

CITY OF PANAMA CITY, FLORIDA ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024



2024



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City of Panama City, Florida

Annual Comprehensive Financial Report

For the fiscal year ended September 30, 2024

Prepared by:

The City of Panama City

Accounting Division

Photographer Cover Photo: Larry Leonard



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**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE CITY OF PANAMA CITY, FLORIDA
FISCAL YEAR ENDED SEPTEMBER 30, 2024
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INTRODUCTORY SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

- LETTER OF TRANSMITTAL
- PRINCIPAL OFFICIALS
- CITY ORGANIZATIONAL CHART
- GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE
IN FINANCIAL REPORTING



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May 27, 2025

Honorable Mayor, City Commissioners & Citizens of the City of Panama City, Florida,

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Panama City (the City) for the fiscal year ended September 30, 2024. The ACFR is issued pursuant to Florida Statute 218.39(1) which requires municipalities meeting certain criteria to have an annual financial audit of its accounts and records by an independent certified public accountant in accordance with rules of the Auditor General within nine (9) months of the close of each fiscal year. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the enclosed data is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position and the results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

These financial statements have 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 the 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 Panama City's MD&A can be found on page five of this report.

The Reporting Entity and Its Services

The City of Panama City was incorporated on March 12, 1926 and covers an area of approximately 34 square miles. The population of the City was estimated to be 37,909 on April 1, 2024. The City acts as the county seat of Bay County. The City has a commission-manager form of government and provides a full range of municipal services including public safety, transportation improvements, comprehensive planning and zoning, culture and recreation, economic development and related general and administrative services. In addition, the City operates three enterprise activities: water and sewer utilities, solid waste management, and marina operations.

The City Commission is comprised of the Mayor, elected at-large and four Commission members elected by ward. Together they are responsible for enacting ordinances, resolutions and regulations governing the City as well as appointing the members of various advisory boards, the City Manager, City Attorney and City Clerk-Treasurer. As Chief Administrative Officer, the City Manager is responsible for the enforcement of laws and ordinances; appointing and supervising the department directors of the City; submitting the proposed annual budget; advising Commission as to the financial condition of the City; and overseeing the day-to-day operations of the City.

Criteria considered in concluding which related activities (component units) should be included in the City's combined financial statements are as follows:

- Financial accountability
- Appointment of a voting majority
- Imposition of will
- Financial benefit to or burden on a primary government, and
- Financial accountability as a result of fiscal dependency.

The following component units were included, by discrete presentation for 2023, based upon the criteria noted above:

- Panama City Downtown Improvement Board
- Panama City Port Authority

The Panama City Community Redevelopment Agency (CRA) and the Panama City Florida Hurricane Disaster Relief Fund are included as blended component units in the City’s financial statements.

Economic Condition and Outlook

With the aid of the Federal and State of Florida governments, the City of Panama City has been able to overcome the effects of Hurricanes Michael and Sally and the COVID pandemic and rebuild its economy slowly and steadily. The Federal Emergency Management Agency (FEMA) has obligated over \$156 million for the restoration of the City after Hurricane Michael struck on October 10, 2018. The City has spent approximately \$124 million on recovery efforts over the past six years. Most of the large FEMA projects are in or close to their construction phases and the remainder of those obligated funds are expected to be received over the next two to three years.

The City has received over \$105 million in Revolving Fund Loans from the State of Florida. These loans are being used to upgrade water and sewer infrastructure and include over \$30 million in grant funds that do not require reimbursement. The loan terms are 20 years and 0% interest for the term of the loans. Additionally, the City has been awarded nearly \$206 million in other grants from the Federal and State of Florida governments. Most of these grants have a three-year completion date and no matching fund requirements. Planning for most of the projects has been completed and construction is underway.

Community Development Block Grants – Disaster Recovery	
Hometown Revitalization Grants	\$20,085,000
Project RESTORE Grants	\$89,479,000
Voluntary Home Buyout	\$10,000,000
Hurricane Mitigation Grant Programs	
Hurricane Michael Projects	\$63,627,000
Hurricane Sally Projects	\$ 1,017,000
COVID Projects	\$ 2,150,000
State Appropriations	\$19,582,000

The amount of recovery work that remains in the Bay County area from Hurricane Michael has continued to stress the construction labor and material market in our area. This includes over \$2.5 billion worth of construction work being focused on rebuilding the local Tyndall Air Force Base. Based on these market conditions Fiscal year 2024 construction prices continue to trend upward. These increases in construction costs have limited the footprint we were able to improve with the limited pool of construction dollars the city has available to put toward these infrastructure projects.

The Panama City Port Authority continues to invest in expansion projects to handle cargo growth. A recently completed bulk terminal expansion will enable the Port to handle increasing bulk cargo exports from the Port to International markets. The Port has also started the next phase of the East Terminal expansion that will include additional upland facilities, more berth capacity, and expansion of the ship turning basin. As part of an extensive site improvement project to attract industrial growth at the Intermodal Distribution Center (IDC), the Port partnered with the City of Panama City to extend Commerce Boulevard. The extension provides direct access to seventy-five acres of newly improved land designated for port-related industrial development. The Port Authority is also updating its Strategic Master Plan to handle larger vessels and support long-term growth in cargo activity effectively and efficiently.

Tyndall Air Force Base and Naval Support Activity provide approximately 10,000 military and civilian jobs and 15,000 retirees have chosen to remain in the Panama City-Bay County area. The annual economic impact of the two bases totals over \$1.2 billion.

The United States Air Force which depends on the support of local communities is well underway with the \$5 billion reconstruction of Tyndall Air Force Base. The United States Air Force plans to rebuild the base as a premiere military facility that will host three F-35 fighter squadrons and also host two dozen MQ-9 Reaper drones by 2023.

The 337th Air Control Squadron expects completion of a 30,000 square foot building that will be equipped to train air battle managers. The new building will have several improvements such as an auditorium, instructor offices, sensitive compartmented information facility and special access program classrooms, simulation bays and ultraviolet filtering for the HVAC systems. Other projects currently in the works include a fire station, a lodging facility that will include 360 rooms, a restaurant and laundry facilities and a Headquarters facility that will house administrative personnel.

The City of Panama City entered a contract with the St. Joe Company for a ground lease of a portion of the Downtown Panama City Marina. The St. Joe Company has completed the Harrison's restaurant on the marina as well as a 124-room boutique hotel, Hotel Indigo, with an on-site restaurant and rooftop bar. These developments are the beginning stages of a larger revitalization effort for the City's Downtown.

During Fiscal Year 2024, over 500 new single-family residential homes and nearly 100 new commercial buildings were approved for construction. The City has seen a substantial amount of growth over the last three years, including new housing developments and apartment communities. SweetBay, located at the former Panama City Airport, continued construction of new phases consisting of single-family residential homes, apartments, and commercial buildings. SweetBay has begun construction of its town center which is to include a new Publix. New residential development in Panama City North expanded with additional phases to the Liberty subdivision. Approximately 1,900 single-family homes are expected to be added. Parkbrook subdivision is completing construction with nearly 200 single-family homes.

There are a number of in-fill apartment developments at various stages of construction including the Kelly Apartments, Fletcher Black Apartments, the Park at Massalina, and Bid-A-Wee Apartments. A 120-unit apartment community called Park Villa is proposed near Downtown Panama City. These apartment communities will update the City's overall housing stock, as well as provide more housing options for the City's urban areas. Panama City Proper has seen redevelopment and expansion of existing commercial and industrial developments. Two notable examples include Eastern Shipbuilding, which is expanding their shipyard in Millville, and the former Glen Cove nursing home which is to be converted into a new hotel.

New commercial developments, such as Panama City Centre at Lindsey Crossing continued at Lindsey Crossing. A Publix Super Market anchors the development that includes six inline stores and multiple outparcels for additional retail and restaurant development. The City successfully attracted this development through creative negotiations with the developer, and it is expected to create hundreds of jobs and provide needed amenities for our Panama City North residents.

On a macro-economic scale, the Federal Open Market Committee opted for a 50 basis-point rate cut in September 2024, reducing the federal funds rate target range to 4.5% to 4.75%. Inflation appears to be heading closer to the Committee's target rate of 2%, but the employment rate is still a concern. The Committee continues to pursue a course to control inflation without pushing the economy into a recession.

Overall, the City anticipates continued improvements in the local economy due to the rebuilding and revitalization projects associated with the aforementioned funding sources and opportunities. City Officials closely monitor economic conditions and are committed to working with community groups to attract businesses and tourists to Panama City.

Major Initiatives

During Fiscal Year 2024 the following projects were accomplished:

The Development Services Department completed the Neighborhood Plans Zoning Map Updates and updated the Comprehensive Plan for the Panama City North Area and Master Plan. The Department transitioned the Building Division to an in-house operation and implemented new software solutions for Development Order application submittals and Review Management, Building Services and Code Compliance Divisions and for elevation certifications and flood zone determinations. The Department conducted a Transportation Impact Fee Study and is in the process of adopting a fee schedule.

The Housing & Community Services Department is diligently working to change the housing dynamics in Panama City by working with citizens to create resident stability and resiliency through homeownership opportunities. The Department recently updated its Local Housing Assistance Plan (LHAP), and increased program assistance amounts for qualified applicants. For example, the purchase assistance award amount increased from \$50,000 for down payment and closing costs assistance to \$60,000. This increases the opportunity for low to moderate income residents to obtain affordable mortgages in a high-cost market.

The City of Panama City was awarded two Hurricane Housing Recovery Program (HHRP) grants following Hurricane Michael (2018) through the Florida Housing Finance Corporation. HHRP1 totaled \$8,431,800 and HHRP2 totaled \$2,954,400 = Total Award \$11,386,200. The Housing & Community Services Department has had the following accomplishments to date (Total Expended, \$10.6 million with an economic impact estimated at \$30 million):

- Purchase Assistance – 121 clients served, totaling \$6.1 million.
 - 76 homes were newly constructed with impact fees.
- Rehabilitation & Emergency Repairs – 28 clients served, totaling \$614,000.
- Rental Assistance – 62 clients served, totaling \$118,000.
- Infill Assistance/New Construction – 12 newly constructed homes, totaling \$1.5 million.
- Multifamily Replacement Homes – totaling \$620,000.
- Demolition/Reconstruction Assistance – 17 clients served, totaling \$1.7 million.

The Public Works Department completed two dredge projects and embarked on a large scale meter replacement program including more than 200 commercial and 500 residential meter replacements. Rehabilitation of the Vehicle Maintenance Facility was completed primarily with FEMA funding.

Several State Revolving Fund (SRF) projects have been completed including infrastructure improvements in Glenwood, the Cove, Cherry Street Phase 1 & 2, Forcemain 44, Harrison Phase 2 utilities, and Saint Andrews. Seven other infrastructure projects are underway including five in Saint Andrews, and two in Venetian Villas.

Lift stations throughout the City are being rehabilitated and hardened through numerous funding mechanisms. Four lift Stations have been rehabilitated using SRF funding with another one in progress. Hazard Mitigation Grant Program (HMGP) funded the design of 11 Lift Stations, and the infrastructure feeding Lift Station 81. A State grant paid for the replacement of a pump station in Pretty Bayou. The City used budgeted funds to rehabilitate or repair three lift stations.

Project Storm projects funded by Community Development Block Grant (CDBG), include bypass pump or bypass connections for a total of 55 Lift Stations. SCADA will be installed at an additional 15 Lift Stations. SCADA is the remote monitoring system that collects key operational data from each individual lift station remotely utilizing wireless technology. An additional over 30 Lift Stations will receive SCADA in the next phase of this project.

In Fiscal Year 2024, the Environmental Compliance Division continued to grow. The Fats, Oils, and Grease (FOG) program currently has 236 registered locations generating consistent monthly fees, and 392 inspections were completed. Thirty construction sites were actively monitored for stormwater compliance last fiscal year. Additionally, a new five-year MS4 permit is being finalized with the state, with an emphasis on minimizing long-term State compliance costs. The Division is also ensuring compliance with backflow preventer regulations to avoid costly penalties from the State of Florida.

The Quality of Life Department was rebranded as the Parks, Culture and Recreation Department and successfully completed a series of upgrades, repairs, and remediation projects at H. D. Mathis parking lot, Henry Davis Park, Ken Hammonds Park, and Asbell Park. Throughout the year, the Department has achieved several milestones, including distributing 1,500 trees to the community and planting 379 trees. There were 179 facility rentals and 123 field rentals during the fiscal year. Additionally, the Department co-sponsored 25 community events, conducted 642 programs, reviewed and issued 103 special event permits, and mowed 4,485 acres to include over 2.5 million linear feet of edging.

In Fiscal Year 2024, the Community Redevelopment Agency (CRA) achieved significant progress across its four redevelopment districts - Downtown, Downtown North, St. Andrews, and Millville - through a strategic combination of reinvestment, community partnerships, and targeted planning. Major capital improvements included the \$1.5 million development of Millville Waterfront Park, set to become a hub for recreation and community events, and the revitalization of Daffin Park with upgraded athletic facilities and supporting infrastructure. In the Downtown District, enhancements such as new public restrooms at McKenzie Park, the restoration of façades along Harrison Avenue, and the introduction of cohesive wayfinding and signage - designed to complement the historic Martin Theatre - further elevated the district's appeal.

Beyond physical improvements, the CRA continued to prioritize economic development and neighborhood support. More than \$160,000 in Commercial Improvement Grants were awarded to assist small businesses and foster housing initiatives. In Downtown North, a collaborative revitalization effort with World Changers provided essential home repairs and connected residents with valuable community resources. District-wide beautification efforts, supported by FDOT and city departments, enhanced key gateways and public spaces, reflecting a citywide commitment to placemaking.

The City Clerk-Treasurer administered the hiring and evaluation processes for the new City Manager. The Utility Billing and Customer Service Division (UB/CS) along with the Information Technology Department completed an upgrade to the call center equipment and procedures. Cash Receipt collections were transferred from Business Services to the UB/CS Division.

The Human Resources Department continued its focus on improving employee morale and effectiveness by revising job descriptions and properly aligning titles and department assignments. The Department has improved efficiency by leveraging technology related to applicant tracking and document storage.

For the Future

Several transformative projects that have been in the planning stages are now underway. The Martin Luther King Recreational Center is approaching completion and will feature a 30,000-square-foot recreation center and gymnasium, lighted outdoor courts, a soccer/football field, playground, picnic pavilions, and ample parking. The renovation of Daffin Park has been completed and now boasts a football field, baseball field, and a new basketball court. The Bay Memorial Garden Club project is nearly complete, replacing the building that was destroyed during Hurricane Michael. Additionally, work has commenced on the Bay Memorial Walking Path, which will include the repaving of the walking path, exercise stations, benches, trash receptacles, and an update to the disc golf course. This project is set for completion within fiscal year 2025. The redevelopment of the St. Andrews Marina has officially begun, featuring 164 slips currently being constructed and 300 piles already installed.

Several projects started during fiscal year 2025 but will not be finished within the year. Hentz Park will feature newly planted trees, a well pump to manage stormwater, a new walking path, and a new pavilion. Meanwhile, the Martin Theater is undergoing restoration to transform it into a 488-seat venue, complete with approximately 30,000 square feet of backstage and dressing rooms, lobbies, multi-level reception areas, a catering kitchen, offices, and concession spaces. Ongoing infrastructure projects include Harrison Ave Streetscapes Phase 2, Area A2 (Drummond Park), Y (Millville), X (Millville), O-11 and O-12 (Downtown).

Early in 2025, the city was notified by FEMA that funds were being obligated to repair 351 road segments damaged by hurricane Michael. These repairs are estimated to cost over \$10 million. Additionally, pavement rejuvenation and preservation projects are being planned using recently purchased equipment. These projects provide an economical means of prolonging the life of roadways by allowing staff to be more efficient, and proactive in the on-going maintenance of our road network.

Progress continues on the design and permitting for the West Beach Drive multi-use sidewalk project. The goal of this project is to build a scenic waterfront sidewalk along West Beach Drive that increases pedestrian and bike riding connectivity and safety for its users between Downtown Panama City and Historic St. Andrews. As part of the project, debris strainers are being installed to reduce trash entering the bay via the stormwater system that includes a research component to assess debris reduction.

In collaboration with Florida Fish and Wildlife, FSU Collegiate School, and AmeriCorps, the City is supporting the reintroduction of the endemic Panama City Crayfish and removing invasive vegetation in Joe Moody and Mathis Parks to boost species longevity.

Improvements currently being funded by the City's Infrastructure Surtaxes include Cherry Street Streetscape Phase 1, Baker Court Streetscape and Beach Drive Infrastructure Improvements and Streetscape from 4th Street to 6th Street. Citizens can expect to see wider sidewalks, pedestrian friendly walkability and a massive facelift to downtown Panama City including replacement, repair or rehabilitation to utilities and stormwater on these routes.

The CRA is taking critical steps to align long-term planning with evolving community needs. GAI Consultants were engaged to lead the expansion of the St. Andrews CRA district and to update redevelopment plans across all four districts. These updates are rooted in a comprehensive review process aimed at ensuring each plan remains responsive to current conditions and future priorities. Additionally, the CRA will launch a new Tax Increment Financing (TIF) Rebate Incentive Program to attract private investment, reduce blight, and stimulate job creation. To further support these efforts, the CRA partnered with Retail Strategies to identify and advance commercial development opportunities in Downtown North. Collectively, these initiatives demonstrate a strong and sustained commitment to revitalization, economic resilience, and inclusive growth throughout Panama City.

Along with working to increase affordable housing within the City of Panama City, the Housing and Community Services Department is also working on other projects to expend the remainder of HHRP funds. The projects that are in the pipeline for the department are:

- Rehabilitation & Emergency Repairs - \$130,000.
- Replacement Homes with Impact Fees - \$295,000
- Total in pipeline/encumbered for HHRP - \$425,000

The Utility Billing and Customer Service Division is upgrading its customer interface software with a new Electronic Billing and Payment Processing solution. This will enhance the user experience while streamlining the bill payment process at a reduced cost. The implementation will be completed in January 2025.

The Human Resources Department will conduct comprehensive (City-wide) customer service training, improve the employee implementation process, conduct a staff satisfaction survey and implement a new timekeeping system.

Several new projects are slated to begin during fiscal year 2026, including updates at Truesdell Park, H.D. Mathis, Joe Moody Harris Park, Chapman Park, Henry Davis Park, Sweetbay Wetlands, Harry Edwards, and Oakland Terrace Campus. Also, efforts to promote the undergrounding of utilities at strategic locations throughout the City will begin with new standards and ordinances to be presented to the City Commission for approval.

Relevant Financial Policies

Fund Balance Policy

Due to the City's coastal location, which is subject to hurricane activity, the City Commission adopted a fund balance policy that authorized a committed fund balance with a target balance of 30% of annual budgeted operating expenditures to commit for emergency reserves and the City targeted a balance of 10% as unassigned fund balance to meet general operating expenditures. For Enterprise Funds, the City authorized a target unrestricted net position balance of 30% of annual budgeted operating expenditures. The fiscal year ended September 30, 2024 balances adequately meet the targets adopted in the policy for enterprise funds, but the General Fund unrestricted fund balances are below the City's targets in total.

Investment Policy

The City administers a comprehensive cash management and investment program. The primary goals of the program are to maximize the amount of cash available to meet daily cash requirements and obtain the highest possible yields consistent within the constraints imposed by Florida Statutes and the City's adopted investment policy for capital protection.

