) The coverage table is for illustrative purposes as required by GAAP. See CFC Bank of America Note.
- (f) The coverage table is for illustrative purposes as required by GAAP. See PFC Rate Maintenance covenant in Resolution 17-08 for coverage requirements.
- (g) Excludes debt payments which were paid with bond proceeds and federal subsidy payments.
- (h) Local Option Gasoline Tax revenues along with funds available in the Local Option Gas Tax Debt Service Fund are sufficient to make annual debt service payments.
- (j) Fiscal year 2020, 2021, 2022, and 2023 includes \$5 million, \$4 million and \$5 million, and \$9 million, respectively, in CARES Act grant funding which paid for Airport operations.

**DEMOGRAPHIC AND ECONOMIC  
INFORMATION**

**CITY OF PENSACOLA, FLORIDA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALANDER YEARS**

<b>Calendar Year</b>	<b>Pensacola Population</b>	<b>Escambia County Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2014	52,028	306,630	\$ 7,187,713	\$ 23,441	38	40,127	5.8%
2015	52,191	309,539	7,433,269	24,014	39	40,206	4.7%
2016	53,690	314,788	7,572,855	24,057	37	40,125	4.9%
2017	54,185	315,607	8,044,507	25,489	37	40,234	4.9%
2018	54,583	320,502	8,030,819	25,057	37	39,807	4.0%
2019	54,422	318,174	8,139,527	25,582	37	39,499	3.3%
2020	54,382	318,081	8,831,201	27,764	37	39,828	4.5%
2021	54,312	321,905	9,091,962	28,022	38	38,181	3.8%
2022	54,790	322,390	10,021,493	31,085	37	38,955	3.1%
2023	53,876	324,878	10,934,094	33,656	39	39,066	3.0%

**Source:** Population, personal income, median age and unemployment rate data provide by the Florida Legislature Office of Economic and Demographic Research, Florida Department of Economic Opportunity and U.S. Census. School enrollment data provided by Escambia County school system, public relations office.

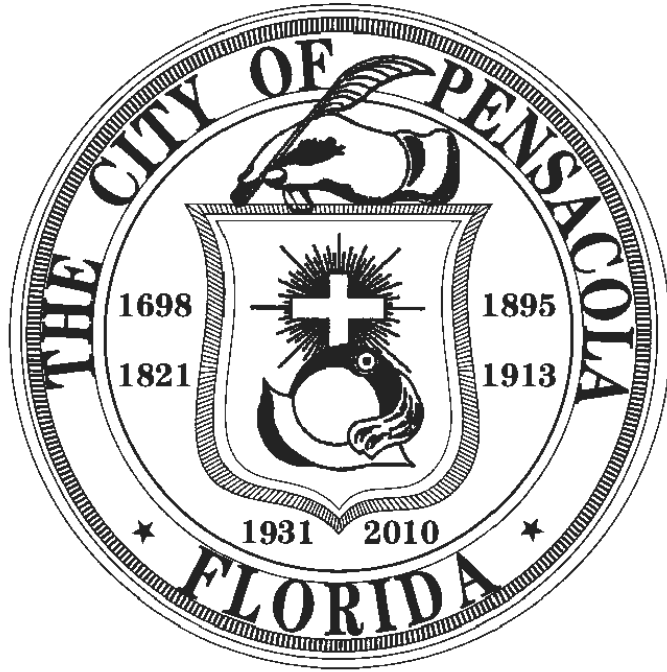
**Notes:** All data is applicable to Escambia County except for Pensacola population.

**CITY OF PENSACOLA, FLORIDA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total MSA Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total MSA Employment</u>
Local Government	14,900	1	6.22%	13,857	1	7.33%
Navy Federal Credit Union	9,190	2	3.83%	----	----	----
State Government	7,000	3	2.92%	3,163	5	1.67%
Federal Government	6,900	4	2.88%	7,162	2	3.79%
Baptist Health Care	5,430	5	2.27%	5,253	3	2.78%
Sacred Heart Health System	4,860	6	2.03%	5,000	4	2.65%
University of West Florida	2,450	7	1.02%	----	----	----
Pensacola Christian College	1,580	8	0.66%	1,231	10	0.65%
Ascend Performace Materials	1,290	9	0.54%	1,400	7	0.74%
West Florida Healthcare	1,200	10	0.50%	1,300	9	0.69%
Lakeview Center	----	----	----	2,000	6	1.06%
Gulf Power Company	----	----	----	1,365	8	0.72%
Total	<u>54,800</u>		<u>22.86%</u>	<u>41,731</u>		<u>22.08%</u>

**Source:** Florida West and Florida Department of Economic Opportunity.

**Notes:** Principal employer information is only available on a calendar year basis and for the Pensacola Metropolitan Statistical Area. Actual numbers are not available, therefore estimates are presented.