Accounting System and Internal Control

The City's accounting, budgetary, and financial reporting systems have been designed to conform to the standards set forth by the American Institute of Certified Public Accountants, the Governmental Accounting Standards Board, the Office of Management and Budget, and the State of Florida. In developing and altering the City's accounting system, consideration is given to the adequacy of internal accounting controls which are designed to provide reasonable, but not absolute, assurance regarding:

The safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability of 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.

All internal control evaluations occur within the above framework. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal awards and state financial assistance, the government is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

Budgetary Controls

In conformance with the City Charter and Florida Statutes, budgetary control is maintained through constant review by the Accounting Division. Detailed monthly budget reports are prepared for each department, documenting revenues and expenditures.

The City maintains budgetary controls to ensure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Commission. Activities of the General Fund, Debt Service funds, the Housing and Community Development Fund, State Housing Initiative Partnership City, Infrastructure Surtax Fund, and the Community Redevelopment Agency areas are included in the appropriated annual budget. The City also maintains an encumbrance accounting system as one technique in accomplishing budgetary controls. Encumbered amounts lapse at year end. Encumbrances for capital assets are generally reappropriated as part of the following year's budget.

Reporting Achievement

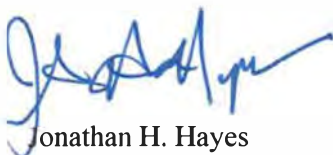
The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Panama City, Florida, for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023. This was the 31st consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

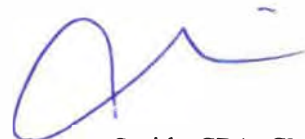
Acknowledgments

We thank the City Commission members for their guidance and commitment to planning and conducting the financial operations of the City in a highly responsible and conservative manner. The completion of this Annual Comprehensive Financial Report in a timely manner was made possible by the dedicated efforts of the entire Accounting Division. Sincere appreciation is extended to the firm of Tipton, Marler, Garner and Chastain, for its professional approach and high standards in the conduct of the firm's independent audit of the City's financial records and transactions.

Respectfully submitted,



Jonathan H. Hayes
City Manager



Janette Smith, CPA, CMC
City Clerk-Treasurer



CITY COMMISSION

Mayor Michael X. Rohan, Sr.

Ward I

Jenna Flint Haligas

Ward II

Janice Lucas

Ward III

Brian Grainger

Ward IV

Josh Street

City Manager

Jonathan H. Hayes

City Clerk – Treasurer

Janette Smith, CPA, CMC

City Attorney

Nevin J. Zimmerman

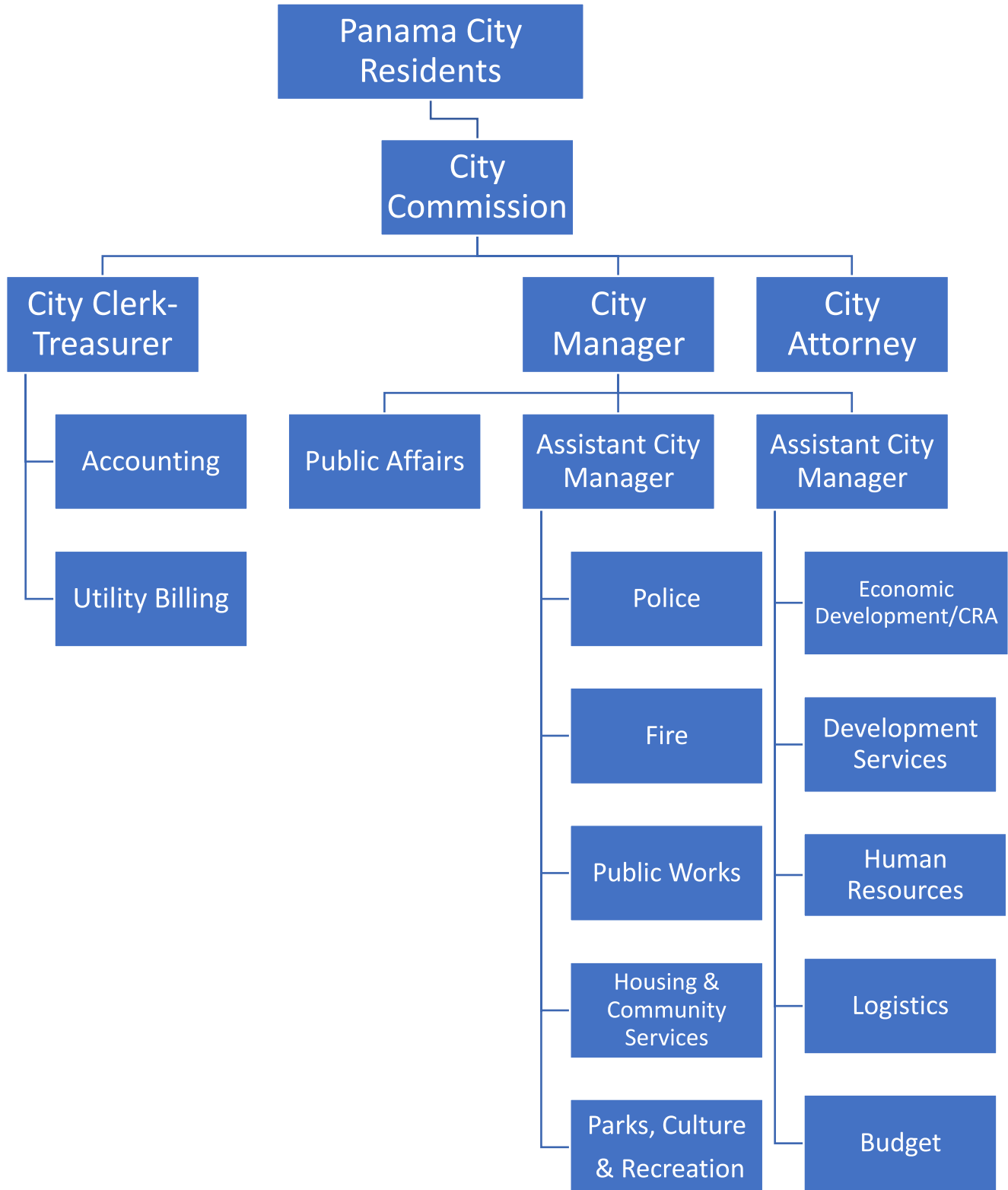
Independent Auditors

Tipton, Marler, Garner, and Chastain

Fiscal Year

October 1, 2023 – September 30, 2024

CITY OF
Panama City
FLORIDA





Government Finance Officers Association

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

Presented to

**City of Panama City
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrell

Executive Director/CEO



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FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

- INDEPENDENT AUDITOR'S REPORT
- MANAGEMENT DISCUSSION AND ANALYSIS
- BASIC FINANCIAL STATEMENTS
- REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT DISCUSSION AND ANALYSIS
- COMBINING AND INDIVIDUAL FINANCIAL STATEMENTS
AND SCHEDULES
- SUPPLEMENTAL INFORMATION



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audited Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Panama City, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Panama City, Florida's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Panama City, Florida, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As described in Note 16 to the financial statements, in 2024, the City adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. Our opinion is not modified with respect to this matter.

Management's Responsibilities for the Audit of the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 of Panama City, Florida's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Panama City, Florida'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 of Panama City, Florida'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 on pages 5 through 17, budget to actual comparison –major funds (general fund) on page 124, and pension and other post employment schedules on pages 125 through 144 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 Panama City, Florida's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards and state financial assistance, and the schedule of expenditures of funds related to the Deepwater Horizon Oil spill, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Section 215.97, Florida Statutes, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America in our opinion, the combining and individual nonmajor fund financial statements schedule of expenditures of funds related to the Deepwater Horizon Oil Spill, and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2025, on our consideration of the City of Panama City, Florida'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 solely 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 effectiveness of the City of Panama City, Florida's 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 of Panama City, Florida's internal control over financial reporting and compliance.

Lipton, Mauler, Garner & Chastain

Panama City, Florida
May 27, 2025

City of Panama City, Florida
Management's Discussion and Analysis
For the Year Ended September 30, 2024

The City of Panama City, Florida's (the City) Management Discussion and Analysis provides an overview of the City's financial activities for the fiscal year ended September 30, 2024 and offers a comparative analysis between fiscal years 2024 and 2023. It serves as an introduction to the City's basic financial statements which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This discussion should be read in conjunction with the City's financial statements, which begin on page 18, and the Letter of Transmittal, located in the Introductory Section.

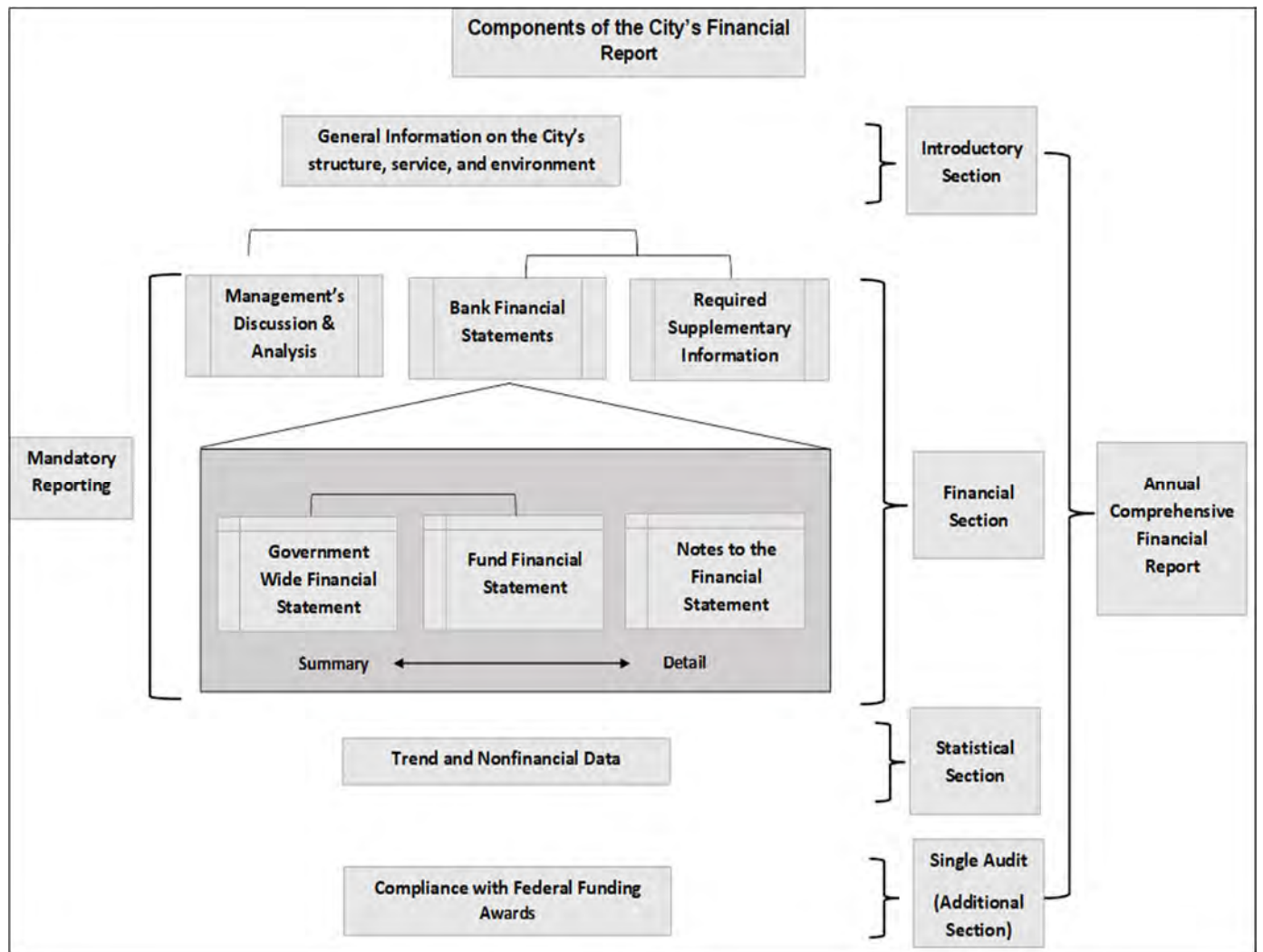
Financial Highlights

- The City's assets (\$617,873,331) and deferred outflows of resources (\$18,251,633) exceeded its liabilities (\$298,326,855) and deferred inflows of resources (\$6,018,659) as of September 30, 2024, by \$331,779,450. Of this amount, \$64,000,459 (unrestricted net position) represents the portion of total net assets which may be used to meet the government's ongoing obligations to citizens, customers, and creditors. Of the total net position, \$226,496,904 is net investment in capital assets and the remaining \$41,282,087 is restricted.
- Total net position for the City increased \$41,238,287 (14.2%) over fiscal year 2023 ending net position of \$290,541,163. Governmental activities had increased by 12.1% (\$19,888,081) at the end of fiscal year 2024 and accounted for \$184,132,903 of the City's total net position. Business-type activities increased 16.9% (\$21,350,206) over the previous fiscal year to \$147,646,547. Unrestricted net position for governmental activities equaled \$39,637,790 and restricted equaled \$41,282,087. Business-type activities reported net positions of \$24,362,669 in unrestricted and \$0 in restricted.
- Capital assets increased 27.6% from fiscal year 2023 to \$350,031,954 at the close of fiscal year 2024. Of this amount, \$167,188,216 are assets held in governmental activities and \$182,843,738 are assets held in business-type activities.
- The General Fund reported a total fund balance of \$12,439,254 on September 30, 2024, a decrease of \$10,485,135 (45.7%) from fiscal year 2023. The General Fund ending balance represents 16.4% of General Fund expenditures and transfers out for fiscal year 2024.
- Total debt for fiscal year 2024 increased 7.4% from fiscal year 2023. The increase of \$18,985,249 was mainly from additional draws of State Revolving Fund loans for infrastructure projects.

Overview of the Financial Statements

This annual comprehensive financial report (ACFR) was prepared in conformity with the Governmental Accounting Standards Board's (GASB) Statement No. 34. The report contains other supplementary information in addition to the basic financial statements. The basic financial statements provide information on both the City as a whole (government-wide) and its major individual funds. Both perspectives (government-wide and fund financial statements) allow the user to address relevant questions, broaden a basis for comparison (year-to-year) and enhance the City's accountability.

The below illustration presents the components of the financial report.



Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Panama City's finances, in a manner similar to a private-sector business. They are prepared using the accrual basis of accounting, which accounts for all of the current year's revenues and expenses regardless of when cash is paid or received.

The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. 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 City's financial position is improving or deteriorating. Assets, liabilities, deferred inflows/outflows of resources, and net position are reported separately for *governmental activities* and *business-type activities*.

The *statement of activities* reports all of the City's revenues, expenses, and changes in net position for the most recent fiscal year. Both governmental and business-type activities are presented to summarize the

gross and net cost of various City functions. Governmental activities include general government, public safety, transportation, economic environment, human services, and culture/recreation. Costs of governmental activities are principally supported by taxes and intergovernmental revenues. Business-type activities include water and sewer utilities, environmental services (formerly solid waste), and marina operations. Costs of business-type activities are supported by user charges and fees.

The government-wide financial statements include not only the City of Panama City and its *blended component units* (The Panama City Community Redevelopment Agencies and the Panama City Florida Hurricane Disaster Relief Fund, Inc. (a nonprofit)), but also *discretely-presented component units* for which the City is financially accountable. The Panama City Downtown Improvement Board and the Panama City Port Authority are legally separate entities over which the City, as the *primary government*, may exercise influence or may be obligated to provide financial subsidy. The information for these two *discretely-presented component units* is presented in separate columns in the government-wide financial statements. Component unit financial statements may be requested by contacting that entity at the address listed on page 34 in the Notes to the Financial Statements.

Fund Financial Statements

The financial activities of the City are recorded in separate *funds*. Funds are groupings of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the City of Panama City can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 statement, 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between *governmental funds* and *governmental activities*.

The City of Panama City maintains nineteen governmental funds. The General Fund, Hurricane Michael Fund, Capital Projects Fund, and Capital Projects Infrastructure Surtax Fund are the major funds. Therefore, a balance sheet and statement of revenues, expenditures, and changes in fund balances are presented beginning on page 21. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Panama City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 21 through 26 of this report.

Proprietary fund financial statements can be found beginning on page 27. The City of Panama City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. They include the Utilities Fund, Environmental Services Fund, and the Marina Fund. All are considered to be major funds of the City. *Internal service funds* account for the financing of goods or services provided by one department to other departments of the City. The funds maintained by the City include the Equipment Maintenance, Medical Self-Insurance, and Dental Insurance funds. Because these services predominantly benefit governmental

rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Financial statements of proprietary funds provide the same type of information as the government-wide financial statements, only in greater detail. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the report.

It is important to recognize that, while the total column on the business-type fund financial statement may be the same as the business-type column on the government-wide financial statement, the governmental funds total column requires a reconciliation because of the different measurement focus utilized (current financial resources versus total economic resources). The related reconciliations are included for examination.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. They are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Panama City's own programs. The accounting for those funds is much like that used for proprietary funds. The City's fiduciary funds include Police Officers, Fire Fighters, and Senior Management Supplemental Pension Funds, and can be found beginning on page 31.

The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 through 123 of this report.

Other information, in addition to the basic financial statements and accompanying notes, includes Police Officers, Firefighters, and Senior Management Supplemental Pension funding obligations in the *required supplementary information* beginning on page 124. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information beginning on page 145.

Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position.

The largest component (68.3%) of the City's net position on September 30, 2024, is net investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure). This amount (\$226,496,904) is net of any related outstanding debt used to acquire those assets. The City of Panama City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, 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. Approximately 19.3% (\$64,000,459) remains available to meet the City's ongoing obligations to citizens, creditors and customers. The remaining 12.4% of total net position (\$41,282,087) are resources subject to external restrictions on how they may be used.

City of Panama City, Florida
Summary Statement of Net Position
As of September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and Other assets	\$ 231,191,440	\$ 244,355,662	\$ 36,649,937	\$ 35,935,441	\$ 267,841,377	\$ 280,291,103
Capital assets	167,188,216	138,156,057	182,843,738	136,250,164	350,031,954	274,406,221
Total assets	398,379,656	382,511,719	219,493,675	172,185,605	617,873,331	554,697,324
Total deferred outflows of resources	17,425,008	19,721,574	826,625	873,198	18,251,633	20,594,772
Current and Other liabilities	16,302,001	17,462,629	12,795,327	9,919,845	29,097,328	27,382,474
Noncurrent liabilities	210,191,883	215,938,531	59,037,644	36,302,178	269,229,527	252,240,709
Total liabilities	226,493,884	233,401,160	71,832,971	46,222,023	298,326,855	279,623,183
Total deferred inflows of resources	5,177,877	4,587,311	840,782	540,439	6,018,659	5,127,750
Net position:						
Net investment in capital assets	103,213,026	83,049,934	123,283,878	103,444,163	226,496,904	186,494,097
Restricted	41,282,087	39,712,363	-	-	41,282,087	39,712,363
Unrestricted	39,637,790	41,482,525	24,362,669	22,852,178	64,000,459	64,334,703
Total net position	\$ 184,132,903	\$ 164,244,822	\$ 147,646,547	\$ 126,296,341	\$ 331,779,450	\$ 290,541,163

At the end of the current fiscal year, as in the prior year, the City is able to report positive balances in all three categories of total net position as a whole, and individually, within the governmental and business-type activities.

The City's overall net position on September 30, 2024 increased by \$41,238,287 from fiscal year 2023. (See table above and on next page.) The City is required to report on the face of the financial statements, the deferred inflows, deferred outflows, net pension assets and net pension liabilities for each of the City's pension plans and proportionate share of the Florida Retirement System (FRS). (See note 9).