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## **OPERATING INFORMATION**

**CITY OF PENSACOLA, FLORIDA  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Governmental activities:</b>										
General Government										
Permits issued	6,818	6,729	7,162	8,034	8,606	9,105	9,180	11,602	9,521	7,949
Building inspections conducted	13,682	14,021	13,661	15,067	18,642	18,666	17,147	18,913	23,585	24,328
Police										
Residential burglary responses	463	354	360	321	272	183	125	244	107	107
Commercial burglary responses	82	108	84	62	60	49	40	74	46	59
Emergency responses	83,375	82,201	84,804	94,293	93,800	87,706	79,621	86,296	77,825	82,721
Physical arrests	3,225	3,174	2,438	2,972	3,697	3,959	2,781	2,781	2,575	2,883
Traffic violations	8,199	6,826	6,795	7,996	7,315	8,391	8,523	5,713	6,996	6,287
Fire										
Emergency responses	5,846	6,446	6,323	7,166 (j)	7,571 (j)	7,874 (j)	5,743	5,435	7,359	7,608
Fires extinguished	187	221	197	255 (j)	210 (j)	252 (j)	276	238	255	268
Inspections	676	776	1,041	2,034 (j)	2,824 (j)	2,574 (j)	1,778	3,640	3,495	4,269
Transportation (a)										
Traffic signals maintained	363	333	449	328	354	291	178	176	315	288
Traffic warning signals maintained	41	29	32	34	31	25	34	36	30	18
Street lights maintained	199	221	209	294	207	233	183	175	215	175
Street name markers replaced	284	206	257	194	213	297	231	220	180	170
Traffic control signs replaced	748	740	978	1,037	996	1,007	971	1,230	250	280
Culture and recreation										
Parks and recreation										
Number of programs offered	324	298	425	452	459	477	375 (k)	252 (k)	238	311
City resident program participants	231,624 (f)	189,292	310,437 (i)	277,241	338,461	307,117	136,578 (k)	130,611 (k)	155,290	222,537
County resident program participants	65,248	45,272	113,682	99,795	76,913	61,456	58,511 (k)	39,438 (k)	53,024	63,565
Golf Course										
Rounds played	20,408 (e)	18,449	25,874	27,394	26,243	25,487	28,411	23,087	22,949	24,876
Tournaments held	56	62	74	78	79	79	62	42	65	75
Tournament participants	2,273	3,410	4,810	4,914	4,983	4,972	2,841	1,722	2,739	2,208
Libraries (c)										
Items circulated	-	-	-	-	-	-	-	-	-	-
Public computer use	-	-	-	-	-	-	-	-	-	-
Program Attendance	-	-	-	-	-	-	-	-	-	-
Information Transactions	-	-	-	-	-	-	-	-	-	-
City resident library card usage	-	-	-	-	-	-	-	-	-	-
County resident library card usage	-	-	-	-	-	-	-	-	-	-
Economic environment										
Homes repaired/rehabilitated	25	32	28	12	27	11	8	6	21	12
New homes constructed	4	4	3	2	2	-	-	-	-	-
First-time homebuyers assisted/Foreclosure Prevention	76	142 (g)	115	122	130	76	84	55	44	50
Families assisted (monthly)	2,247	2,375	2,376	2,417	2,285	2,165	2,167	2,078	1,950	1,857
Housing inspections conducted	4,553	4,793	4,108	3,912	3,532	3,618	3,027	3,301	3,323	3,642
Nutritional Meal Programs (monthly)	1,389	1,653	1,997	1,721	1,382	1,382	1,703	323	1,771	2,279
Physical environment (a)										
Miles of paved streets swept	22,754	22,825	22,907	21,619	23,743	22,381	23,329	23,329	23,329	24,339

(continued)

**CITY OF PENSACOLA, FLORIDA  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Business-type Activities:</b>										
Utility										
Average daily consumption in mmbtu's (b)	10,662	10,371	9,748	9,564	10,527	10,167	10,760	11,146	10,410	10,380
Maximum daily consumption in mmbtu's	38,569	32,629	28,093	28,803	39,593	27,795	28,206	28,363	30,049	30,757
In City customer connections	16,214	16,236	15,853	14,461	13,664	13,853	14,021	14,309	14,526	14,959
Outside City customer connections	41,686	41,741	40,788	37,329	35,350	35,821	36,237	36,954	39,687	37,467
Sanitation										
Customers	19,224	19,325	19,535	19,747	19,895	20,402	20,386	20,934	21,029	21,293
Refuse collected (tons)										
Garbage	15,113	14,512	15,395	15,455	15,685	16,510	17,218	18,979	19,691	23,759
Green Waste	12,691	13,001	14,769	13,211	13,281	12,523	13,282	10,706	10,643	12,807
Recycling (new in FY 2009)	3,782	4,805	4,745	4,605	4,141	4,282	3,874	2,936	2,614	598
Construction/Demolition (C&D)	1,429	1,579	2,202	2,213	1,568	1,739	2,185	2,190	1,914	1,205
Port										
Tonnage exported	98,468	56,696	30,506	54,641	36,269	10,517	597 (i)	4,566 (i)	3,199 (i)	2,777 (i)
Tonnage imported	86,814	161,073	170,503	177,294	78,445	81,893	104,420	173,876	397,902	421,757
Number of vessels in port	68	54	51	20	31	29	26	28	46	50
Airport										
Mainland carriers	3	2	2	3	5	5	5	7	7	7
Regional commuter services	7	7	9	10	10	10	9	10	9	9
Passengers enplaned	774,320	797,854	802,260	834,504	951,751	1,100,121	692,616 (k)	1,041,318	1,223,137	1,328,498
Passengers deplaned	768,662	796,204	802,482	834,393	950,920	1,100,445	689,515 (k)	1,036,102	1,217,526	1,322,805
Air freight enplaned in pounds	4,608,702	4,617,580	4,196,031	4,839,066	5,815,192	4,763,078	4,937,432 (k)	5,657,427	5,561,110	4,651,014
Mail enplaned in pounds	576	2,513	2 (h)	1,202	-	-	-	598	-	-
Total flights (private and commercial)	105,630	104,400	97,858	114,026	115,268	125,213	107,441 (k)	102,294	120,061	135,684