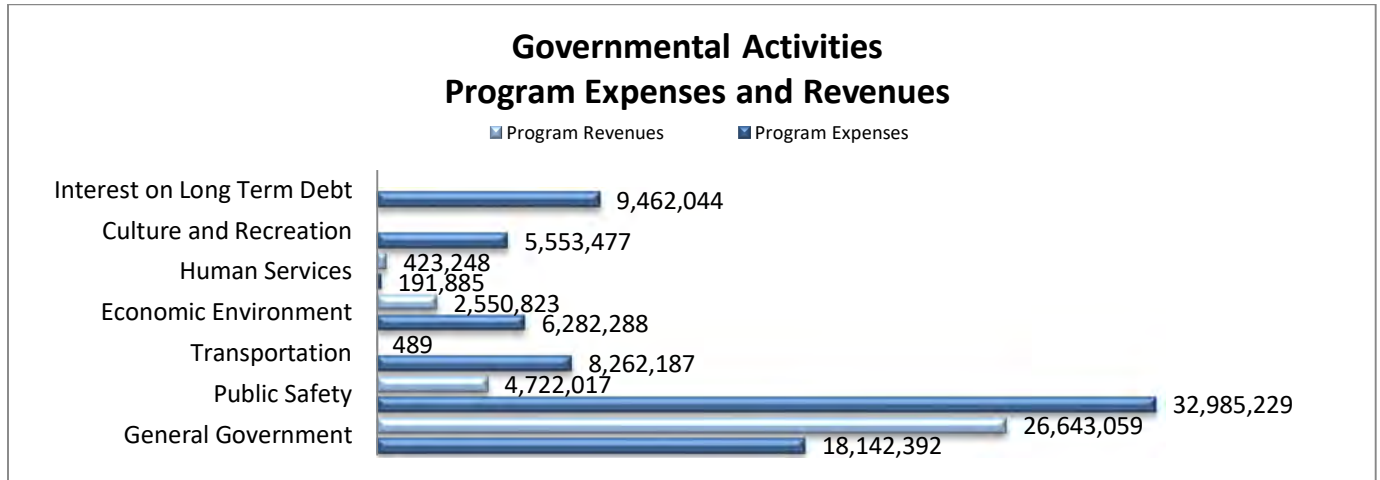
Key elements of the increases and decreases between 2023 and 2024 can be compared by examining changes in net position on the *Statement of Activities* (See next page). The Statement of Activities shows the governmental and business-type activities during the previous two fiscal years.

City of Panama City, Florida
Statement of Activities
Fiscal Years Ended September 30, 2024 and 2023

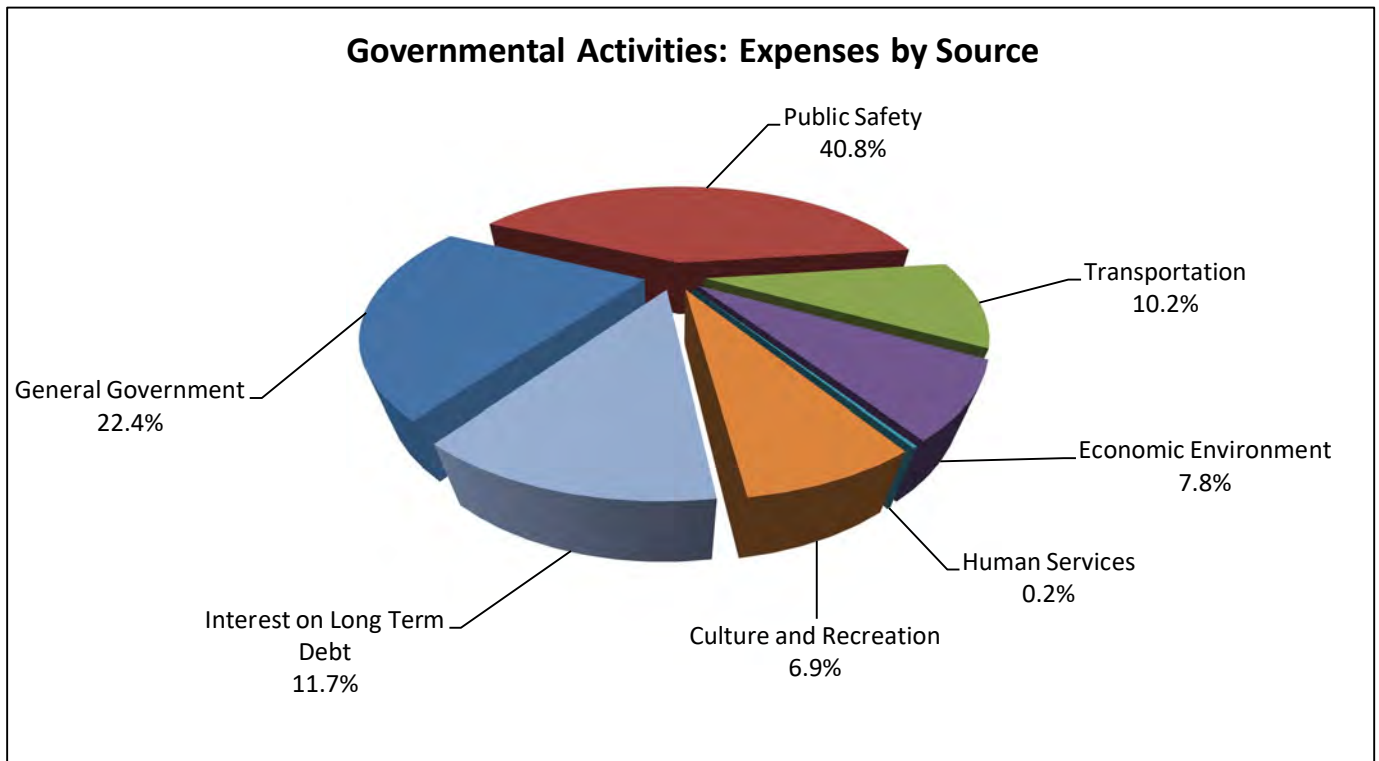
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for services-governmental	\$ 15,566,885	\$ 15,331,949			\$ 15,566,885	\$ 15,331,949
Charges for services-utilities			\$ 28,268,192	\$ 25,919,391	28,268,192	25,919,391
Charges for services-environmental services			10,773,717	9,739,041	10,773,717	9,739,041
Charges for services-marinas			1,962,255	2,102,375	1,962,255	2,102,375
Operating grants and contributions	18,672,751	14,804,625	19,080,172	10,133,057	37,752,923	24,937,682
Capital grants and contributions	100,000		1,359,689	2,395,711	1,459,689	2,395,711
General Revenues:						
Taxes:						
Ad valorem	15,328,456	12,873,362			15,328,456	12,873,362
Fire assessment	5,994,496	6,181,880			5,994,496	6,181,880
Nuisance abatement	226,508	176,315			226,508	176,315
Tax increment Ad valorem taxes	3,078,052	2,229,939			3,078,052	2,229,939
Local option gasoline tax	1,519,436	1,427,320			1,519,436	1,427,320
Franchise fees based on gross receipts	4,602,894	4,949,482			4,602,894	4,949,482
Utility service taxes	5,125,589	5,406,847			5,125,589	5,406,847
Communications service taxes	1,642,311	1,565,316			1,642,311	1,565,316
Local option sales tax	4,851,807	4,747,585			4,851,807	4,747,585
Unrestricted state revenue sharing	7,117,399	7,234,730			7,117,399	7,234,730
Unrestricted investment earnings	12,061,439	4,339,764	1,010,238	1,049,953	13,071,677	5,389,717
Miscellaneous	3,557,287	4,940,579	4,247	11,627	3,561,534	4,952,206
Total Revenues	99,445,310	86,209,693	62,458,510	51,351,155	161,903,820	137,560,848
Expenses						
General government	18,142,392	21,000,147			18,142,392	21,000,147
Public safety	32,985,229	29,731,147			32,985,229	29,731,147
Transportation	8,262,187	7,901,598			8,262,187	7,901,598
Economic environment	6,282,288	5,985,407			6,282,288	5,985,407
Culture and recreation	5,553,477	5,066,452			5,553,477	5,066,452
Human services	191,885	455,826			191,885	455,826
Interest on long-term debt	9,462,044	1,732,336			9,462,044	1,732,336
Utilities			27,434,755	27,648,566	27,434,755	27,648,566
Environmental services			9,403,875	8,356,175	9,403,875	8,356,175
Marinas			2,947,401	2,500,309	2,947,401	2,500,309
Total Expenses	80,879,502	71,872,913	39,786,031	38,505,050	120,665,533	110,377,963
Increase (decrease) in net position before transfers	18,565,808	14,336,780	22,672,479	12,846,105	41,238,287	27,182,885
Transfers in (out)	1,322,273	(6,793,865)	(1,322,273)	6,793,865	-	-
Increase (decrease) in net position	19,888,081	7,542,915	21,350,206	19,639,970	41,238,287	27,182,885
Net position-beginning of year	164,244,822	156,701,907	126,296,341	106,656,371	290,541,163	263,358,278
Net position - end of year	\$ 184,132,903	\$ 164,244,822	\$ 147,646,547	\$ 126,296,341	\$ 331,779,450	\$ 290,541,163

Governmental Activities

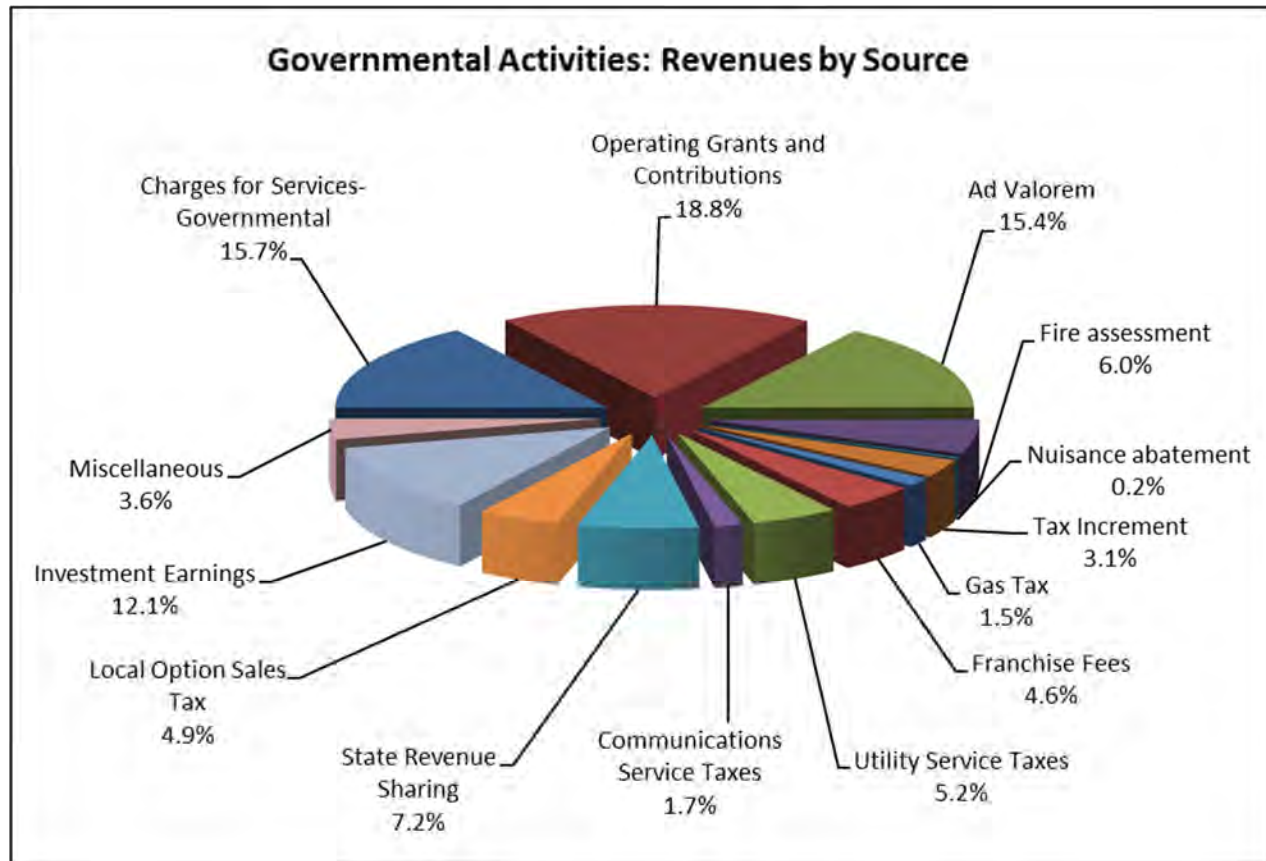
GASB Statement No. 34 reporting requires that functional expenses are matched with revenues that directly support the function. The bar chart below gives a clear indication of which functions are dependent on general revenues to support their operations. Public Safety, consisting of police and fire services, has the largest difference and is traditionally supported by taxes.



Expenses in the governmental activities are highest in the public safety category (40.8%) followed by general government (22.4%) and transportation (10.2%). Total governmental activity expenses increased by 12.5% (\$9,006,589) in fiscal year 2024. The largest dollar increase and decrease for expenses occurred in the Interest on Long Term Debt in the amount of \$7,729,708 and in the General Government category in the amount of 2,857,755, respectively. The overall governmental activities and interest on long term debt are mainly due to interest expenses on the Capital Improvement Revenue Note, Series 2023 issued August 2023.

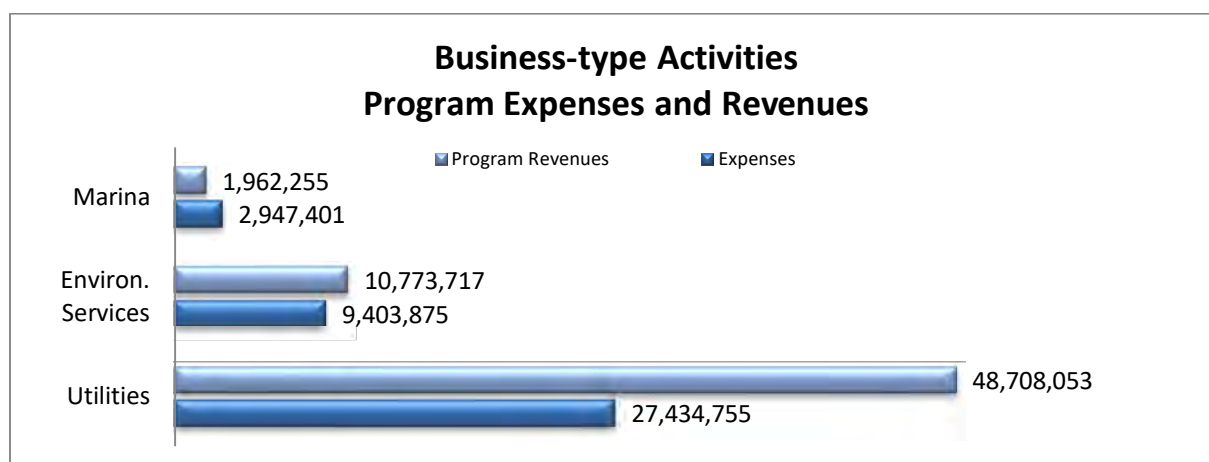


Revenues from governmental activities increased \$13,235,617 from fiscal year 2023. This increase is mainly due to the receipt of more grant reimbursements in fiscal year 2024. After operating grants and contributions (18.8%), charges for services (15.7%) is the second largest revenue source in governmental activities followed by ad valorem taxes (15.4%). Investment earnings increased from 5.0% in 2023 to 12.1% in 2024. Funds from the Capital Improvement Revenue Note, Series 2023 debt issuance are earning investment income.



Business-Type Activities

All funds that provide business-type activities for the City of Panama City charge fees to cover the cost of operations during the fiscal year. The chart below compares the amount of program revenues received for “charges for services” to the amount of program expenses for each of the three business-type activities during fiscal year 2024.



Total expenses for business-type activities increased 3.3% (\$1,280,981) in fiscal year 2024. Expenses for utility activities, environmental services, and marina activities had increases (decreases) of (0.8%), 12.5%, and 17.9% respectively. Combined business-type expenses, for the fiscal year ended September 30, 2024, were \$39,786,031. Charges for services are the major source of revenue (65.7%) for business-type activities. These charges represent \$41,004,164 of revenue dollars utilized by the City to provide utility, environmental services, and marina services to citizens and customers. Charges for services revenue increased 8.6% (\$3,243,357) from the prior year. Revenues from all business-type activities sources increased \$11,107,355 (21.6%) from fiscal year 2023 due in part to grant revenue. Continued growth in the city both residentially and commercially lead to increases in revenue and expenses in the Environmental Services fund. The Utility Fund revenue increased because of this growth. However, the Utility Fund had an overall decrease in expenses as result of fewer professional services used in 2024.



Financial Analysis of the City's Funds

Governmental Funds

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

Fund balances are the differences between assets and liabilities in a governmental fund. The non-spendable fund balance includes amounts that are not in spendable form (such as inventory), or amounts that are required to be maintained intact. Restricted fund balance includes amounts that can be spent only for the specific purposes that are stipulated by their providers, such as grant, bond, or higher levels of government.

Committed fund balance includes the portion of fund balance that can be used only for specific purposes that are internally imposed by the government. Pursuant to City Charter Article XIII, Section 127. The City Clerk and Collector must certify that funds are legally available to the City Commission prior to appropriation. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by the governing body or authorized official. Unassigned fund balance includes all amounts not contained in other classifications for the General Fund, and deficit fund balances in any other governmental fund.

The City of Panama City's coastal location places a risk of natural disaster which could severely impair its ability to continue operations or services following the impact of such an event. In addition, the City recognizes that fluctuations in the economy can affect the resources available from year to year. As a measure to provide economic stability for the City and enable continued long-term operations, the City established a committed fund balance which is subject to specified criteria as prescribed by the City Commission. Committed funds cannot be utilized for any purpose other than those established by the City Commission. Unassigned fund balance is maintained at a level sufficient to adequately provide for the annual operating expenditures of the City. Further information on fund balance can be found in the notes to the financial statements.

The *General fund* is the chief operating fund of the City of Panama City. On September 30, 2024, the total fund balance in the General Fund was \$12,439,254, of which \$1,495,854 was non-spendable, \$1,040,691 was assigned, and \$9,902,709 was unassigned. Compared to fiscal year 2023, the total fund balance decreased by \$10,485,135 (45.7%). This was due to an increase in capital outlay and transfers to other funds in 2024 resulting in expenses in excess of revenues.

General revenue increased \$3,526,998 (6.1%) in fiscal year 2024. Both Taxes and Licenses and Permits revenue increased from 2023 by \$1,859,169 (5.7%) and \$171,125 (1.3%), respectively. The increases were a result of higher property values and higher costs of goods resulting in more revenue collections. Investment Earnings, and Miscellaneous revenue increased while Intergovernmental and Charges for Services decreased for the fiscal year ended September 30, 2024. General Fund expenditures increased in fiscal year 2024 by \$2,743,586 (4.5%). The greatest dollar increase of all categories was in Capital Outlay which increased by 15.7% (\$843,251). This increase in 2024 was the result of the purchase of several police vehicles, a streetsweeper, and intangible assets. The next largest category increase was in Public Safety which increased 2.6% (\$749,703), resulting mainly from employee pay increases and additional staffing in the fire and police departments in 2024.

During fiscal year 2024, special revenue fund balances decreased by \$3,890,089. Increases or decreases in special revenue funds are typically indicative of funding changes as activities are identified, initiated, or completed. The greatest dollar change was a decrease of \$6,686,760 in the Hurricane Michael Fund, which is a major fund. This fund was created in fiscal year 2019 to account for the Hurricane Michael disaster. The fund balance decrease was the result of interfund transfers to close out multiple capital project funds related to Hurricane Michael repairs. The amounts in the Special Revenue Funds are restricted to accomplishing the various objectives of each specific program. The balance sheet and changes in fund balance for non-major special revenue funds can be found on pages 145-150.

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term principal and interest for the City's general bonded debt. Principal and interest payment obligation were met in a timely manner during the fiscal year. Payments for general bonded debt are funded by transfers from the City's General Fund. The balance sheet and changes in fund balance for non-major debt service funds can be found on pages 145-150.

The City utilizes two capital projects funds both of which are major funds. The Capital Projects Fund accounts for major governmental facilities projects funded by transfers from the General Fund or other City

funds, debt, and grants. Fund balance for the Capital Projects Fund decreased by \$2,428,426 to \$118,632,540 in 2024. The decrease is a result of paying the interest portion of the Capital Improvement Revenue Note, Series 2023. The Capital Projects Infrastructure Surtax Fund is used to account for capital infrastructure funded by debt proceeds received from pledged State of Florida infrastructure surtax revenue. The fund balance on September 30, 2024 for the Capital Projects Infrastructure Surtax Fund was (\$72,029) which is an increase of \$26,061 from fiscal year 2023. This fund balance increase was from interfund transfers in excess of capital outlay.

Proprietary Funds

Proprietary fund statements provide the same type of information found in the government-wide financial statements, but in greater detail. The proprietary funds are composed of the *enterprise funds* and the *internal services funds*. Enterprise funds are utilized to report activities for which a fee is charged to external users for goods or services. The City's three enterprise funds are the Utility Fund, the Environmental Services Fund, and the Marina Fund. These enterprise funds are supported primarily through user charges. All of the City's enterprise funds are classified as major funds. Internal service funds are designed to recover the internal costs of general services provided to other city departments. Internal service funds are, for the most part, supported through charges to other City funds.

The Utility Fund had a total net position of \$125,116,045 at fiscal year-end, an increase of \$21,416,818 over the prior fiscal year. Operating revenues increased \$2,348,801 in fiscal year 2024, and operating expenses decreased in the amount of \$339,797.

The Environmental Services Fund had a total net position of \$9,128,087 at the end of fiscal year 2024. Total net position increased by \$666,927. Operating revenues increased by \$1,034,676 and operating expenses increased \$972,664.

The Marina Fund had a total net position of \$11,979,930 in fiscal year 2024, which was a decrease of \$720,480 from the prior fiscal year. Operating revenues decreased by \$140,120 and operating expenses increased in the amount of \$442,739.

A comparison of the operating income for the most current and previous fiscal years for the City's enterprise funds is available in the following table.

		Operating Income (Loss)	
		2024	2023
Utility Fund	\$	1,450,802	\$ (1,237,796)
Environmental Service Fund		1,343,187	1,281,175
Marina Fund		<u>(984,792)</u>	<u>(401,933)</u>
Total	\$	<u>1,809,197</u>	<u>\$ (358,554)</u>

Both the Utility Fund and Environmental Services Fund had operating revenues exceed operating expenses before transfers. The Marina Fund incurred operating expenses in excess of operating revenues. Both of the marinas are not operating at full capacity as result of Hurricane Michael damage.

The individual internal service funds are reported on pages 163-166.

General Fund Budgetary Highlights

A budget to actual statement is provided for the General Fund on page 124. Columns for both the original budget, adopted for fiscal year 2024, as well as the final budget are presented. Estimated budgeted amounts are adjusted throughout the year to more closely reflect the actual final amounts that occur. Original budgeted revenues for fiscal year 2024 were \$58,431,027, while amended and final budgeted revenues were \$58,845,573 during the year. Actual revenues for fiscal year 2024 totaled \$61,020,562, which was \$2,174,989 more than the final budget. The revenue differences are primarily due to an increase in Ad Valorem taxes resulting from increased property values for fiscal year 2024 leading to increased taxes levied.

Original budgeted expenditures for fiscal year 2024 were \$58,537,667, amended in the amount of \$3,718,072 to a final fiscal year 2024 budget of \$62,255,739. Actual expenditures for fiscal year 2024 totaled \$64,203,101 which was \$1,947,362 more than the final budget. Expenditures for public safety, transportation, and human services had actual expenditures *less* than the final budget. The total amount carried forward from fiscal year 2023 budget to fiscal year 2024 budget was \$222,180. Overall, actual revenues were less than expenditures for fiscal year 2024.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities, as of September 30, 2024, was \$350,031,954 (net of accumulated depreciation). This is an increase of \$75,625,733 from fiscal year 2023. Investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, and drainage systems. Governmental activities accounted for \$167,188,216 and business-type activities \$182,843,738 of total capital assets of the City of Panama City on September 30, 2024. Capital assets held by the City at the end of the most current and previous fiscal years are summarized in the table on the next page.

City of Panama City, Florida Capital Assets (net of depreciation) Fiscal Years Ended September 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 23,857,213	\$ 23,833,294	\$ 2,227,361	\$ 1,827,361	\$ 26,084,574	\$ 25,660,655
Construction in Progress	74,486,047	54,256,016	79,835,387	42,031,572	154,321,434	96,287,588
Buildings	16,813,953	16,774,686	47,236,134	47,281,348	64,050,087	64,056,034
Improvements Other Than Buildings	10,878,716	11,396,582	49,400,893	40,080,964	60,279,609	51,477,546
Machinery and Equipment	10,478,031	7,533,063	4,138,583	5,020,815	14,616,614	12,553,878
Intangibles	20,255	42,621	2	2	20,257	42,623
Infrastructure	29,525,210	23,889,132			29,525,210	23,889,132
Right-to-use lease assets-equipment	809,452	177,487	5,378	8,102	814,830	185,589
Subscription ROU assets	319,339	253,176	0	0	319,339	253,176
Total	<u>\$ 167,188,216</u>	<u>\$ 138,156,057</u>	<u>\$ 182,843,738</u>	<u>\$ 136,250,164</u>	<u>\$ 350,031,954</u>	<u>\$ 274,406,221</u>

Additional information regarding the City's capital assets may be found in the notes to the financial statements beginning on page 56.

Debt Management

At the end of the fiscal year, the City had total bonded debt outstanding of \$229,686,467. The City's debt is unrated. Additional information regarding the activities of the City's bonded debt during fiscal year 2024 may be found in the notes to the financial statements beginning on page 61.

Outstanding Bonded Debt As Of September 30, 2024 and 2023

Governmental Activities		Business-type Activities		Total	
2024	2023	2024	2023	2024	2023
\$ 172,855,000	\$ 176,974,000	\$ 56,831,467	\$ 31,871,004	\$ 229,686,467	\$ 208,845,004

Economic Factors

The City of Panama City in 2024 had an increased unemployment rate of 3.4%.

Taxable property values in Panama City increased 14.8% from \$3,788,585,030 in 2023 to \$4,348,401,756 in 2024.

Hurricane Michael

The City has been and will continue to work with our consultants, Federal Emergency Management Agency (FEMA) and the State to rebuild and restore the City from the catastrophic destruction caused by Hurricane Michael on October 10, 2018. Along with FEMA and State funds, the City has secured numerous other funding sources to help in rebuilding the City.

This report was prepared by the Accounting Department of the City of Panama City under the direction of the City Clerk-Treasurer. Questions concerning this report or requests for additional information should be addressed to Janette Smith, City Clerk-Treasurer, 501 Harrison Avenue, Panama City, Florida 32401.



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BASIC FINANCIAL STATEMENTS

THIS SUBSECTION CONTAINS THE FOLLOWING:

- GOVERNMENT-WIDE FINANCIAL STATEMENTS
- FUND FINANCIAL STATEMENTS
- NOTES TO FINANCIAL STATEMENTS



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CITY OF PANAMA CITY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Panama City Downtown Improvement Board	Panama City Port Authority
ASSETS					
Cash and cash equivalents	\$ 75,083,155	\$ 10,392,291	\$ 85,475,446	\$ 212,792	\$ 3,419,860
Investments	120,487,398	1,437,948	121,925,346		
Receivables, net:					
Accounts	2,506,927	5,280,155	7,787,082		2,630,605
Accrued interest	984,163		984,163		
Assessments		35,091	35,091		
Leases receivable	1,955,676		1,955,676		8,020,130
Internal balances	(1,863,129)	1,863,129			
Prepaid items	1,399,652	2,218	1,401,870	2,124	1,180,468
Due from other governmental entities	15,996,289	7,842,158	23,838,447		
Inventories	5,098,050	869,121	5,967,171		
Restricted assets:					
Cash and cash equivalents		8,927,826	8,927,826		
Notes receivable	9,543,259		9,543,259		
Capital assets:					
Non-depreciable	98,343,260	82,062,748	180,406,008	424,999	36,043,934
Depreciable (net)	68,844,956	100,780,990	169,625,946	4,011	124,618,146
Total assets	398,379,656	219,493,675	617,873,331	643,926	175,913,143
DEFERRED OUTFLOWS OF RESOURCES					
Outflows from hedging					26,068
OPEB related outflows	1,692,521	594,669	2,287,190		785
Pension related outflows	15,732,487	231,956	15,964,443		28,369
Total deferred outflows of resources	17,425,008	826,625	18,251,633		55,222
LIABILITIES					
Accounts payable	6,986,148	10,209,604	17,195,752	10,518	286,542
Accrued salaries	1,008,141	340,511	1,348,652	4,338	
Accrued taxes payable		2,803	2,803		
Unearned revenue	1,650,188		1,650,188		
Deposits	21,286		21,286		
Accrued interest payable		302,263	302,263		
Accrued other liabilities	351,929		351,929		223,185
Noncurrent liabilities:					
Due within one year:					
Claims and judgments					12,657
Compensated absences	520,802	147,554	668,356		27,407
Bonds, notes, leases, and loans payable	4,233,315	1,754,000	5,987,315		1,686,157
Lease liability	171,824	2,848	174,672		9,058
Subscription liability	124,854		124,854		
Finance purchase liability	1,233,514	35,744	1,269,258		
Due in more than one year:					
Deposits		1,671,801	1,671,801		
Claims and judgments					338,541
Compensated absences	1,587,145	442,662	2,029,807		82,220
OPEB liability	3,272,922	1,149,920	4,422,842		187,934
Bonds, notes, leases, and loans payable	168,594,069	55,077,467	223,671,536		18,297,627
Net pension liability	33,601,933	621,478	34,223,411		86,976
Lease liability	567,461	2,633	570,094		538,052
Subscription liability	105,286		105,286		
Finance purchase liability	2,463,067	71,683	2,534,750		
Interest rate swap agreement (net)					26,068
Total liabilities	226,493,884	71,832,971	298,326,855	14,856	21,802,424
DEFERRED INFLOWS OF RESOURCES					
OPEB related inflows	1,657,186	582,254	2,239,440		147,483
Lease related inflows	1,614,741		1,614,741		7,637,810
Pension related inflows	1,905,950	258,528	2,164,478		82,847
Total deferred inflows of resources	5,177,877	840,782	6,018,659		7,868,140
NET POSITION					
Net investment in capital assets	103,213,026	123,283,878	226,496,904	429,010	140,127,828
Restricted for:					
Housing and Urban Development	17,119,495		17,119,495		
Infrastructure	8,110,209		8,110,209		
Debt Service	4,409,811		4,409,811		
Self-insurance	7,286,811		7,286,811		
Community Redevelopment	2,762,038		2,762,038		
Purposes designated by the Not-For-Profit	1,539,991		1,539,991		
Disaster Relief	53,732		53,732		
Unrestricted	39,637,790	24,362,669	64,000,459	200,060	6,169,973
Total net position	\$ 184,132,903	\$ 147,646,547	\$ 331,779,450	\$ 629,070	\$ 146,297,801

See the accompanying notes.

**CITY OF PANAMA CITY, FLORIDA
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2024**

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 18,142,392	\$ 13,580,742	\$ 13,062,317	
Public safety	32,985,229	1,542,610	3,179,407	
Transportation	8,262,187	489		
Economic environment	6,282,288	19,796	2,431,027	\$ 100,000
Culture and recreation	5,553,477	423,248		
Human services	191,885			
Interest on long-term debt	9,462,044			
Total governmental activities	80,879,502	15,566,885	18,672,751	100,000
Business-type activities:				
Utilities	27,434,755	28,268,192	19,080,172	1,359,689
Environmental Services	9,403,875	10,773,717		
Marina	2,947,401	1,962,255		
Total business-type activities	39,786,031	41,004,164	19,080,172	1,359,689
Total primary government	\$ 120,665,533	\$ 56,571,049	\$ 37,752,923	\$ 1,459,689
Component units:				
Panama City Downtown Improvement Board	\$ 293,537	\$ (22,000)	\$ -	\$ -
Panama City Port Authority	23,290,000	18,401,464	798,690	201,005
Total component units	\$ 23,583,537	\$ 18,379,464	\$ 798,690	\$ 201,005
General revenues:				
Taxes:				
Ad valorem taxes				
Fire assessment				
Nuisance abatement				
Tax Increment Ad valorem taxes				
Local option gasoline tax				
Franchise fees based on gross receipts				
Utility service tax				
Communications service tax				
Local option sales tax				
Unrestricted state revenue sharing				
Unrestricted investment earnings				
Lease interest income				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning of year				
Net position - end of year				

See the accompanying notes.

**Net (Expense) Revenue and
Changes in Net Position**

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Panama City Downtown Improvement Board	Panama City Port Authority
\$ 8,500,667		\$ 8,500,667		
(28,263,212)		(28,263,212)		
(8,261,698)		(8,261,698)		
(3,731,465)		(3,731,465)		
(5,130,229)		(5,130,229)		
(191,885)		(191,885)		
(9,462,044)		(9,462,044)		
(46,539,866)		(46,539,866)		
	\$ 21,273,298	21,273,298		
	1,369,842	1,369,842		
	(985,146)	(985,146)		
	21,657,994	21,657,994		
(46,539,866)	21,657,994	(24,881,872)		
			\$ (315,537)	\$ -
			(315,537)	(3,888,841)
				(3,888,841)
15,328,456		15,328,456	204,841	
5,994,496		5,994,496		
226,508		226,508		
3,078,052		3,078,052		
1,519,436		1,519,436		
4,602,894		4,602,894		
5,125,589		5,125,589		
1,642,311		1,642,311		
4,851,807		4,851,807		
7,117,399		7,117,399		
12,061,439	1,010,238	13,071,677	9,410	135,619
				253,477
3,557,287	4,247	3,561,534	3,955	3,107
1,322,273	(1,322,273)			
66,427,947	(307,788)	66,120,159	218,206	392,203
19,888,081	21,350,206	41,238,287	(97,331)	(3,496,638)
164,244,822	126,296,341	290,541,163	726,401	149,794,439
\$ 184,132,903	\$ 147,646,547	\$ 331,779,450	\$ 629,070	\$ 146,297,801

See the accompanying notes.

**CITY OF PANAMA CITY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

	General	Hurricane Michael	Capital Projects
ASSETS			
Cash and cash equivalents	\$ 6,451,986	\$ 6,130,556	\$ 33,724,747
Investments		27,765,583	92,721,815
Receivables, net:			
Accounts	1,025,391		1,229,692
Accrued interest			984,163
Lease asset receivable	1,832,893		
Due from other funds	7,853,365	4,334,817	
Due from other governmental entities	13,018	2,239,357	11,293,644
Prepaid items	1,356,802		
Inventories	139,052		
Notes receivable			
Total assets	\$ 18,672,507	\$ 40,470,313	\$ 139,954,061
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,284,273	\$ -	\$ 2,410,799
Due to other funds	1,045,501		9,997,797
Unearned revenue	64,899		773,853
Accrued salaries	960,814		
Accrued other liabilities	350,412		
Deposits	21,286		
Total liabilities	4,727,185		13,182,449
Deferred inflows of resources:			
Deferred inflows of resources-grants	13,018	2,239,357	8,139,072
Deferred inflows of resources-lease revenue	1,493,050		
Total deferred inflows of resources	1,506,068	2,239,357	8,139,072
Fund balances:			
Non-spendable			
Inventory	139,052		
Prepaid items	1,356,802		
Restricted for:			
Housing and Urban Development			
Infrastructure			
Community Redevelopment			
Debt Service			
Purposes designated by the Not-For Profit			
Disaster Relief			
Committed			
Disaster/Emergency reserve		38,230,956	
Assigned	1,040,691		118,632,540
Unassigned	9,902,709		
Total fund balances	12,439,254	38,230,956	118,632,540
Total liabilities and fund balances	\$ 18,672,507	\$ 40,470,313	\$ 139,954,061

See the accompanying notes.

Capital Projects Infrastructure Surtax	Non-Major Other Governmental Funds	Total Governmental Funds
\$ 87,340	\$ 19,926,919	\$ 66,321,548
		120,487,398
	251,844	2,506,927
		984,163
	122,783	1,955,676
	60,009	12,248,191
	2,447,136	15,993,155
	4,869	1,361,671
	4,755,109	4,894,161
	9,543,259	9,543,259
<u>\$ 87,340</u>	<u>\$ 37,111,928</u>	<u>\$ 236,296,149</u>
\$ 159,369	\$ 475,692	\$ 5,330,133
	1,640,157	12,683,455
	811,436	1,650,188
	20,306	981,120
	1,517	351,929
		21,286
<u>159,369</u>	<u>2,949,108</u>	<u>21,018,111</u>
	655,650	11,047,097
	121,691	1,614,741
	<u>777,341</u>	<u>12,661,838</u>
	4,755,109	4,894,161
	4,869	1,361,671
	12,542,294	12,542,294
	8,110,209	8,110,209
	2,457,570	2,457,570
	4,409,811	4,409,811
	1,539,991	1,539,991
	53,732	53,732
		38,230,956
		119,673,231
(72,029)	(488,106)	9,342,574
<u>(72,029)</u>	<u>33,385,479</u>	<u>202,616,200</u>
<u>\$ 87,340</u>	<u>\$ 37,111,928</u>	<u>\$ 236,296,149</u>

See the accompanying notes.

CITY OF PANAMA CITY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2024

Total governmental fund balances	\$ 202,616,200
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Amounts reported for governmental activities in the statement of net position
are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	167,132,880
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Deferred outflows for pension related items.	15,732,487
Deferred outflows for OPEB related items.	1,692,521
Deferred inflows for pension related items.	(1,905,950)
Deferred inflows for OPEB related items.	(1,657,186)
Deferred inflows of resources.	11,047,097

Internal service funds are used by management to charge the costs of certain activities, such as insurance and equipment maintenance, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	5,831,153
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Long-term liabilities, including bonds payable, are not due and payable in the current
period and, therefore, are not reported in the funds.

Governmental long-term debt	(177,486,692)
Compensated absences	(2,083,208)
Net pension liability	(33,601,933)
Net OPEB liability	(3,184,466)

Net position of governmental activities	<u>\$ 184,132,903</u>
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See the accompanying notes.