**Sources:** Various city departments.

**Notes:** No operating indicators are available for the human services function. For those indicators that are null, data is not available.

- (a) Data provided is based on estimates.
- (b) MMBTU stands for one million British Thermal Unit.
- (c) The Santa Rosa Library was transferred to the County in FY07. The West Florida Library system was transferred to the County in FY14.
- (d) In 2013, the Fire Dept had a temporary decrease in staff which resulted in fewer inspections.
- (e) In 2014, the Golf Course was damaged due to a flood in April
- (f) Two resource centers closed to due the flood and one resource center closed to the general public which was used as a shelter for 4 weeks following the flood.
- (g) Beginning in FY 14, the City initiated a new program to prevent foreclosure.
- (h) In 2016, commercial airlines have shifted from carrying mail to allow more space for passenger luggage which produces greater revenue.
- (i) The increase in participants in the center programs was due to implementation of new programs.
- (j) Fire operating Indicators were restated for years 2017 and 2018.
- (k) In FY 20-21 the City's operations were reduced to due COVID-19 pandemic.
- (l) One of Port's large tenants had a decrease in sales overseas.

**CITY OF PENSACOLA, FLORIDA  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Governmental Activities:</b>										
General Government										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	140	140	140	146	148	149	144	143	145	151
Fire										
Stations	6	6	6	6	6	6	6	6	7	7
Apparatus	31	31	31	31	31	31	32	32	31	31
Transportation (a)										
Miles of street	332	332	332	325	325	325	326	326	326	326
Traffic warning signals	60	60	64	66	66	65	64	66	67	67
Traffic control signals	92	92	92	92	92	92	86	96	101	101
Traffic control signs	10,581	10,543	10,519	10,536	10,557	10,621	10,959	10,959	10,985	11,005
Culture and recreation										
Parks and recreation										
Parks	93	93	93	93	93	93	93	93	93	93
Acreage	517	592	592	592	593	600	600	600	600	600
Golf course										
Par	70	70	70	70	70	70	70	70	70	70
Acreage	123	108	123	123	123	123	123	123	123	123
Yardage	6,400	6,450	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400
Libraries (b)										
Number of libraries	-	-	-	-	-	-	-	-	-	-
Number of volumes	-	-	-	-	-	-	-	-	-	-
Economic environment (a)										
Street lights	7,794	7,798	7,891	7,887	7,906	8,124	9,103	9,508	9,695	9,695
Street name markers	5,685	5,691	5,703	5,709	5,711	5,734	5,749	5,749	5,749	5,749
Berths	3	3	3	3	3	3	3	3	3	3
Physical environment										
Street Sweepers	7	7	7	7	7	7	7	7	8	7

**CITY OF PENSACOLA, FLORIDA  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Business-type activities:</b>										
Utility										
Miles of gas mains	1,680	1,610	1,621	1,639	1,654	1,719	1,745	1,761	1,789	1,799
Sanitation										
Collection trucks - residential										
Garbage	11	11	11	11	10	10	9	8	8	15
Collection trucks - trash collection										
Container	2	2	2	2	2	2	2	2	6	6
Grapplers	9	9	9	9	9	10	11	13	10	13
Shuttle	2	2	2	2	2	2	2	2	2	2
Dump	1	1	-	-	-	-	-	-	-	-
Tractor	1	1	1	1	1	1	1	1	1	1
Shuttle trailers	8	8	8	8	8	8	8	2	2	2
Roll Off	-	-	-	-	-	-	-	-	1	1
Rear Loader	-	-	-	-	-	-	-	-	1	1
Collection trucks - residential										
Recycling	6	6	7	7	5	7	7	5	5	4
Transfer Station										
Tractors	-	-	-	-	-	-	-	-	7	8
Trailors	-	-	-	-	-	-	-	-	7	7
Port										
Warehouses	7	7	7	7	7	7	7	7	7	7
Berths	5	5	5	5	5	5	5	5	5	5
Airport										
Runway 17-35 length and width in square feet	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150
Runway 8-26 length and width in square feet	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150	7000x150
Terminal building in square feet	181,808	181,808	181,808	181,808	181,808	181,808	181,808	181,808	181,808	181,808

**Sources:** Various city departments.

**Notes:** No capital asset indicators are available for the economic environment and human services function. For those indicators that are null, data is not available.

(a) Data provided is based on estimates.

(b) The Santa Rosa Library was transferred to the County in FY07. The West Florida Library system was transferred to the County in FY14.

**CITY OF PENSACOLA, FLORIDA**  
**FULL-TIME-EQUIVALENT CITY GOVERNMENT POSITIONS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Governmental activities:</b>										
General Government										
Mayor	10	9	8	8	8	8	11	11	11	12
City Clerk	3	4	3	3	2	2	3	3	3	3
City Council	2	2	4	5	5	5	5	5	5	5
Development Services (e)	0	0	0	0	0	0	0	0	0	6
Legal	4	4	3	3	4	4	6	6	7	7
Human Resources	7	7	7	10	10	10	11	13	13	14
Financial Services	27	27	27	25	25	25	24	24	24	24
Planning Services	6	6	7	8	7	8	8	8	7	5
Garage	17	17	17	17	17	17	17	18	18	18
Technology Resources	14	14	15	14	14	14	14	17	20	20
CRA	0	0	0	2	2	2	2	3	4	4
Parking Management (d)	0	0	0	0	0	0	0	0	7 (d)	7
Public Safety										
Police	203	203	204	204	204	204	205	206	206	210
Fire	114	114	115	116	123 (c)	123	123	125	125	126
Inspection Services	10	11	12	12	12	12	12	12	12	15
Transportation										
Public Works	24 (b)	24	23	23	23	23	23	23	23	25
Culture and Recreation										
Neighborhood Services (a)	48 (b)	48	47	48	48	48	50	57	62	63
Golf Course	4	4	3	3	3	3	3	3	3	3
Economic Environment										
Housing	22	20	20	20	20	20	19	23	24	24
Physical Environment										
Stormwater utility	26	26	27	27	27	27	27	27	30	30
Engineering	8	8	8	8	8	8	8	9	10	11
<b>Business-type activities:</b>										
Utility	117	117	117	117	115	114	114	122	124	128
Sanitation	43	43	43	43	43	43	43	49	51	50
Port	9	9	9	9	8	8	8	9	9	10
Airport	53	53	51	51	53	53	56	57	58	64
	<b>771</b>	<b>770</b>	<b>770</b>	<b>776</b>	<b>781</b>	<b>781</b>	<b>792</b>	<b>830</b>	<b>856</b>	<b>884</b>

**Source:** City Budget Office

Notes: (a) Number of employees represent full time budgeted positions. Parks and recreation has part-time temporary employees to help facilitate programs during the summer.

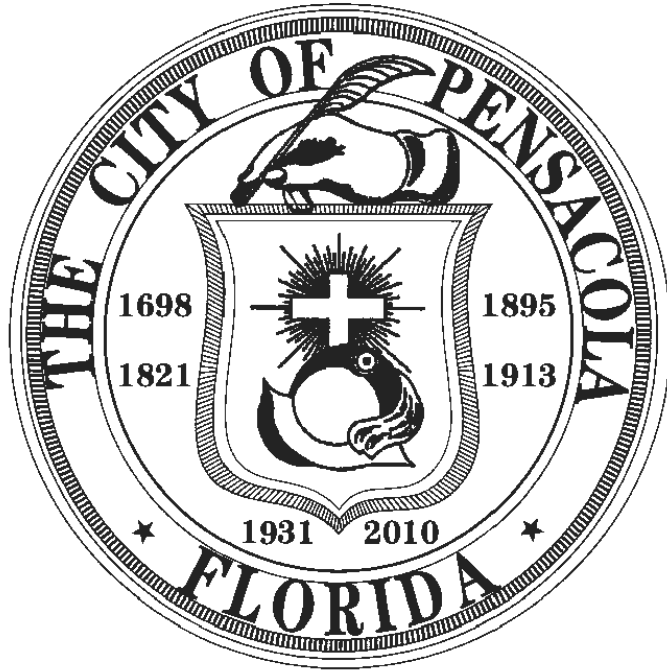
(b) As part of reorganization, public works employees moved to park works.

(c) Six fire cadets were added with the revitalization of the Fire Cadet Program.

(d) Parking Management Division moved from the Mayor's Office to become Parking Management Department.

(e) Development Services Department created in FY 2023.