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CITY OF PANAMA CITY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>General</u>	<u>Hurricane Michael</u>	<u>Capital Projects</u>
REVENUES			
Taxes	\$ 34,439,691	\$ -	\$ -
Licenses and permits	13,057,674		
Intergovernmental	8,222,334	373,278	7,938,935
Charges for services	1,468,995		
Investment earnings	1,847,828	1,832,539	7,124,626
Miscellaneous	1,984,040		305,850
Total revenues	<u>61,020,562</u>	<u>2,205,817</u>	<u>15,369,411</u>
EXPENDITURES			
Current:			
General government	13,968,926	103	1,296,221
Public safety	29,648,976		
Transportation	5,680,928		8,840
Economic environment	1,691,751		12,315
Human services	191,885		
Culture and recreation	4,905,108		6,108
Debt service:			
Principal	1,737,317		
Interest and other charges	178,364		8,924,000
Capital outlay	6,199,846		25,007,006
Total expenditures	<u>64,203,101</u>	<u>103</u>	<u>35,254,490</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,182,539)</u>	<u>2,205,714</u>	<u>(19,885,079)</u>
OTHER FINANCING SOURCES (USES)			
Insurance proceeds	250,855		
Issuance of long-term debt	907,394		
Capital contributions			
Issuance of debt for leases and SBITA	774,641		
Transfers in	2,466,201		17,456,653
Transfers out	(11,701,687)	(8,892,474)	
Total other financing sources (uses)	<u>(7,302,596)</u>	<u>(8,892,474)</u>	<u>17,456,653</u>
Net change in fund balances	(10,485,135)	(6,686,760)	(2,428,426)
Fund Balances:			
Beginning of year	<u>22,924,389</u>	<u>44,917,716</u>	<u>121,060,966</u>
End of year	<u>\$ 12,439,254</u>	<u>\$ 38,230,956</u>	<u>\$ 118,632,540</u>

See the accompanying notes.

Capital Projects Infrastructure Surtax	Non-Major Other Governmental Funds	Total Governmental Funds
\$ -	\$ 4,851,807	\$ 39,291,498
		13,057,674
	8,688,486	25,223,033
		1,468,995
	1,256,446	12,061,439
	932,027	3,221,917
	15,728,766	94,324,556
		15,265,250
		29,648,976
		5,689,768
	4,592,729	6,296,795
		191,885
		4,911,216
	4,182,230	5,919,547
	357,080	9,459,444
1,910,304	3,840,175	36,957,331
1,910,304	12,972,214	114,340,212
(1,910,304)	2,756,552	(20,015,656)
	19,796	270,651
		907,394
	100,000	100,000
	309,251	1,083,892
2,519,272	5,533,287	27,975,413
(582,907)	(5,469,404)	(26,646,472)
1,936,365	492,930	3,690,878
26,061	3,249,482	(16,324,778)
(98,090)	30,135,997	218,940,978
\$ (72,029)	\$ 33,385,479	\$ 202,616,200

See the accompanying notes.

**CITY OF PANAMA CITY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Net change in fund balances - total governmental funds **\$ (16,324,778)**

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 allocated over their estimated useful lives as depreciation expense.

Expenditures for capital assets	36,957,331	
Less current year depreciation	<u>(7,870,180)</u>	29,087,151

The net effect of various miscellaneous transactions involving capital assets (e.g. sales, trade-ins, donations) is to decrease net position. (31,629)

Revenues in the statement of activities that do not provide current financial resources are deferred as revenues in the funds. (2,666,319)

The governmental funds consider grant revenues available if collected for up to one year and expenditures have occurred. Revenue reported during the period related to prior periods. 7,416,423

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 3,925,661

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued compensated absences		88,073
Employer pension related costs		(1,342,795)
Other post employment benefits (OPEB) cost		(211,662)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and equipment maintenance, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. (52,044)

Change in net position of governmental activities **\$ 19,888,081**

See the accompanying notes.

**CITY OF PANAMA CITY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utilities	Environmental Services	Marina	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 3,005,793	\$ 5,261,536	\$ 2,124,962	\$ 10,392,291	\$ 8,761,607
Investments		1,437,948		1,437,948	
Due from other governmental entities	7,842,158			7,842,158	3,134
Due from other funds	2,058,313	194,515		2,252,828	
Receivables, net:					
Accounts	3,772,851	1,506,460	844	5,280,155	
Assessments		35,091		35,091	
Inventories	772,193		96,928	869,121	203,889
Prepaid items	2,218			2,218	37,981
Total current assets	<u>17,453,526</u>	<u>8,435,550</u>	<u>2,222,734</u>	<u>28,111,810</u>	<u>9,006,611</u>
Noncurrent assets:					
Restricted cash and cash equivalents:					
Impact fee account	8,927,826			8,927,826	
Capital assets:					
Capital assets, non-depreciable	78,631,166	598,675	2,832,907	82,062,748	
Capital assets, net of accumulated depreciation	<u>91,294,156</u>	<u>2,193,273</u>	<u>7,293,561</u>	<u>100,780,990</u>	<u>55,337</u>
Total noncurrent assets	<u>178,853,148</u>	<u>2,791,948</u>	<u>10,126,468</u>	<u>191,771,564</u>	<u>55,337</u>
Total assets	<u>196,306,674</u>	<u>11,227,498</u>	<u>12,349,202</u>	<u>219,883,374</u>	<u>9,061,948</u>
DEFERRED OUTFLOWS OF RESOURCES					
OPEB related outflows	372,812	169,252	52,605	594,669	45,744
Pension related outflows	<u>170,324</u>	<u>10,791</u>	<u>50,841</u>	<u>231,956</u>	
Total deferred outflows of resources	<u>543,136</u>	<u>180,043</u>	<u>103,446</u>	<u>826,625</u>	<u>45,744</u>
LIABILITIES					
Current liabilities:					
Accounts payable	9,769,968	205,496	234,140	10,209,604	1,656,017
Due to other funds	1,441,117	371,022	45	1,812,184	5,380
Accrued salaries	239,709	89,763	11,039	340,511	27,021
Compensated absences	90,608	49,951	6,995	147,554	
Accrued taxes payable			2,803	2,803	
Current portion of bonds, notes, and loans payable	1,754,000			1,754,000	
Accrued interest payable	302,263			302,263	
Lease liabilities	2,848			2,848	
Finance purchase liability	<u>17,926</u>	<u>17,818</u>		<u>35,744</u>	<u>2,104</u>
Total current liabilities	<u>13,618,439</u>	<u>734,050</u>	<u>255,022</u>	<u>14,607,511</u>	<u>1,690,522</u>
Noncurrent liabilities:					
Compensated absences	271,824	149,853	20,985	442,662	24,740
Net OPEB liability	720,904	327,291	101,725	1,149,920	88,456
Deposits	901,528	770,273		1,671,801	
Bonds, notes, and loans payable	55,077,467			55,077,467	
Lease liabilities	2,633			2,633	
Finance purchase liability	37,752	33,931		71,683	4,594
Net pension liability	<u>546,567</u>	<u>51,741</u>	<u>23,170</u>	<u>621,478</u>	
Total noncurrent liabilities	<u>57,558,675</u>	<u>1,333,089</u>	<u>145,880</u>	<u>59,037,644</u>	<u>117,790</u>
Total liabilities	<u>71,177,114</u>	<u>2,067,139</u>	<u>400,902</u>	<u>73,645,155</u>	<u>1,808,312</u>
DEFERRED INFLOWS OF RESOURCES					
OPEB related inflows	365,029	165,718	51,507	582,254	44,789
Pension related inflows	<u>191,622</u>	<u>46,597</u>	<u>20,309</u>	<u>258,528</u>	
Total deferred inflows of resources	<u>556,651</u>	<u>212,315</u>	<u>71,816</u>	<u>840,782</u>	<u>44,789</u>
NET POSITION					
Net investment in capital assets	110,417,211	2,740,199	10,126,468	123,283,878	48,639
Restricted for:					
Claims					7,286,811
Unrestricted	<u>14,698,834</u>	<u>6,387,888</u>	<u>1,853,462</u>	<u>22,940,184</u>	<u>(80,859)</u>
Total net position	<u>\$ 125,116,045</u>	<u>\$ 9,128,087</u>	<u>\$ 11,979,930</u>	<u>146,224,062</u>	<u>\$ 7,254,591</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				1,422,485	
Net position of business-type activities				<u>\$ 147,646,547</u>	

See the accompanying notes.

CITY OF PANAMA CITY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utilities	Environmental Services	Marina	Totals	
Operating revenues:					
Charges for services	\$ 27,469,988	\$ 10,758,615	\$ 1,822,811	\$ 40,051,414	\$ 2,369,145
Connection and hydrant fees	708,121			708,121	
Contributions					9,459,155
Miscellaneous	90,083	15,102	139,444	244,629	48,819
Total operating revenues	<u>28,268,192</u>	<u>10,773,717</u>	<u>1,962,255</u>	<u>41,004,164</u>	<u>11,877,119</u>
Operating expenses:					
Personnel services	8,023,475	3,160,425	378,360	11,562,260	919,756
Operating expenses	14,091,537	5,061,266	2,349,445	21,502,248	3,202,369
Insurance claims and expenses					7,789,931
Depreciation	4,702,378	1,208,839	219,242	6,130,459	27,863
Total operating expenses	<u>26,817,390</u>	<u>9,430,530</u>	<u>2,947,047</u>	<u>39,194,967</u>	<u>11,939,919</u>
Operating income (loss)	<u>1,450,802</u>	<u>1,343,187</u>	<u>(984,792)</u>	<u>1,809,197</u>	<u>(62,800)</u>
Nonoperating revenues (expenses):					
Investment earnings (loss)	423,565	497,871	88,802	1,010,238	
Grant	19,080,172			19,080,172	
Interest expense	(608,386)	(1,827)		(610,213)	
Scrap sales	205	4,042		4,247	4,362
Gain (loss) on disposal of asset	1,809	30,400		32,209	
Total nonoperating revenues (expenses)	<u>18,897,365</u>	<u>530,486</u>	<u>88,802</u>	<u>19,516,653</u>	<u>4,362</u>
Income (loss) before contributions and transfers	<u>20,348,167</u>	<u>1,873,673</u>	<u>(895,990)</u>	<u>21,325,850</u>	<u>(58,438)</u>
Contributions and transfers:					
Capital contributions	1,359,689			1,359,689	
Transfers in	829,403		450,000	1,279,403	
Transfers out	(1,120,441)	(1,206,746)	(274,490)	(2,601,677)	(6,667)
Total contributions and transfers	<u>1,068,651</u>	<u>(1,206,746)</u>	<u>175,510</u>	<u>37,415</u>	<u>(6,667)</u>
Change in net position	<u>21,416,818</u>	<u>666,927</u>	<u>(720,480)</u>	<u>21,363,265</u>	<u>(65,105)</u>
Net position - beginning of year	<u>103,699,227</u>	<u>8,461,160</u>	<u>12,700,410</u>	<u>124,860,797</u>	<u>7,319,696</u>
Net position - end of year	<u>\$ 125,116,045</u>	<u>\$ 9,128,087</u>	<u>\$ 11,979,930</u>	<u>\$ 146,224,062</u>	<u>\$ 7,254,591</u>
Change in net position				21,363,265	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(13,059)	
Change in net position of business-type activities				<u>\$ 21,350,206</u>	

See the accompanying notes.



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CITY OF PANAMA CITY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utilities	Environmental Services	Marina	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 35,202,373	\$ 10,556,188	\$ 2,851,689	\$ 48,610,250	\$ 2,464,049
Payments to suppliers	(20,833,264)	(4,996,870)	(3,130,502)	(28,960,636)	(1,509,706)
Payments to employees	(7,961,324)	(3,151,290)	(365,994)	(11,478,608)	(913,317)
Internal activity-payments (to) from other funds	(556,653)	(30,000)	(1,200)	(587,853)	
Cash received for insurance contributions					9,509,156
Cash paid for insurance claims					(9,443,933)
Net cash provided by (used in) operating activities	<u>5,851,132</u>	<u>2,378,028</u>	<u>(646,007)</u>	<u>7,583,153</u>	<u>106,249</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants	19,080,172			19,080,172	
Transfers in	829,403		450,000	1,279,403	
Transfers out	(1,120,441)	(1,206,746)	(274,490)	(2,601,677)	(6,667)
Net cash provided by (used in) noncapital financing activities	<u>18,789,134</u>	<u>(1,206,746)</u>	<u>175,510</u>	<u>17,757,898</u>	<u>(6,667)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(51,628,615)		(1,131,831)	(52,760,446)	
Proceeds from disposition of capital assets	38,428	34,441		72,869	10,622
Principal paid on long term debt	(19,863)	(19,742)		(39,605)	(2,332)
Principal paid on long term leases	(5,243)			(5,243)	
Interest and other debt service costs paid on capital debt	(608,386)	(1,827)		(610,213)	
Proceeds from State Revolving Funds	24,960,463			24,960,463	
Capital contributions	1,359,689			1,359,689	
Net cash provided by (used in) capital and related financing activities	<u>(25,903,527)</u>	<u>12,872</u>	<u>(1,131,831)</u>	<u>(27,022,486)</u>	<u>8,290</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from maturity of investments		1,349,611		1,349,611	
Purchase of investment securities		(1,437,948)		(1,437,948)	
Interest and dividends	423,565	497,871	88,802	1,010,238	
Net cash provided by (used in) investing activities	<u>423,565</u>	<u>409,534</u>	<u>88,802</u>	<u>921,901</u>	
Net increase (decrease) in cash and cash equivalents	<u>(839,696)</u>	<u>1,593,688</u>	<u>(1,513,526)</u>	<u>(759,534)</u>	<u>107,872</u>
Cash and cash equivalents:					
Balances - beginning of year	<u>12,773,315</u>	<u>3,667,848</u>	<u>3,638,488</u>	<u>20,079,651</u>	<u>8,653,735</u>
Balances - end of year	<u>\$ 11,933,619</u>	<u>\$ 5,261,536</u>	<u>\$ 2,124,962</u>	<u>\$ 19,320,117</u>	<u>\$ 8,761,607</u>

See the accompanying notes.

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Utilities	Environmental Services	Marina	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,450,802	\$ 1,343,187	\$ (984,792)	\$ 1,809,197	\$ (62,800)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	4,702,378	1,208,839	219,242	6,130,459	27,863
Change in assets and liabilities:					
Receivables, net	(388,079)	(210,213)	54,468	(543,824)	50,000
Due from other funds	7,956,871		863,136	8,820,007	
Due from other governmental entities			21,843	21,843	46,085
Prepaid items	(911)			(911)	(37,979)
Deferred outflows of resources	29,591	15,552	1,429	46,572	1,242
Inventories	100,368		31,772	132,140	74,158
Accounts payable	1,264,761	34,396	49,113	1,348,270	96,000
Accrued salaries	67,184	25,676	2,240	95,100	7,221
Accrued interest payable	302,263			302,263	
Accrued taxes payable			(237)	(237)	
Compensated absences	13,528	(878)	3,363	16,013	(6,661)
Due to other funds	(8,964,861)		(863,142)	(9,828,003)	(93,517)
Deposits	(60,257)	(7,318)		(67,575)	
Net pension liability	(168,737)	(94,966)		(263,703)	
Deferred inflows of resources	189,968	95,252	15,123	300,343	13,150
Net OPEB liability	(69,383)	(31,499)	(9,790)	(110,672)	(8,513)
Unearned revenue	(574,354)		(49,775)	(624,129)	
Net cash provided by (used in) operating activities	<u>\$ 5,851,132</u>	<u>\$ 2,378,028</u>	<u>\$ (646,007)</u>	<u>\$ 7,583,153</u>	<u>\$ 106,249</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position:					
Cash and cash equivalents	\$ 3,005,793	\$ 5,261,536	\$ 2,124,962	\$ 10,392,291	\$ 8,761,607
Restricted cash and cash equivalents:					
Impact fee account	8,927,826			8,927,826	
Total cash and cash equivalents	<u>\$ 11,933,619</u>	<u>\$ 5,261,536</u>	<u>\$ 2,124,962</u>	<u>\$ 19,320,117</u>	<u>\$ 8,761,607</u>

See the accompanying notes.

CITY OF PANAMA CITY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2024

	Pension Funds
ASSETS	
Cash and cash equivalents	\$ 2,426,773
Investments:	
Common stock	5,987,565
Corporate bonds and notes	5,133,071
Mutual funds	66,834,356
Pooled/common/commingled funds	21,242,700
Total investments	99,197,692
Accounts receivable	181,134
Total assets	101,805,599
LIABILITIES	
Accounts payable	112,221
NET POSITION	
Restricted for pension benefits	\$ 101,693,378

See the accompanying notes.

CITY OF PANAMA CITY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Pension Funds
ADDITIONS	
Contributions:	
Employer	\$ 4,735,617
State	974,445
Plan members	1,167,154
Total contributions	<u>6,877,216</u>
Investment earnings:	
Net appreciation (depreciation) in fair value of investments	14,909,361
Interest	2,454,409
Total investment earnings	<u>17,363,770</u>
Less investment expense	<u>(287,802)</u>
Net investment earnings (losses)	<u>17,075,968</u>
Total additions (deletions)	<u>23,953,184</u>
DEDUCTIONS	
Benefits	7,065,059
Refunds of member contributions	240,196
Administrative expenses	154,127
Total deductions	<u>7,459,382</u>
Change in net position	16,493,802
Net Position Restricted for Pension Benefits:	
Beginning of year	<u>85,199,576</u>
End of year	<u><u>\$ 101,693,378</u></u>

See the accompanying notes.



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CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Panama City, Florida was created in 1925 by a Special Act, Chapter 11678, No. 343 of the Florida State Legislature. The City was incorporated March 12, 1926, and is a political subdivision of the State of Florida. The City provides police and fire protection, general government, parks and recreation, health and social services, and public works services to its residents. In addition, the City operates water and sewer, environmental services, and marina enterprises. It also maintains various trust funds in a fiduciary capacity.

The financial statements presented in this report conform to the reporting requirements of the Governmental Accounting Standards Board (GASB), which established combined statements at the required reporting level for governmental entities that present financial statements in accordance with generally accepted accounting principles.

The significant accounting policies of the City are described below.

Reporting Entity

The City is a Florida municipal corporation with a five-member City Commission comprised of the Mayor (elected at large) and four ward Commissioners. In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may or may not be financially accountable and, as such, be includable within the City's financial statements. The following criteria are considered in concluding which related activities (component units) should be included in the City's combined financial statements:

- Financial accountability;
- Appointment of a voting majority;
- Imposition of will;
- Financial benefit to or burden on a primary government; and
- Financial accountability as a result of fiscal dependency.

The accompanying combined financial statements include all funds, boards, and authorities for which the City is financially accountable or for which the nature and significance of their relationship with the City is such that exclusion would cause the City's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the City's operation. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended Component Units

The following component units were included, by blended presentation for 2024, based on the criteria noted above:

- Panama City Community Redevelopment Agency
- Panama City Florida Hurricane Disaster Relief Fund, Inc.

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Panama City Community Redevelopment Agency (CRA) - the City Commission serves as the CRA board. Although legally separate, the CRA is blended as a governmental fund component unit into the primary government because the structure of the CRA meets the GASB Statement 80 criteria for blending. The criteria assessed and determined to result in blending are: (a) the boards of the CRA and the City are the same, and (b) Management of the City has operational responsibility for the CRA.

On November 22, 1983, the City adopted ordinance No. 1153 designating the Panama City Downtown Improvement Board as the Community Redevelopment Agency pursuant to Florida Statute 163.357(3). On September 12, 2006, the City restructured the Panama City Community Redevelopment Agency by adopting ordinance No. 2216 pursuant to Section 163.357, Florida Statutes. Four community redevelopment areas have been established for which separate trust funds have been opened. The Downtown CRA District was recently extended for an additional 20 years by action of the City Commission under the provisions of FS Chapter 163 part III. Ordinance No. 2488 and 2489 were adopted on March 12, 2013 and may be found in the public records of the City and CRA. The St. Andrews Redevelopment Area was established to finance projects in the St. Andrews region of Panama City. The Downtown North Redevelopment Area was established to finance projects in the Downtown North region of Panama City. The Millville Redevelopment Area was established to finance projects in the Millville region of Panama City. As of October 1, 2009, the CRA began operating as a special revenue fund of the City of Panama City, blended component unit.