## **OTHER AUDIT REPORTS SECTION**



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

Honorable Mayor and  
Members of the City Council  
City of Pensacola, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pensacola, 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 March 5, 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 the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*Warren Averett, LLC*

Pensacola, Florida  
March 5, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM, STATE PROJECT AND PASSENGER FACILITY  
CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE, CHAPTER 10.550, RULES OF THE AUDITOR  
GENERAL AND THE PFC AUDIT GUIDE FOR PUBLIC AGENCIES**

Honorable Mayor and  
Members of the City Council  
City of Pensacola, Florida

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

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

We have audited the City of Pensacola, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, the requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, and the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, that could have a direct and material effect on each of the City's major federal programs, state projects and its passenger facility charges program for the year ended September 30, 2023. The City's major federal program and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Pensacola, Florida 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, state projects, and passenger facility charges program for the year ended September 30, 2023.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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); the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, and Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, are further described in the Auditors' 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.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal programs, state projects, and passenger facility charges.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); Chapter 10.550, *Rules of the Auditor General*, and the *Passenger Facility Charge Audit Guide for Public Agencies*, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state project as a whole.

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

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

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

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control 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.

### ***Purpose of this Report***

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*, and *Passenger Facility Charge Audit Guide for Public Agencies*. Accordingly, this report is not suitable for any other purpose. Accordingly, this report is not suitable for any other purpose.

*Warren Averett, LLC*

Pensacola, Florida  
March 5, 2024

**INDEPENDENT ACCOUNTANTS' REPORT ON EXAMINATION OF  
COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550,  
RULES OF THE AUDITOR GENERAL**

Honorable Mayor and  
Members of the City Council  
City of Pensacola, Florida

We have examined the City of Pensacola, Florida's (hereinafter referred to as the "the City") compliance with the following requirement for the year ended September 30, 2023:

- (1) Florida Statute 218.415 in regards to investments.

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 specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City has 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 City and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

*Warren Averett, LLC*

Pensacola, Florida  
March 5, 2024

**CITY OF PENSACOLA, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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**SECTION I - SUMMARY OF AUDITOR RESULTS**

FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified Opinion
Internal control over financial reporting: Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Significant deficiency (ies) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

FEDERAL PROGRAM AND STATE FINANCIAL ASSISTANCE PROJECTS

Internal control over major federal programs and state projects: Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None reported
Type of auditors' report issued on compliance for major federal programs and state projects:	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516(a) or Chapter 10.550, <i>Rules of the Auditor General</i> ?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

IDENTIFICATION OF MAJOR PROGRAM

Federal Program:

Federal Assistance Listing Number 20.106 – U.S. Department of Transportation – Airport Improvement Program

Federal Assistance Listing Number 21.027 – U.S. Department of Treasury – American Rescue Plan: Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	\$ 1,497,680
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**CITY OF PENSACOLA, FLORIDA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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**SECTION I - SUMMARY OF AUDITOR RESULTS – (CONTINUED)**

IDENTIFICATION OF MAJOR STATE FINANCIAL ASSISTANCE PROJECTS

State Projects:

CSFA No. 55.004 Aviation Grant Programs

Dollar threshold used to distinguish  
between type A and type B programs: \$ 561,035

**SECTION II - FINANCIAL STATEMENT FINDINGS**

There are no findings which were required to be reported in accordance with government auditing standards generally accepted in the United States of America.

**SECTION III – MAJOR FEDERAL PROGRAM AND STATE PROJECT FINDINGS AND QUESTIONED COSTS**

There are no audit findings required to be reported in accordance with the Uniform Guidance or Chapter 10.550, *Rules of the Auditor General*.

**CITY OF PENSACOLA, FLORIDA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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There were no prior year audit findings.

**CITY OF PENSACOLA, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,  
PASSENGER FACILITY CHARGE AND STATE FINANCIAL ASSISTANCE  
FOR THE PERIOD ENDING SEPTEMBER 30, 2023**