On November 13, 2018, the City Commissioners moved to approve the establishment of the Panama City Florida Hurricane Disaster Relief Fund, Inc. (Relief Fund). The City Commission serves as the Relief Fund board. Although legally separate, the Relief Fund is blended as a governmental fund component unit into the primary government because the structure of the Relief Fund meets the GASB Statement 80 criteria for blending. The criteria assessed and determined to result in blending are: (a) the boards of the Relief Fund and the City are the same, and (b) Management of the City has operational responsibility for the Relief Fund.

The Relief Fund was incorporated on November 13, 2018 for the following purposes: (a) to provide funds to assist in paying for hurricane disaster related expenses incurred by the City that are not reimbursed by FEMA or any other private insurance, (b) to provide funds to reinvest or improve the infrastructure, programming and quality of life in the City for the benefit of the citizens, (c) to serve the needs of the City employees by providing hurricane disaster relief, and (d) for any and all other lawful not-for-profit purposes and other permitted charitable purposes.

Complete financial statements of the individual component units can be obtained directly from their administrative offices.

Administrative Offices:

Panama City Community
Redevelopment Agency
501 Harrison Avenue
Panama City, Florida 32401

Panama City Florida Hurricane Disaster
Relief Fund, Inc.
501 Harrison Avenue
Panama City, Florida 32401

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Discretely Presented Component Units

The following component units were included, by discrete presentation for 2024, based upon the criteria noted above:

- Panama City Downtown Improvement Board
- Panama City Port Authority

Governmental Fund Type

Panama City Downtown Improvement Board. The Panama City Downtown Improvement Board was incorporated on July 5, 1974, by House Bill No. 4094 enacted by the legislature of the State of Florida. This act provided for the establishment of a special taxing district under Article VII, Section 9 of the Florida Constitution. The members of the governing board of the Panama City Downtown Improvement Board are appointed by the City Commission. The City also has the authority to levy ad valorem taxes of up to 3 mills for Downtown Improvement Board District operations.

Proprietary Fund Type

Panama City Port Authority. The Panama City Port Authority is a Dependent Special District created under Special Act 1945, Chapter 23466. The members of the governing board of the Port Authority are appointed by the City Commission. Operational and capital budgets of the Port Authority must be approved by the City Commission.

Complete financial statements of the individual component units can be obtained directly from their administrative offices.

Administrative Offices:

Panama City Downtown Improvement Board
P O Box 247
Panama City, Florida 32402

Panama City Port Authority
One Seaport Drive
Panama City, Florida 32401

GASB requires reasonable separation between the Primary Government and its discretely presented component units, both in the financial statements and in the related notes and required supplementary information. Because the discretely presented component units, although legally separate, have been and are operated as if each is part of the primary government, there are limited instances where special note reference or separation will be required. If no separate note reference or categorization is made, the user should assume that information presented for the Primary Government is equally applicable to the component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary 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 revenue 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 considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of grant revenues which are considered available if expected to be collected within one year 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. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

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

The *Hurricane Michael Fund* is a special revenue fund used to account for financial resources of the general government that relate to Hurricane Michael including grants and insurance proceeds.

The *Capital Projects Fund* is used to account for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

The *Capital Projects Infrastructure Surtax Fund* is used to account for capital improvements to the City's infrastructure funded by debt proceeds received from pledged local option infrastructure surtax revenue.

The government reports the following major proprietary funds:

The *Utility Fund* is used to account for activities related to retail utility operations.

The *Environmental Services Fund* is used to account for activities related to retail solid waste operations.

The *Marina Fund* is used to account for activities related to retail marina operations.

Additionally, the government reports the following non-major funds:

Special revenue funds account for revenues received from Federal, State, and local granting agencies, restricted funding sources such as Tax Increment Financing and surtax revenues and contributions. Revenues are restricted to accomplishing the various objectives of these programs.

Internal service funds account for the financing of goods or services provided by one department to other departments of the City. The services provided include medical self-insurance, dental insurance, and equipment maintenance costs.

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension trust funds account for assets held in trust for members and beneficiaries of the City's three defined benefit pensions.

Debt service funds account for the payment of principal and interest on long-term debt of governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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 utility, environmental services, and marina enterprise funds, and of the government's internal service funds are charges to customers for sales and services. The utility fund also recognizes as operating revenue tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting 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.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The investments are categorized at their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure fair value of the asset that prioritizes inputs into three levels; Level 1 – quoted prices for identical instruments in active markets; Level 2 – significant inputs that are observable; Level 3 – significant inputs that are unobservable.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (e.g., the current portion of interfund loans) or "advances to/from other funds" (e.g., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Property taxes

The property tax revenues calendar is as follows:

Lien date	January 1	Payment due by	March 31
Levy date	October 1	Delinquent date	April 1
Tax bill mailed	November 30	Tax sale-delinquent property tax	June 1

The County Tax Collector collects property taxes on behalf of each municipality within the county boundaries. By July 31, during each year for which taxes are levied, all taxes have been collected and remitted to the City or the delinquent taxes are raised by public auction of tax certificates and the proceeds are remitted to the City shortly after the certificates are sold. Because of this arrangement there are no material unremitted tax revenues for each fiscal year on September 30th.

Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods. Prepaid costs are payments that are applicable to future accounting periods and are recorded as an asset when purchased and as an expense when consumed (consumption method) in both government-wide and fund financial statements.

Restricted assets

Certain assets of the enterprise funds are required by resolution to be set aside and used for specific purposes; thus, they are not available for general operating purposes. These restricted assets consist of cash in various bank accounts and are recorded at cost.

Capital assets

Capital assets, which include property, plant, equipment, leased assets, right-to-use assets, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$3,500 and above, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects when completed. Interest incurred during the construction phase of capital assets of business-type activities are expensed as incurred.

Capital assets are depreciated over their estimated useful lives unless they are inexhaustible or are intangible assets with indefinite useful lives. The term depreciation (and related forms of the term) includes amortization of intangible assets.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30
Building improvements	10
Public domain infrastructure	40
Utility plant	40
System infrastructure	40
Machinery and equipment	5 to 10
Furniture and fixtures	8
Automobiles and trucks	5
Intangibles	5
Improvements other than buildings	5 to 10

Right-to-Use Lease Assets and Lease Liability

Lease contracts that provide the City with control of a nonfinancial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a leased asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subscription Based Information Technology Arrangements - (SBITA)

SBITA assets are defined by the general government as the right to use vendor-provided information technology (IT) with access to vendors' IT assets. The City recognizes a subscription liability and an intangible subscription right-of-use asset at the beginning of the subscription term that have a term exceeding one year. A SBITA asset is measured based on the net present value of subscription payments expected to be made during the subscription term, using the incremental borrowing rate, and is amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying IT assets. Re-measurement of a subscription liability occurs when there is a change in the contract term and/or other changes that are likely to have a significant impact on the subscription liability.

Deferred outflows/inflows of resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has four items that qualify for reporting in this category: 1) the deferred outflow of resources on refunding resulting from the difference in the carrying value of refunded debt and its reacquisition price and the amount is capitalized and amortized over the shorter of the life of the refunded or refunding debt, 2) the deferred outflow of resources on the hedging derivatives is a result from the decrease in the fair value of the derivative instrument and a deferred outflow is recognized to verify that the decrease is not expected to be recognized in investment income in future periods, 3) deferred outflows related to pensions as discussed in Note 9, 4) deferred outflows related to other post-employment benefits as discussed in Note 10.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has four items that qualify for reporting in this category which is related to 1) pensions as discussed in Note 9, 2) other post-employment benefits as discussed in Note 10, 3) leases as discussed in Note 7, and 4) revenues related to grants in the fund financials.

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.

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. One-third of total sick leave balances of employees with six years or more of service is accrued in the government-wide, proprietary, and fiduciary fund financial statements. In accordance with GAAP, for the government funds in the fund financial statements, all of the compensated absences are considered long-term and, therefore, are not a fund liability and represent a reconciling item between the fund level and government-wide presentations.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method based on the life of the bond issue. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

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.

Restricted net position is 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 liquid assets.

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Categories and classification of fund balance

The City has implemented GASB Statement No. 54. This statement established fund balance classifications that comprise a hierarchy 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, under GASB Statement No. 54, are listed below:

Non-spendable – the portion of a fund balance that cannot be spent because they are either not in spendable form (such as inventories and prepaid amounts) or legally or contractually required to be maintained intact.

Restricted – the portion of a fund balance for which external constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulation of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed – the portion of fund balance that can be used only for specific purposes that are internally imposed by the government. Pursuant to City Charter Article XIII, Section 127. The City Clerk and Collector must certify that funds are legally available to the City Commission prior to appropriation.

Assigned – the portion of fund balance amounts established by City Commission that are intended to be used for specific purposes that are neither restricted nor committed.

Unassigned – residual net resources, the general fund is the only fund that reports a positive unassigned fund balance amount. In the event that funds other than the general fund include an unassigned fund balance, it would be a deficit.

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

The City Commission, as the highest decision-making authority for the City, authorized the City of Panama City Fund Balance Management Policy by adopting an ordinance, which establishes the Disaster/Emergency reserve in order to meet unforeseen expenditures caused by disasters or emergencies. This commitment of fund balance is established due to the City's coastal location, hurricanes, and other natural disasters, as well as economic changes that can severely impact the City's ability to continue operations and provide services. The drawdown of Disaster/Emergency reserves may be utilized to respond and provide relief and recovery to disasters and emergencies which include, but are not limited to:

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Hurricanes or Tropical Storms
- Flooding
- Wildfires
- Terrorist activity

The City Commission authorized the commitment of fund balance and established a target balance of 30% of annual budgeted operating expenditures, including debt service and self-insurance fund transfers. Use of the reserves requires approval by the City Commission with a majority vote.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for the funds listed in the next paragraph. All annual appropriations lapse at fiscal year end. It is the City's policy to reappropriate amounts encumbered for capital projects at the beginning of the next fiscal year.

Budgets are adopted at the beginning of each fiscal year through passage of a resolution by the City Commissioners for the following funds: General Fund, Debt Service Funds, Housing and Community Services Fund, State Housing Initiative Partnership City, Infrastructure Surtax Fund, and the Community Redevelopment Agency areas.

The City Manager is authorized to transfer part or all of an unencumbered appropriated balance among departments within a fund. Management may not increase a fund's total expenditures without seeking the approval of the City Commissioners, who may amend the budget at any time during the fiscal year. Amounts shown in the financial statements represent the original budgeted amounts and all supplemental amendments.

New Accounting Pronouncements

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing 1) practice issues that have been identified during implementation and application of certain GASB Statements and 2) accounting and financial reporting for financial guarantees. Certain provisions of this statement are effective upon issuance, while other

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

provisions are effective for years beginning after June 15, 2022 and 2023. The City has implemented GASB Statement No. 99 in this report.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*. This statement prescribes the accounting and financial reporting for 1) each type of accounting change and 2) error corrections. This statement requires that a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement are effective for financial statements for reporting period beginning after June 15, 2023. The City has implemented GASB No. 100 in this report.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement clarifies the recognition and measurement guidance for compensated absences. This statement requires that liabilities for compensated absences be recognized for 1) leave that has not been used and 2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this statement are effective for financial statements for reporting periods beginning after December 15, 2023. The City is evaluating the impact, if any, upon its financial position, results of operations, or cash flows upon adoption.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement requires a government to assess 1) whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and 2) whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this statement are effective for fiscal years beginning after June 15, 2024. The City is evaluating the impact, if any, upon its financial position, results of operations, or cash flows upon adoption.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The City is evaluating the impact, if any, upon its financial position, results of operations, or cash flows upon adoption.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In September 2024, The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The City is evaluating the impact, if any, upon its financial position results of operations, or cash flows upon adoption.

NOTE 2 - DEPOSITS AND INVESTMENTS

GASB Statement No. 40, *Deposits and Investment Risk Disclosures* amends GASB Statement No. 3, *Deposits with Financial Institutions, Investments, and Reverse Repurchase Agreements*, and is designed to inform financial statement users about deposit and investment risks that could affect a government's ability to provide services and meet its obligations as they become due. GASB Statement No. 40 addresses common deposit and investment risks related to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk and requires that deposit and investment policies related to the risks be disclosed, as applicable.

In accordance with GASB Statement No. 40, the following disclosures are made regarding the City's deposit and investment balances as of September 30, 2024:

Deposits and Investments

The City has adopted an investment policy pursuant to Section 218.415, Florida Statutes, that established permitted investments, asset allocation limits, issuer limits, and maturity limits to protect the City's cash and investment assets. The investment policy applies to all cash and investments held or controlled by the City with the exception of Pension Funds. Bank balances are entirely insured by federal depository insurance or by collateral pursuant to the Florida Security for Public Deposits Act of the State of Florida.

The City is authorized to undertake investments in the following authorized investments:

- United States Government Securities
- Interest Bearing Time Deposit or Saving Accounts
- Federal Instrumentalities (United States Government sponsored agencies)
- Repurchase Agreements
- Money Market accounts placed with financial institutions qualifying as public depositories as provided for in Chapter 280, Florida Statutes.
- Registered Investment Companies (Mutual Funds)
- Intergovernmental Investment Pool
- Commercial Paper

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

The Florida Fixed Income Trust (FL FIT or “Trust”) investments in each of the pools within the Trust are measured and reported at fair market value using the guidelines established by Generally Accepted Accounting Principles (GAAP). The Trust follows Financial Accounting Standards Board (FASB) Accounting Standards Topic (ASC) 820 *Fair Value Measurement and Disclosure* for financial reporting purposes. ASC 820 defines fair value, establishes a single framework for measuring fair value, and requires disclosure about fair value measurement. FL FIT does not meet all of the specific criteria outlined in GASB 79, paragraph 4, therefore FL FIT participants should measure their investments in FL FIT pools at fair value as provided in paragraph 11 of GASB Statement 31.

The Firefighters’ and Police Officers’ pension plans’ investment policies restricted un-invested cash to minimal balances generally covered by the FDIC and cash instruments with a minimum rating of at least Standard and Poor’s A1 or Moody’s P1. As of September 30, 2024, cash instruments for both funds consisted of Federated Treasury Obligations.

Investment policies for the Firefighters’ and Police Officers’ pension plans provide for investment manager(s) who have full discretion of assets allocated to them subject to the overall investment guidelines set out in the policies. Overall investment guidelines provide for diversification and allow investment in debt securities (rated at least BB or Ba by Standard and Poor or Moody) and equity securities traded on one or more of the recognized national exchanges or on the National Market System of the NASDAQ market, U.S. Government obligations guaranteed by the U.S. Government, bonds issued by the State of Israel, and any commingled funds that are restricted to these investments.

The Florida Municipal Pension Trust Fund (FMPTF) is established as a trust whereby governmental entities with employee pension or OPEB plans may elect to join the trust (becoming a Participating Employer), and with the trust providing the plans with administrative and investment services for the benefit of Participating Employers, Participating Employees, and Beneficiaries. All employee pension plans or OPEB assets with the FMPTF are included in the trust’s Master Trust Fund. Employee pension plans or OPEB assets of the defined benefit type are invested by the FMPTF through the Florida Municipal Investment Trust (FMIVT) for the benefit of the Participating Employers, Participating Employees, and Beneficiaries.

Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. A credit risk exists when there is a possibility the issuer or the counterparty to an investment may be unable to meet its obligations.

The structure of the City’s investment policy is designed to minimize credit risk, by limiting its investments to those with high ratings issued by a nationally recognized statistical rating organization (NRSROs).

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

As of September 30, 2024 FL FIT pools were rated by Fitch Ratings. The FL FIT Cash Pool currently rates AAAf/S1.

Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City or Pension Trust Plans will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2024, the City's investment portfolio was held with a third-party custodian.

Participants' investments in the FL FIT and FMPTF are evidenced by shares of the pool. The City's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Consistent with each Pension Trust Plan's investment policy, the investments are held by each Plan's custodial bank and registered in each Plan's name.

Concentration Credit Risk

Concentration of credit risk exists when five or more percent of the total assets of the portfolio are invested with a single issuer.

The City limits the amount it may invest in any one investment varying by the type of investment.

The Police Officers' and Firefighters' Pension Trust Plans' investment policies prohibit investments in common stock that exceed 70% of the funds assets at market value, investments in common stock in any one issuer that exceed 5% of the funds assets at cost, investments that comprises 5% or more of any one issuer's outstanding stock, and investments in foreign securities that exceed 25% of the fund assets. Additionally, cash and cash equivalents may not exceed 5% of the funds assets, and all repurchase agreement transactions must adhere to the requirements of the Master Repurchase Agreement. None of the stated thresholds were exceeded by either funds at fiscal year end.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's fair value. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Interest rate risk disclosures are required for all debt instruments as well as investments in mutual funds, external investment pools, and other pooled investments that do not meet the definition of a "2a-7 like" pool.

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

The City's investment policy is structured to mitigate the effects of interest rate risk by placing limits on the maturity and duration of specific investment vehicles. It is the City's intention to make investments to provide sufficient liquidity to pay obligations as they become due. The City uses the weighted average maturity method for its FL FIT which results in a WAM of 50 days and a weighted average life (WAL) of 305 days.

The three Pension Trust Plans can have investments in a combination of stocks, bonds, government securities, and other investment securities. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect balances and the amounts reported in the statement of plan net position and the statement of changes in plan net position. Each individual plan's investment advisor monitors the plan's investments and the associated risks on a regular basis, which minimizes risks.

Foreign Currency Risk

Foreign currency risk is the risk that foreign currency exchange rates will adversely affect the fair value of an investment. The City has nominal exposure to foreign currencies due to investments in non-U.S. markets implemented through portfolios. Foreign currencies will fluctuate relative to the U.S. dollar, but it is believed that the diversification benefits outweigh potential risks. Given the limited exposure, foreign currency risk is considered minor.