Federal/State Agency, Pass-Through Entity, Federal Program/State Project	Assistance Listing Number	Contract Grant Number	Pass-Through Entity Identifying Number	Passed Through to Sub recipients	Total Expenditures	Passenger Facility Charge Revenue
<b>FEDERAL AWARDS</b>						
<b>U.S. DEPARTMENT OF TREASURY</b>						
COVID-19 American Rescue Plan: Coronavirus State and Local Fiscal Recovery Funds	21.027	NA		642,923	2,873,525	
<i>Passed through Florida Department of Environmental Protection</i> COVID-19 American Rescue Plan: Coronavirus State and Local Fiscal Recovery Funds	21.027	22FRP82			45,775	
<b>Total U.S. Department of Treasury</b>				<b>642,923</b>	<b>2,919,300</b>	
<b>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</b>						
Brownfields Assessment and Cleanup Cooperative Agreement	66.818	02D28822			69,870	
<b>Total U.S. Department of Environmental Agency</b>					<b>69,870</b>	
<b>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>						
<i>CDBG-Entitlement Grants Cluster:</i>						
COVID-19 Community Development Block Grant (CARES)	14.218	B-20-MW-12-0016		-	525,678	
Community Development Block Grant	14.218	B-22-MC-12-0016		-	140,943	
Housing Rehabilitation	14.218	B-17/20-22-MC-12-0016		-	344,738	
Aid to Private Agencies	14.218	B-21/22-MC-12-0016		90,000	133,376	
<b>Total CDBG-Entitlement Grants Cluster</b>				<b>90,000</b>	<b>1,144,735</b>	
<i>Passed through Escambia County Florida:</i>						
HOME Investment Partnerships Program	14.239	M20/21-DC-12-0225		-	133,097	
<i>Housing Voucher Cluster:</i>						
Section 8 Housing Choice Vouchers Program	14.871	FL092VO0274-0288		-	18,063,260	
Emergency Housing Vouchers	14.871	FL092EH001-0004			402,819	
<b>Total Housing Voucher Cluster</b>				-	<b>18,466,079</b>	
<b>Total U. S. Department of Housing and Urban Development</b>				<b>90,000</b>	<b>19,743,911</b>	
<b>U. S. DEPARTMENT OF JUSTICE</b>						
Bulletproof Vest Partnership Program	16.607	2022BUBX22029600			11,543	
Bulletproof Vest Partnership Program	16.607	2020BUBX20022770		-	11	
Bulletproof Vest Partnership Program	16.607	2021BUBX21024725		-	3,311	
				-	14,865	
Law Enforcement Trust Fund	16.922	N/A		-	116,598	
Edward Byrne Memorial Justice Assistance Program	16.738	0-BJA-2022-171368			29,600	
<b>Total U. S. Department of Justice</b>				-	<b>161,063</b>	
<b>U.S. DEPARTMENT OF COMMERCE</b>						
<i>Economic Development Cluster:</i>						
Economic Adjustment Program	11.307	47907378			35,000	
<b>Total Economic Development Cluster</b>					<b>35,000</b>	
<b>Total U.S. Department of Commerce</b>					<b>35,000</b>	
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>						
Airport Improvement Program	20.106	N/A		-	11,152,748	
COVID-19 Airport Improvement Program (Cares Act)	20.106	N/A		-	10,301,842	
					<b>21,454,590</b>	
<i>Highway Safety Cluster:</i>						
<i>Passed through State of Florida, Florida Department of Transportation:</i>						
National Priority Safety Program	20.616	M5HVE-2023-00205		-	27,475	
<b>Total Highway Safety Cluster</b>				-	<b>27,475</b>	
<b>Total U. S. Department of Transportation</b>				-	<b>21,482,065</b>	
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>						
<i>Passed through State of Florida, Florida Division of Emergency Management:</i>						
Disaster Grants - Public Assistance - Federal 75%	97.036	Z2566		-	5,397,820	
Port Security Grant Program	97.056	EMW-2023-PU-00455-S01		-	34,722	
<i>Passed through Florida Division of Emergency Management</i>						
Emergency Management Performance Grant	97.042	N/A			4,925	
<b>Total U.S. Department of Homeland Security</b>				-	<b>5,437,467</b>	
<b>U. S. DEPARTMENT OF COMMERCE - NOAA</b>						
<i>Passed through Florida Department of Environmental Protection</i>						
Coastal Zone Management Administration Awards	11.419	CZ521			55,000	
<b>Total U. S. Department of Commerce</b>					<b>55,000</b>	

**CITY OF PENSACOLA, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,  
PASSENGER FACILITY CHARGE AND STATE FINANCIAL ASSISTANCE  
FOR THE PERIOD ENDING SEPTEMBER 30, 2023**