Deposits and Investments

Deposits and investments as of September 30, 2024 are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and cash equivalents	\$ 85,475,446
Restricted cash and cash equivalents	8,927,826
Investments	121,925,346

Statement of fiduciary net position:

Cash and cash equivalents	2,426,773
Investments	99,197,692
Total cash and investments	<u>\$ 317,953,083</u>

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Cash on hand, deposits, and investments as of September 30, 2024 consist of the following:

Governmental and business-type investments:

Cash on hand	\$ 5,100
Deposits with financial institutions	93,660,706
FL FIT	72,622
Investments in federal instrumentalities	100,977,984
Investments in corporate bonds and notes	21,612,206

Senior management pension plan:

Deposits with financial institutions	60,707
Investments in pooled/common/commingled funds	4,275,531

Police officers and firefighters pension plan:

Deposits with financial institutions	2,366,066
Investments in mutual funds	66,834,356
Investments in equity/common stock	5,987,565
Investments in corporate bonds and notes	5,133,071
Investments in pooled/common/commingled funds	<u>16,967,169</u>
Total cash and investments	<u>\$ 317,953,083</u>

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Deposits and Investment Risk Disclosures

As of September 30, 2024, the City held the following investments as categorized below in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosure*:

		Investment Maturities				Average Rating (1)
Primary Government:						
Investment Type	Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years	Total	
Federal Instrumentalities	\$ 60,021,766	\$ 10,821,248			\$ 70,843,014	NR
Federal Instrumentalities	499,985	1,816,518		\$ 500,775	2,817,278	A1-A3
Federal Instrumentalities	7,149,484	14,327,679			21,477,163	Aaa
Federal Instrumentalities	1,001,987	4,838,542			5,840,529	Aa1-Aa3
Corporate bonds and notes	17,398,072	1,410,276			18,808,348	A1-A3
Corporate bonds and notes	1,317,823				1,317,823	Aa3
Corporate bonds and notes	1,486,035				1,486,035	Baal
Florida Fixed Income Trust	72,622				72,622	AAAF/S1
Total primary government	<u>\$ 88,947,774</u>	<u>\$ 33,214,263</u>	<u>\$</u>	<u>\$ 500,775</u>	<u>\$122,662,812</u>	
Fiduciary Funds:						
Investment Type	Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years	Total	Average Rating (1)
Common stock	\$ 5,987,565				\$ 5,987,565	N/A
Corporate bonds and notes	5,133,071				5,133,071	N/A
Pooled/common/ commingled funds	21,242,700				21,242,700	NR
Mutual funds	<u>66,834,356</u>				<u>66,834,356</u>	NR
Total fiduciary funds	<u>\$ 99,197,692</u>				<u>\$ 99,197,692</u>	

(1) Ratings are provided where applicable to indicate associated *credit risk*. N/A indicates not applicable.
NR indicates the fund is not rated.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Fair Value

A summary of the investment under the requirements of the fair value hierarchy follows:

Primary Government

		Fair Value Measurements Using		
		Quoted prices	Other significant observable inputs	Significant unobservable inputs
	Total 9/30/24	Level 1	Level 2	Level 3
Investments by fair value level				
Government agency securities	\$ 100,977,984	\$ -	\$ 100,977,984	\$ -
Corporate bonds and notes	21,612,206	21,612,206		
	<u>\$ 122,590,190</u>	<u>\$ 21,612,206</u>	<u>\$ 100,977,984</u>	<u>\$ -</u>

Fiduciary Funds

		Fair Value Measurements Using		
		Quoted prices	Other significant observable inputs	Significant unobservable inputs
	Total 9/30/24	Level 1	Level 2	Level 3
Investments by fair value level				
Stocks	\$ 5,987,565	\$ 5,987,565	\$ -	\$ -
Corporate bonds and notes	5,133,071	5,133,071		
Mutual funds – fixed income	26,183,385	26,183,385		
Mutual funds – equity	40,650,971	40,650,971		
Pooled – real estate investment trust	5,792,132			5,792,132
Pooled – fixed income	624,418		624,418	
Pooled – equity	14,826,150		2,597,407	12,228,743
Total Investment by fair value level	<u>\$ 99,197,692</u>	<u>\$ 77,954,992</u>	<u>\$ 3,221,825</u>	<u>\$ 18,020,875</u>

Primary Government

	Total 9/30/24
Investments by net asset value (NAV)	
Florida Fixed Income Trust	<u>\$ 72,622</u>

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique provided by third party custodians. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments classified at Level 3 are valued based on unobservable inputs.

Discretely Presented Component Unit

Panama City Port Authority

Derivative instruments outstanding as of September 30, 2024:

<u>Item</u>	<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>09/30/2024 Fair Value (Negative)</u>
A	Pay-fixed interest rate swap	Hedge the variable rate risk associated with the first draw on the \$7,500,000 debt.	\$7,500,000	06/01/2007	06/01/2027	Pay 4.43%, receive 67% of SOFR plus 70 basis points.	\$ (26,068)

Derivative instrument A is considered a hedging derivative instrument for 2024. The fair value of the interest rate swap was estimated using a proprietary valuation model developed by the counterparty. This method calculates future cash flows by projecting forward rates, then discounting those cash flows at their present value.

Risks

1. *Credit Risk:*

The Port Authority's derivative instrument is held with a counterparty whose credit rating is "A3". The counterparty bears the risk of non-payment.

2. *Interest Rate Risk:*

The Port Authority is exposed to interest rate risk on its interest rate swap. On its pay-fixed, variable-rate interest rate swap, as Secured Overnight Financial Rate (SOFR) decreases, the Port Authority's net payment on the swap increases.

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

3. *Basis Risk:*

The Port Authority is exposed to basis risk on its pay-fixed swap derivative instrument because the variable-rate payments received by the Port Authority on this derivative instrument is based on a rate or index other than interest rates the Port Authority pays on its hedged variable-rate debt. At September 30, 2024, variable interest rate and SOFR-based rate of the swap was as follows:

	<u>Variable Rate</u>	<u>SOFR Based Rate</u>
Derivative A	4.4454%	5.3094%

4. *Termination Risk:*

The swap may be terminated by the Port Authority or the counterparty if the other party fails to perform under the terms of the swap agreement. If the swap is terminated, the Port Authority would prospectively pay the variable-rate on the Line of Credit. The termination of the swap agreement could increase the Port Authority's total debt service if, at the time of termination, the swap has a negative fair value by the amount of such negative fair value. As noted below under fair value, the Port Authority has a negative fair value for derivative instrument A as of September 30, 2024, and would be liable to the counterparty if the swap was terminated prematurely.

5. *Rollover Risk:*

Derivative instrument A's swap agreement termination date is June 1, 2027. The Port Authority may not be able to replicate the hedge associated with the current swap agreement on the termination date.

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Derivative Instruments – Fair Value

The fair value balance of the derivative instrument outstanding at September 30, 2024, classified by type, and the changes in fair value of such derivative instrument are as follows:

<u>Changes in Fair Value</u>			<u>Fair Value at September 30, 2024</u>		
<u>Classification</u>	<u>Amount</u>		<u>Classification</u>	<u>Amount</u>	<u>Notional</u>
Business-type activities					
Cash flow hedges:					
Pay-fixed interest					
rate swap					
Derivative A	Deferred	\$ (11,594)	Debt	\$ (26,068)	\$ 7,500,000
	outflow				

				<u>Fair Value Measurements</u>		
				Quoted	Other	
				Prices	Significant	
					Observable	
					Inputs	
					Level 2	
				<u>9/30/24</u>	<u>Level 1</u>	
Investment derivative by fair value level						
Pay-fixed interest rate swap				\$ (26,068)		\$ (26,068)

Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates.

NOTE 3 - NOTES RECEIVABLE

Special Revenue Fund:

The City participates in loan rehabilitation programs that assist low income residents in obtaining safe and sanitary housing, businesses in downtown improvement areas, and rental housing improvements. The loans, accounted for in the special revenue fund, are due and payable at their respective maturity dates or change of home ownership, whichever occurs first. The City maintains a security interest in the property. These loans are non-interest bearing and will mature at various dates up to 2054.

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 23,833,294	\$ 23,919	\$ -	\$ -	\$ 23,857,213
Construction in progress	54,256,016	26,560,332		(6,330,301)	74,486,047
Total capital assets, not being depreciated	<u>78,089,310</u>	<u>26,584,251</u>	<u>-</u>	<u>(6,330,301)</u>	<u>98,343,260</u>
Capital assets, being depreciated:					
Buildings	27,210,429	190,470		617,121	28,018,020
Improvements other than buildings	33,439,383	110,144		1,803,723	35,353,250
Machinery and equipment	24,262,144	5,284,403	2,642,728	202,069	27,105,888
Intangibles-amortizable	160,086				160,086
Infrastructure, excluding bridges	72,957,977	3,799,074		3,460,915	80,217,966
Right-of-use lease assets-equipment - amortizable	329,435	850,268	209,968		969,735
Subscription right of use assets- amortizable	<u>381,195</u>	<u>297,337</u>			<u>678,532</u>
Total capital assets, being depreciated	<u>158,740,649</u>	<u>10,531,696</u>	<u>2,852,696</u>	<u>6,083,828</u>	<u>172,503,477</u>
Less accumulated depreciation for:					
Buildings	10,435,743	768,324			11,204,067
Improvements other than buildings	22,042,801	2,431,733			24,474,534
Machinery and equipment	16,729,081	2,641,229	2,628,102	(114,351)	16,627,857
Intangibles-amortizable	117,465	22,366			139,831
Infrastructure, excluding bridges	49,068,845	1,623,911			50,692,756
Right-of-use lease assets- equipment - amortizable	151,948	179,306	170,971		160,283
Subscription right-of-use assets- amortizable	<u>128,019</u>	<u>231,174</u>			<u>359,193</u>
Total accumulated depreciation	<u>98,673,902</u>	<u>7,898,043</u>	<u>2,799,073</u>	<u>(114,351)</u>	<u>103,658,521</u>
Total capital assets, being depreciated, net	<u>60,066,747</u>	<u>2,633,653</u>	<u>53,623</u>	<u>6,198,179</u>	<u>68,844,956</u>
Governmental activities capital assets, net	<u>\$ 138,156,057</u>	<u>\$ 29,217,904</u>	<u>\$ 53,623</u>	<u>\$ (132,122)</u>	<u>\$ 167,188,216</u>

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 4 - CAPITAL ASSETS (Continued)

Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 1,827,361	\$ 400,000	\$ -	\$ -	\$ 2,227,361
Construction in progress	42,031,572	50,134,903		(12,331,088)	79,835,387
Total capital assets, not being depreciated	<u>43,858,933</u>	<u>50,534,903</u>	<u>-</u>	<u>(12,331,088)</u>	<u>82,062,748</u>
Capital assets, being depreciated:					
Buildings	47,711,779		10,792		47,700,987
Improvements other than buildings	118,010,352	1,102,678		12,463,209	131,576,239
Intangibles-amortizable	4,007				4,007
Machinery and equipment	17,465,585	965,123	158,696	114,351	18,386,363
Right-of-use lease assets-equipment-amortizable	11,101				11,101
Total capital assets, being depreciated	<u>183,202,824</u>	<u>2,067,801</u>	<u>169,488</u>	<u>12,577,560</u>	<u>197,678,697</u>
Less accumulated depreciation for:					
Buildings	430,432	34,421			464,853
Improvements other than buildings	77,929,386	4,245,960			82,175,346
Intangibles-amortizable	4,005				4,005
Machinery and equipment	12,444,771	1,847,354	158,696	114,351	14,247,780
Right-of-use lease assets-equipment-amortizable	2,999	2,724			5,723
Total accumulated depreciation	<u>90,811,593</u>	<u>6,130,459</u>	<u>158,696</u>	<u>114,351</u>	<u>96,897,707</u>
Total capital assets, being depreciated, net	<u>92,391,231</u>	<u>(4,062,658)</u>	<u>10,792</u>	<u>12,463,209</u>	<u>100,780,990</u>
Business-type activities capital assets, net	<u>\$ 136,250,164</u>	<u>\$ 46,472,245</u>	<u>\$ 10,792</u>	<u>\$ 132,121</u>	<u>\$ 182,843,738</u>

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 4 - CAPITAL ASSETS (Continued)

Total depreciation expense for governmental activities for fiscal year 2024 is \$7,898,043. Total depreciation expense for business-type activities for fiscal year 2024 is \$6,130,459.

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

Governmental activities:

General government	\$ 2,871,137
Public safety	1,754,802
Highways and streets, including depreciation of general infrastructure assets	2,584,351
Culture and recreation	<u>659,890</u>
	7,870,180

Other: Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>27,863</u>
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Total depreciation expense - governmental activities	<u><u>\$ 7,898,043</u></u>
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Business-type activities:

Utilities	\$ 4,702,378
Environmental Services	1,208,839
Marina	<u>219,242</u>

Total depreciation expense - business-type activities	<u><u>\$ 6,130,459</u></u>
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Discretely Presented Component Units

Activity for the Panama City Downtown Improvement Board for the year ended September 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 424,999	\$ -	\$ -	\$ 424,999
Capital assets, being depreciated:				
Improvements other than buildings	104,530			104,530
Machinery and equipment	<u>33,377</u>		<u>27,500</u>	<u>5,877</u>
Total capital assets, being depreciated	<u>137,907</u>		<u>27,500</u>	<u>110,407</u>
Less accumulated depreciation for:				
Improvements other than buildings	104,469	65		104,534
Machinery and equipment	<u>4,353</u>	<u>3,009</u>	<u>5,500</u>	<u>1,862</u>
Total accumulated depreciation	<u>108,822</u>	<u>3,074</u>	<u>5,500</u>	<u>106,396</u>
Total capital assets, being depreciated, net	<u>29,085</u>	<u>(3,074)</u>	<u>22,000</u>	<u>4,011</u>
Downtown Improvement Board capital assets, net	<u><u>\$ 454,084</u></u>	<u><u>\$ (3,074)</u></u>	<u><u>\$ 22,000</u></u>	<u><u>\$ 429,010</u></u>

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 4 - CAPITAL ASSETS (Continued)

Activity for the Panama City Port Authority for the year ended September 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 32,304,173	\$ -	\$ -	\$ -	\$ 32,304,173
Construction in progress	21,737,281	1,240,257	41,137	(19,196,640)	3,739,761
Total capital assets, not being depreciated	<u>54,041,454</u>	<u>1,240,257</u>	<u>41,137</u>	<u>(19,196,640)</u>	<u>36,043,934</u>
Capital assets, being depreciated:					
Buildings and improvements	98,735,283			17,318,534	116,053,817
Improvements other than buildings	81,305,871			1,697,723	83,003,594
Machinery and equipment	24,383,650		502,760	180,383	24,061,273
Right-of-use assets- buildings- amortizable	<u>876,391</u>				<u>876,391</u>
Capital assets, being depreciated	<u>205,301,195</u>		<u>502,760</u>	<u>19,196,640</u>	<u>223,995,075</u>
Less accumulated depreciation for:					
Buildings and improvements	36,528,024	2,924,354			39,452,378
Improvements other than buildings	40,763,272	3,268,255			44,031,527
Machinery and equipment	14,478,609	1,199,390	299,152		15,378,847
Right-of-use assets- buildings- amortizable	<u>505,324</u>	<u>8,853</u>			<u>514,177</u>
Total accumulated depreciation	<u>92,275,229</u>	<u>7,400,852</u>	<u>299,152</u>		<u>99,376,929</u>
Total capital assets, being depreciated, net	<u>113,025,966</u>	<u>(7,400,852)</u>	<u>203,608</u>	<u>19,196,640</u>	<u>124,618,146</u>
Port Authority capital assets, net	<u>\$ 167,067,420</u>	<u>\$ (6,160,595)</u>	<u>\$ 244,745</u>	<u>\$ -</u>	<u>\$ 160,662,080</u>

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 5 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchased commercial insurance for all risks of loss except medical claims of the City of Panama City employees and their covered dependents. There was no significant reduction in insurance coverage during the current year. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The City has established a medical self-insurance fund and a dental insurance fund which are accounted for as Internal Service Funds. The purpose of the medical self-insurance fund is to pay medical claims and minimize the total cost of annual insurance to the municipality. The purpose of the dental insurance fund is to pay for the cost of the dental insurance of the City of Panama City employees and their covered dependents. Medical claims exceeding \$175,000 per insured with an aggregating specific deductible of \$270,000 are covered through private carriers. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Contributions to the self-insurance fund are determined by projected losses based on historical claims experience. Claim liabilities are based on the estimated ultimate cost of settling the claims, using past experience adjusted for current trends, and any other factors that would modify past experience. Claim liabilities include specific incremental claim adjustment expenses. Unpaid losses occurring prior to September 30, 2024, have been estimated and accrued at present value as a liability as of September 30, 2024. Changes in the balances of claim liabilities during the fiscal years 2024 and 2023 were as follows:

Medical Self Insurance

<u>Year</u>	Balance Fiscal Year Beginning <u>October 1</u>	Current Year Claims/Fees and Changes <u>in Estimates</u>	Claims/Fees <u>Payments</u>	Balance Fiscal Year Ending <u>September 30</u>
2024	\$ 1,318,168	\$ 9,141,391	\$ 9,027,412	\$ 1,432,147
2023	635,057	7,639,608	6,956,497	1,318,168

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 6 - LONG-TERM DEBT

Primary Government - Governmental Activities:

Long-term obligations at September 30, 2024, includes the following debt issues:

	<u>Authorized And Issued</u>	<u>Balance September 30, 2024</u>
Capital Improvement Revenue Note, Series 2013B, interest 2.81%, payable semi-annually on April 1 and October 1; principal is payable on October 1; collateralized by a lien and pledge of the business tax receipts.	\$ 12,999,000	\$ 4,014,000
Capital Improvement Revenue Note, Series 2016, interest 1.87%, Interest and principal are payable quarterly on January 1, April 1, July 1, and October 1; collateralized by a lien and pledge of the business tax receipts.	3,207,000	1,694,000
Capital Improvement Revenue Note, Series 2018, interest 3.30%, payable semi-annually on April 1 and October 1; principal is payable on October 1; collateralized by a lien and pledge of the business tax receipts.	16,330,000	11,047,000
Infrastructure Sales Surtax Revenue Note, Series 2018, interest 3.02%, payable semi-annually on April 1 and October 1; principal is payable on October 1; collateralized by a lien and pledge of the sales surtax revenues and all moneys in the related funds.	15,100,000	6,100,000
Capital Improvement Revenue Note, Series 2023, interest 5.82%, payable semi-annually on March 1 and September 1; principal is payable on October 1; collateralized by a lien and payable from pledged funds of non-ad valorem revenues.	<u>150,000,000</u>	<u>150,000,000</u>
Total	<u>\$ 197,636,000</u>	<u>\$ 172,855,000</u>

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 6 - LONG-TERM DEBT (Continued)

Primary Government - *Business-Type Activities*:

Long-term obligations at September 30, 2024, includes the following debt issues:

	<u>Authorized And Issued</u>	<u>Balance September 30, 2024</u>
Water and Sewer Refunding Revenue Note, Series 2021: dated May 13, 2021, interest 2.50%, principal payable annually on October 1; interest payable semi-annually on April 1 and October 1; collateralized by a lien on and pledge of the net revenues of the water and wastewater system.	\$ 25,891,000	\$ 24,181,000
0% State Revolving Fund promissory note payable, (DW0302G0) in the amount of \$25,249,300; with loan payments beginning in fiscal year 2026, secured by the net wastewater utility revenue of the City.	25,249,300	7,296,155
0% State Revolving Fund promissory note payable, (WW0302F0) in the amount of \$12,350,000; with loan payments beginning in fiscal year 2026, secured by the net wastewater utility revenue of the City.	12,350,000	8,395,970
0% State Revolving Fund promissory note payable, (DW0302G1) in the amount of \$61,061,597; with loan payments beginning in fiscal year 2026, secured by the net wastewater utility revenue of the City.	<u>61,061,597</u>	<u>16,958,342</u>
Total	<u>\$ 124,551,897</u>	<u>\$ 56,831,467</u>

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 6 - LONG-TERM DEBT (Continued)

Long-term liability activity Governmental activities for the year ended September 30, 2024, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Capital Improvement Revenue Note, Series 2013B	\$ 4,962,000	\$	\$ 948,000	\$4,014,000	\$ 969,000
Capital Improvement Revenue Note, Series 2016	1,910,000		216,000	1,694,000	220,000
Capital Improvement Revenue Note, Series 2018	12,087,000		1,040,000	11,047,000	1,074,000
Infrastructure Sales Surtax Revenue Note, Series 2018	8,015,000		1,915,000	6,100,000	1,973,000
Capital Improvement Revenue Note, Series 2023	150,000,000			150,000,000	
Add (Deduct) deferred amounts on premium	<u>(30,216)</u>	<u>2,600</u>		<u>(27,616)</u>	<u>(2,685)</u>
Total bonds/notes payable	176,943,784	2,600	4,119,000	172,827,384	4,233,315
Finance purchase liability	4,116,381	907,394	1,327,194	3,696,581	1,233,514
Lease liability	161,214	786,554	208,483	739,285	171,824
SBITA	200,004	297,337	267,201	230,140	124,854
Net pension liability	34,836,220	364,388	1,598,675	33,601,933	
Net OPEB liability	3,587,913		314,991	3,272,922	
Compensated absences	<u>2,202,681</u>	<u>2,225,347</u>	<u>2,320,081</u>	<u>2,107,947</u>	<u>520,802</u>
Total long-term liabilities	<u>\$222,048,197</u>	<u>\$ 4,583,620</u>	<u>\$ 10,155,625</u>	<u>\$216,476,192</u>	<u>\$ 6,284,309</u>