<u>Federal/State Agency, Pass-Through Entity, Federal Program/State Project</u> <u>FEDERAL AWARDS CONTINUED</u>	<u>Assistance Listing Number</u>	<u>Contract Grant Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Sub recipients</u>	<u>Total Expenditures</u>	<u>Passenger Facility Charge Revenue</u>
<b><u>EXECUTIVE OFFICE OF THE PRESIDENT</u></b>						
High Intensity Drug Trafficking Areas Program	95.001	G21GC007A		-	18,991	
<b>Total Executive Office of the President</b>				<u>-</u>	<u>18,991</u>	
				<b>\$ 732,923</b>	<b>\$ 49,922,667</b>	
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>						
<b>PASSENGER FACILITY CHARGE</b>					<b>\$ 1,701,383</b>	<b>\$ 5,717,233</b>
<b><u>STATE FINANCIAL ASSISTANCE</u></b>						
<b><u>FLORIDA DEPARTMENT OF FINANCIAL SERVICES</u></b>						
Fire Decontamination Equipment Grant Program	43.013	N/A		-	18,346	
<b>Total Florida Department of Financial Services</b>				<u>-</u>	<u>18,346</u>	
<b><u>FLORIDA FISH AND WILDLIFE CONSERVATION COMMISSION</u></b>						
Deepwater Horizon Oil Spill	77.048	FWC21129		-	651,890	
Deepwater Horizon Oil Spill	77.048	FWC21130		-	3,425	
<b>Total Florida Fish and Wildlife Conservation Commission</b>				<u>-</u>	<u>655,315</u>	
<b><u>FLORIDA HOUSING FINANCE CORPORATION</u></b>						
<i>Passed through Escambia County Florida:</i> SHIP Program	40.901	SHIP 2022		-	48,104	
<b>Total Florida Housing Finance Corporation</b>				<u>-</u>	<u>48,104</u>	
<b><u>FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION</u></b>						
Bayou Chico Stormwater Runoff Mitigation Study	37.039	LPA210		-	154	
<b>Total Florida Department of Environmental Protection</b>				<u>-</u>	<u>154</u>	
<b><u>FLORIDA DEPARTMENT OF TRANSPORTATION</u></b>						
Aviation Grant Programs	55.004	G0227		-	1,093,066	
Highway Beautification Grants	55.003	G2533		-	800	
Seaport Grant Programs	55.005	44102729401		-	10,942	
Seaport Grant Programs	55.005	42235439403		-	14,992	
Seaport Grant Programs	55.005	44554919401		-	38	
Seaport Grant Programs	55.005	44554819401		-	28,359	
				<u>-</u>	<u>54,331</u>	
<b>Total Florida Department of Transportation</b>				<u>-</u>	<u>1,148,197</u>	
				<b>\$ -</b>	<b>\$ 1,870,116</b>	

**TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, PASSENGER FACILITY CHARGE AND STATE FINANCIAL ASSISTANCE**

The schedule of expenditures of federal awards, passenger facility charge, and state financial assistance is presented on the accrual basis of accounting in accordance with generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in 2 CFR 200 Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City has elected to use the 10-percent de minimis indirect cost rate as covered in 2 CFR 200.414 of the Uniform Guidance for Federal Awards.

The City has a loan program for low income housing renovations funded through the Community Development Block Grants and a loan program for home reconstruction funded through the HOME Investment Partnerships Program Grants. Under these programs, repayments to the City are considered program revenues (income) and loans of such funds to eligible recipients are considered expenditures. The amount of loan funds disbursed to program participants for the year was \$107,620.00 and \$27,400.00, respectively, and is presented in this schedule. The amount of principal and interest received in loan repayments for the year was \$66,478.25 and \$49,359 respectively. The balance of the loans outstanding as of fiscal year end consist of:

Community Development Block Grants CFDA number 14.218 \$875,324  
HOME Investment Partnerships Program Grants CFDA number 114.239 \$637,440

- 1 Includes debt service of \$1,701,383
- 2 Includes interest earnings of \$459,542

## MANAGEMENT LETTER

Honorable Mayor and  
Members of the City Council  
City of Pensacola, Florida

### Report on the Financial Statements

We have audited the financial statements of the City of Pensacola, Florida (hereinafter referred to as the “City”), as of and for the year ended September 30, 2023, and have issued our report thereon dated March 5, 2024.

### Auditors’ Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); Chapter 10.550, *Rules of the Florida Auditor General*; and *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration.

### Other Reporting Requirements

We have issued our Independent Auditors’ Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program, State Project, and Passenger Facility Charge Program and on Internal Control over Compliance Required by the Uniform Guidance; Schedule of Findings and Questioned Costs; and Independent Accountants’ Report on Examination of Compliance Requirements in Accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated March, 5, 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. No findings were reported in the prior year.

### Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures. It is management’s responsibility to monitor the City’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Special District Component Units**

Section 10.554(1)(i)5.c, *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of the City provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the City in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Downtown Improvement Board (the Board) , a dependent special district of the City, reported:

- a. The total number of Board employees compensated in the last pay period of the district's fiscal year as two.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Board's fiscal year as zero.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$121,013.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the Board that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as – No planned projects.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Board amends a final adopted budget under Section 189.016(6), Florida Statutes. There were no budget amendments approved in the fiscal year.

The specific information reported in the previous paragraph has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Additional Matters**

Section 10.554 (1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management and is not intended to be and should not be used by anyone other than these specified parties.

*Warren Averett, LLC*

Pensacola, Florida  
March 5, 2024

**CITY OF PENSACOLA, FLORIDA  
FINANCIAL DATA SCHEDULE  
SECTION 8 HOUSING CHOICE VOUCHERS PROGRAM  
ASSISTANCE LISTINGS NUMBER 14.871  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Line Item #	Account Description	HCV Program 14.871	HCV CARES Act Funding 14.HCC	EHV Program 14.EHV	Total
<b>Assets:</b>					
<b>Current Assets:</b>					
<b>Cash:</b>					
111	Unrestricted	\$ 2,126,521		12,912	2,139,433
113	Other restricted	22,179		16,953	39,132
115	Restricted for payment of current liabilities	105,837		149	105,986
<b>100</b>	<b>Total cash</b>	<u>2,254,537</u>	<u>0</u>	<u>30,014</u>	<u>2,284,551</u>
<b>Receivables:</b>					
128	Fraud recovery	1,662,708			1,662,708
128.1	Allowance for doubtful accounts - Fraud	(1,295,212)			(1,295,212)
<b>120</b>	<b>Total receivables</b>	<u>367,496</u>	<u>0</u>	<u>0</u>	<u>367,496</u>
142	Prepaid expenses and other assets	1,032			1,032
<b>150</b>	<b>Total current assets</b>	<u>2,623,065</u>	<u>0</u>	<u>30,014</u>	<u>2,653,079</u>
<b>290</b>	<b>Total assets</b>	<u>\$ 2,623,065</u>	<u>0</u>	<u>30,014</u>	<u>2,653,079</u>
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
312	Accounts payable <= 90 days	\$ 6,204			6,204
322	Accrued compensated absences - current portion	6,288			6,288
331	Accounts payable - HUD PHA Programs	1,111		149	1,260
333	Accounts payable - other government	92,234			92,234
342	Deferred revenue	367,496		346	367,842
<b>310</b>	<b>Total current liabilities</b>	<u>473,333</u>	<u>0</u>	<u>495</u>	<u>473,828</u>
<b>300</b>	<b>Total liabilities</b>	<u>473,333</u>	<u>0</u>	<u>495</u>	<u>473,828</u>
<b>Equity:</b>					
508.3	Nonspendable Fund Balance	1,032	0	0	1,032
509.3	Restricted Fund Balance	22,179	0	16,607	38,786
512.3	Unassigned fund balance	2,126,521	0	12,912	2,139,433
<b>513</b>	<b>Total equity/net assets</b>	<u>2,149,732</u>	<u>0</u>	<u>29,519</u>	<u>2,179,251</u>
<b>600</b>	<b>Total liabilities and equity/net assets</b>	<u>\$ 2,623,065</u>	<u>0</u>	<u>30,014</u>	<u>2,653,079</u>

**CITY OF PENSACOLA, FLORIDA  
FINANCIAL DATA SCHEDULE  
SECTION 8 HOUSING CHOICE VOUCHERS PROGRAM  
ASSISTANCE LISTINGS NUMBER 14.871  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Line Item #	Account Description	HCV Program 14.871	HCV CARES Act Funding 14.HCC	EHV Program 14.EHV	Total
<b>Revenues</b>					
<b>Other revenue:</b>					
70600	HUD PHA Operating Grants	\$ 17,337,301	39,656	386,096	17,763,053
71100	Investment Income - unrestricted	30,304	118	311	30,733
71400	Fraud Recovery	10,917			10,917
71500	Other revenue	100			100
<b>70000</b>	<b>Total revenues</b>	<u>17,378,622</u>	<u>39,774</u>	<u>386,407</u>	<u>17,804,803</u>
<b>Expenses</b>					
91100	Administrative salaries	861,384	7,864	23,726	892,974
91200	Auditing fees	35,000			35,000
91500	Employee benefit contributions - administrative	494,332	1,979	8,997	505,308
91810	Allocated Overhead	85,000			85,000
91900	Other operating - administrative	2,880			2,880
92400	Tenant services - other			42,873	42,873
93100	Water	467			467
93200	Electricity	9,545			9,545
93300	Gas	322			322
93600	Sewer	437			437
93800	Other utilities expense	677			677
94200	Maintenance and operations - materials and other	273,936			273,936
94300	Maintenance and operations - contracts	93,693			93,693
96110	Property insurance	11,182			11,182
96200	Other general expenses	485			485
96210	Compensated absences	(56,532)			(56,532)
<b>96900</b>	<b>Total operating expenses</b>	<u>1,812,808</u>	<u>9,843</u>	<u>75,596</u>	<u>1,898,247</u>
<b>97000</b>	<b>Excess operating revenue over operating expenses</b>	<u>15,565,814</u>	<u>29,931</u>	<u>310,811</u>	<u>15,906,556</u>
<b>Other expenses:</b>					
97300	Housing Assistance Payments	16,204,099	29,931	327,223	16,561,253
97600	Capital outlays - governmental funds	6,578			6,578
<b>90000</b>	<b>Total expenses</b>	<u>18,023,485</u>	<u>39,774</u>	<u>402,819</u>	<u>18,466,078</u>
<b>10000</b>	<b>Excess (deficiency) of total revenue over (under) total expenses</b>	<u>\$ (644,863)</u>	<u>(0)</u>	<u>(16,412)</u>	<u>(661,275)</u>
11030	Beginning Equity	\$ 2,794,595	0	45,931	2,840,526
11170	Administrative Fee Equity	\$ 2,127,553	(0)	12,912	2,140,465
11180	Housing Assistance Payments Equity	\$ 22,179	0	16,607	38,786
11190	Unit Months Available	27,612	0	420	27,612
11210	Number of Unit Months Leased	22,081	0	367	22,081