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 6 - LONG-TERM DEBT (Continued)

Long-term liability activity Business-type activities for the year ended September 30, 2024, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Revenue Note, Series 2021	\$24,181,000	\$ -	\$ -	\$24,181,000	\$ 1,754,000
Direct Borrowings:					
State Revolving Fund- DW0302G0	4,950,828	2,345,327		7,296,155	
State Revolving Fund- WW0302F0	1,098,206	7,297,764		8,395,970	
State Revolving Fund- DW0302G1	<u>1,640,970</u>	<u>15,317,372</u>		<u>16,958,342</u>	
Total direct borrowings:	7,690,004	24,960,463		32,650,467	1,754,000
Finance purchase liability	147,032		39,605	107,427	35,744
Lease liability	10,724		5,243	5,481	2,848
Net OPEB liability	1,260,591		110,671	1,149,920	
Net pension liability	885,181		263,703	621,478	
Compensated absences	<u>574,202</u>	<u>657,900</u>	<u>641,886</u>	<u>590,216</u>	<u>147,554</u>
Total long-term liabilities	<u>\$34,748,734</u>	<u>\$25,618,363</u>	<u>\$ 1,061,108</u>	<u>\$59,305,989</u>	<u>\$ 1,940,146</u>

Pension liabilities, OPEB liability, and compensated absences are generally liquidated by the fund that reports the liability and pays the related costs. Therefore, the general and utility funds liquidate a majority of the pension liabilities, OPEB liability, and compensated absences liability.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 6 - LONG-TERM DEBT (Continued)

Panama City Port Authority

Changes in long-term liability obligations for the year ended September 30, 2024, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
Bank Swap - Interest currently at 4.43%; principal and interest is due based on equal quarterly installments amortized over the period to the final maturity date of the note; collateralized by the pledge of the net revenues of the facility, maturity date June 2027.	\$ 1,965,518	\$ -	\$ 492,803	\$ 1,472,715	\$ 515,000
Note payable - Interest at 3%; interest payable quarterly and principal balance payable upon the earlier of the sale or lease of any portion of the specified Industrial Park property or upon demand; collateralized by specified Industrial Park property.	300,000			300,000	300,000
State Infrastructure Bank Loan- Interest currently at 4%; principal and interest is due based on equal annual installments amortized over the period to the final maturity date of the note; collateralized by the pledge of the net revenues of the facility, maturity date October 2032.	2,562,032		265,427	2,296,605	276,044

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 6 - LONG-TERM DEBT (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
State Infrastructure Bank Loan- Interest currently at 4%; principal and interest is due based on equal annual installments amortized over the period to the final maturity date of the note; collateralized by the pledge of the net revenues of the facility, maturity date October 2035.	1,306,220		94,051	1,212,169	97,812
State Infrastructure Bank Loan- Interest currently at 3%; principal and interest is due based on equal annual installments amortized over the period to the final maturity date of the note; collateralized by the pledge of the net revenues of the facility, maturity date October 2047.	10,591,062		307,649	10,283,413	316,878
Note Payable- Interest currently at 2.69%; principal and interest is due based on equal annual installments amortized over the period to the final maturity date of the note; collateralized by the pledge of the net revenues of the facility, maturity date April 2036.	<u>2,594,522</u>		<u>175,640</u>	<u>2,418,882</u>	<u>180,423</u>
Total notes payable	19,319,354		1,335,570	17,983,784	1,686,157
Claims and judgments	351,198			351,198	12,657
Lease liability	555,990		8,880	547,110	9,058
Line of Credit	4,500,000	2,000,000	4,500,000	2,000,000	
Net pension liability	75,600	11,376		86,976	
Net OPEB liability	185,780	2,154		187,934	
Compensated absences	<u>106,543</u>	<u>275,124</u>	<u>272,040</u>	<u>109,627</u>	<u>27,407</u>
Total long-term liabilities	<u>\$ 25,094,465</u>	<u>\$ 2,288,654</u>	<u>\$ 6,116,490</u>	<u>\$ 21,266,629</u>	<u>\$ 1,735,279</u>

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 6 - LONG-TERM DEBT (Continued)

Debt service requirements to maturity subsequent to September 30, 2024, are as follows:

Year Ended September 30	Notes Payable		Bank Swap	
	Principal	Interest	Principal	Interest
2025	\$ 480,423	\$ 62,854	\$ 515,000	\$ 56,150
2026	185,337	57,941	538,196	32,177
2027	190,384	52,893	419,519	8,234
2028	195,569	47,708		
2029	200,895	42,382		
2030-2034	1,089,586	126,800		
2035-2038	<u>376,688</u>	<u>8,502</u>		
Total	<u>\$2,718,882</u>	<u>\$ 399,080</u>	<u>\$1,472,715</u>	<u>\$ 96,561</u>

Year Ended September 30	State Infrastructure Loan Agreements	
	Principal	Interest
2025	\$ 690,734	\$ 448,853
2026	715,195	424,393
2027	740,539	399,049
2028	766,799	372,789
2029	794,008	345,580
2030-2034	3,396,320	1,318,869
2035-2039	2,298,758	867,480
2040-2044	2,621,041	505,859
2045-2048	<u>1,768,794</u>	<u>107,168</u>
Total	<u>\$13,792,188</u>	<u>\$4,790,040</u>

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 6 - LONG-TERM DEBT (Continued)

Derivative instruments outstanding as of September 30, 2024, are as follows:

<u>Item</u>	<u>Type</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>9/30/2024 Fair Value (negative)</u>
A	Pay-fixed interest rate swap	Hedge the variable rate risk associated with the first draw on the \$7,500,000 debt.	\$ 7,500,000	6/1/2007	6/1/2027	Pay 4.43%, receive 67% of SOFR plus 70 basis points	\$ (26,068)

Derivative instrument A is considered a hedging derivative instrument for 2024. The fair value of the interest rate swap was estimated using a proprietary valuation model developed by the counterparty. This method calculates future cash flows by projecting forward rates, then discounting those cash flows at their present value.

Derivative Instrument Payments and Hedged Debt – Derivative A

As of September 30, 2024, aggregate debt service requirements of the Port Authority's debt (fixed-rate and variable-rate) and net receipts/payments on associated hedging derivative instruments are presented below. These amounts assume a forward implied interest rate on the variable interest rates that the Port Authority will receive from the hedging derivative instrument. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instrument will vary. The hedging derivative instrument column reflects only net receipts/payments on the derivative instrument that qualify for hedge accounting.

<u>Fiscal Year Ended September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Hedging Derivatives, Net</u>	<u>Total</u>
2025	\$ 515,000	\$ 56,150	\$ (44,165)	\$ 526,985
2026	538,196	32,177	(20,956)	549,417
2027	<u>419,519</u>	<u>8,234</u>	<u>(5,371)</u>	<u>422,382</u>
	<u>\$ 1,472,715</u>	<u>\$ 96,561</u>	<u>\$ (70,492)</u>	<u>\$ 1,498,784</u>

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 6 - LONG-TERM DEBT (Continued)

Compensated Absences

The amount of accrued annual and sick leave pay at September 30, 2024, is as follows:

Primary Government	<u>Current Portion</u>	<u>Long-Term Portion</u>	<u>Total</u>
Governmental activities	\$ 520,802	\$ 1,587,145	\$ 2,107,947
Business-type activities	<u>147,554</u>	<u>442,662</u>	<u>590,216</u>
Total	<u>\$ 668,356</u>	<u>\$ 2,029,807</u>	<u>\$ 2,698,163</u>

Discretely Present Component Units

	<u>Current Portion</u>	<u>Long-Term Portion</u>	<u>Total</u>
Panama City Port Authority	\$ 27,407	\$ 82,220	\$ 109,627

Advance Refundings

The City has provided for the advance refunding of several bond issues. Under the terms of the refunding issues, sufficient assets to pay all principal and interest on the refunded issues have been placed in special escrow accounts. Because the escrow accounts are sufficient to pay principal, interest, and redemption premiums on the refunded bonds, the bonds are not recorded as a liability in the financial statements of the City.

The various bond issues that have been refunded are as follows:

	<u>Fund Affected</u>	<u>Date Issued</u>	<u>Amount of Original Issue</u>	<u>Final Maturity Date</u>	<u>Amount of Bonds Outstanding at 9/30/24</u>
Water and Sewer Revenue Note, Series 2015	Utility	2015	\$32,135,000	9/30/36	\$ 22,955,000

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 6 - LONG-TERM DEBT (Continued)

Bonded debt service requirements to maturity are as follows:

Governmental Activities

Year Ending September 30	Capital Improvement Revenue Note, Series 2013B		Capital Improvement Revenue Note, Series 2016	
	Principal	Interest	Principal	Interest
2025	\$ 969,000	\$ 99,092	\$ 220,000	\$ 30,135
2026	992,000	71,564	225,000	25,993
2027	1,015,000	43,390	229,000	21,758
2028	1,038,000	14,571	233,000	17,447
2029			237,000	13,063
2030-2032			550,000	12,929
	<u>\$ 4,014,000</u>	<u>\$ 228,617</u>	<u>\$ 1,694,000</u>	<u>\$ 121,325</u>

Year Ending September 30	Infrastructure Sales Surtax Revenue Note, Series 2018	
	Principal	Interest
2025	\$ 1,973,000	\$ 154,428
2026	2,033,000	93,937
2027	2,094,000	31,619
	<u>\$ 6,100,000</u>	<u>\$ 279,984</u>

Year Ending September 30	Capital Improvement Revenue Note, Series 2018		Capital Improvement Revenue Note, Series 2023	
	Principal	Interest	Principal	Interest
2025	\$ 1,074,000	\$ 346,830		\$ 8,730,000
2026	1,110,000	310,794	\$ 150,000,000	8,730,000
2027	1,146,000	273,570		
2028	1,184,000	235,125		
2029	1,223,000	195,410		
2030-2033	5,310,000	357,555		
	<u>\$ 11,047,000</u>	<u>\$ 1,719,284</u>	<u>\$ 150,000,000</u>	<u>\$ 17,460,000</u>

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 6 - LONG-TERM DEBT (Continued)

Business-type Activities

Year Ending September 30	Water & Sewer Revenue Note, Series 2021		State Revolving Fund DW0302G0	
	Principal	Interest	Principal	Interest
2025	\$ 1,754,000	\$ 582,600		
2026	1,798,000	538,200	\$ 237,738	
2027	1,842,000	492,700	475,476	
2028	1,886,000	446,100	475,476	
2029	1,934,000	398,350	475,476	
2030-2034	10,421,000	1,232,439	2,377,380	
2035-2039	4,546,000	114,348	2,377,380	
2040-2041			877,229	
	<u>\$ 24,181,000</u>	<u>\$ 3,804,737</u>	<u>\$ 7,296,155</u>	<u>\$ -</u>
	State Revolving Fund WW0302F0		State Revolving Fund DW0302G1	
	Principal	Interest	Principal	Interest
2025				
2026			\$ 1,175,436	
2027	\$ 590,597		2,350,872	
2028	1,181,194		2,350,872	
2029	1,181,194		2,350,872	
2030-2034	5,442,985		8,730,290	
	<u>\$ 8,395,970</u>	<u>\$ -</u>	<u>\$ 16,958,342</u>	<u>\$ -</u>

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 7 - LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

LEASES:

Primary Government:

Lessee

The City has entered into lease agreements that convey the right-to-use buildings and equipment in agreements that do not automatically transfer the underlying assets to the City at the end of the lease for twenty-two copiers, one turf tank robot, sixty-seven falcon cameras, and one postage meter. The terms and conditions for these leases vary. Some leases are fixed, periodic payments over the lease term, which ranges between one and seven years. Total annual rent for these leases for the fiscal year ended September 30, 2024, was \$208,483 for governmental activities and \$2,967 for business-type activities.

Minimum future lease payments are as follows:

Fiscal Year	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$171,824	\$ 29,472	\$ 201,296	\$ 2,848	\$ 113	\$ 2,961
2026	173,341	22,847	196,188	2,361	40	2,401
2027	393,688	16,060	409,748	272	1	273
2028	432	2	434			
Total	<u>\$739,285</u>	<u>\$ 68,381</u>	<u>\$807,666</u>	<u>\$ 5,481</u>	<u>\$ 154</u>	<u>\$ 5,635</u>

Lessor

The City, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with exceptions for certain short-term leases and leases that transfer ownership of the underlying asset. As lessor, the asset underlying the lease is not unrecognized. The lease receivable is measured at the present value of the lease payments, expected to be received during the lease term. The deferred inflows of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

The leases held by the City do not have an implicit rate of return, therefore, the City used their incremental borrowing rate on the date of lease commencement, or the date of implementation, to discount the lease revenue to the net present value. These rates vary from 0.632% to 1.882%.

The City's operations consist of agreements for use of land and buildings. The agreements are made up of various non-cancellable agreements which expire between the years 2026 and 2067. The City recognized \$265,297 of lease revenue principal and \$47,586 of lease interest for the year ended September 30, 2024.

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 7 - LEASES (Continued)

Minimum future lease receipts to be received under lease agreements are as follow:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2025	\$ 235,983	\$ 27,528	\$ 263,511
2026	226,033	25,312	251,345
2027	182,719	22,700	205,419
2028	173,895	20,239	194,134
2029	154,167	17,833	172,000
2030-2034	341,915	68,085	410,000
2035-2039	209,995	50,005	260,000
2040-2044	73,396	37,271	110,667
2045-2049	68,897	31,103	100,000
2050-2054	75,629	24,371	100,000
2055-2059	83,019	16,981	100,000
2060-2064	91,130	8,870	100,000
2065-2069	38,898	1,102	40,000
Total	<u>\$ 1,955,676</u>	<u>\$ 351,400</u>	<u>\$ 2,307,076</u>

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City has entered into SBITA involving various desktop and server software. As of September 30, 2024, all SBITAs have fixed, periodic payments over the subscription periods, which range from one to three years and expire no later than fiscal year 2027. In addition, some of these agreements are cancellable with a 30 or 60 day notice. There are no commitments or outflow of resources related to SBITAs that are not yet effective. See Note 4 for changes in subscription right-of-use assets for the year ended September 30, 2024.

General Government SBITA	Principal	Interest	Total
2025	\$ 124,854	\$ 5,065	\$ 129,919
2026	94,106	2,849	96,955
2027	11,180	320	11,500
	<u>\$ 230,140</u>	<u>\$ 8,234</u>	<u>\$ 238,374</u>

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 7 - LEASES (Continued)

Discretely Presented Component Unit:

Panama City Port Authority

Lessor:

The Port Authority, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with exceptions for certain short-term leases and leases that transfer ownership of the underlying asset. As lessor, the asset underlying the lease is not unrecognized. The leases held by the Port Authority do not have an implicit rate of return, therefore, the Port Authority used their incremental borrowing rate on the date of lease commencement, or the date of implementation, to discount the lease revenue to the net present value. These rates vary from 2.00% to 7.00% depending on the date of lease commencement.

The Port Authority leases a substantial portion of its property to various lessees under operating lease agreements, both cancelable and noncancellable. The terms of the leases include monthly payments ranging from \$1,030 to \$65,395, expiring November 2023 to August 2029. For leases in which the Port Authority is the lessor, the Port Authority recognized lease receivables on noncancellable lease periods of \$2,239,376 for the year ended September 30, 2024. For the year ended September 30, 2024, the Port Authority reported lease revenue of \$3,346,477, of which \$2,239,376 is noncancellable, and interest revenue of \$253,477 related to noncancellable lease payments received.

Minimum future lease receipts to be received under lease agreements are as follows:

Year Ended <u>09/30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,055,503	\$ 273,289	\$ 2,328,792
2026	2,020,921	187,690	2,208,611
2027	1,601,837	116,816	1,718,653
2028	1,624,761	59,517	1,684,278
2029	<u>717,108</u>	<u>9,342</u>	<u>726,450</u>
	<u>\$ 8,020,130</u>	<u>\$ 646,654</u>	<u>\$ 8,666,784</u>

Lessee:

The Port Authority is the lessee in an agreement with the City for the lease of the land occupied by the Port Authority. The lease is for a period of 99 years, expiring August 31, 2065. The terms of the lease include a minimum annual payment of \$20,000, plus additional rent as

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 7 - LEASES (Continued)

the Port Authority deems appropriate in view of its surplus. This additional amount is arbitrary and subject to mutual agreement. Annual rent in the amount of \$24,000, \$4,000 above the minimum, was paid for the year ended September 30, 2024. The Port Authority monitors changes in circumstances that would require a re-measurement of a lease and will re-measure the lease asset and liability if changes occur that are expected to significantly affect the amount of the lease liability.

Key estimates and judgements related to leases include how the Port Authority determines the discount rate it uses to discount the expected lease payments to present value, lease term, and lease payments.

Discount Rate – When readily available or determinable, the Port Authority uses the interest rate charged by the lessor. If not readily available or determinable, the Port Authority uses its estimated incremental borrowing rate.

Lease Term – The lease term includes the non-cancellable period of the lease.

Lease Payments – Lease payments included in the measurement of the lease liability are comprised of fixed payments and, if applicable, the purchase option price the Port Authority is reasonably certain to exercise.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 8 - INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances at September 30, 2024, are summarized as follows:

	<u>Due From</u>	<u>Due To</u>
Primary Government:		
Governmental Funds -		
Major -		
General Fund	\$ 7,853,365	\$ 1,045,501
Capital Projects		9,997,797
Hurricane Michael	4,334,817	
Nonmajor Special Revenue Funds -		
Housing and Community Services	36,723	71,803
State Housing Initiative Partnership-City	3,985	745
Disaster Fund	103	77,152
General Grants	3,255	1,475,436
Panama City Community Redevelopment		
Agency-Downtown		1,163
Panama City Community Redevelopment		
Agency-Downtown North	9,050	13,738
Panama City Community Redevelopment		
Agency-St. Andrews	6,893	120
Proprietary Funds -		
Major -		
Utilities	2,058,313	1,441,117
Environmental Services	194,515	371,022
Marina		45
Nonmajor -		
Equipment Maintenance	<u> </u>	<u>5,380</u>
Total	<u>\$14,501,019</u>	<u>\$14,501,019</u>

Because the City does not employ a true cash pool, interfund balances occur because of the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures are incurred, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 8 - INTERFUND BALANCES AND TRANSFERS (Continued)

Transfers in/out are summarized as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Primary Government:		
Governmental Funds -		
Major		
General Fund	\$ 2,466,201	\$11,701,687
Hurricane Michael		8,892,474
Capital Projects	17,456,653	
Capital Projects Infrastructure Surtax	<u>2,519,272</u>	<u>582,907</u>
Aggregate Major	<u>22,442,126</u>	<u>21,177,068</u>
Nonmajor Special Revenue Funds –		
Housing and Community Services		11,669
General Grants	2,500	
Panama City Community Redevelopment		
Agency - Downtown North		58,343
Infrastructure Surtax		4,688,079
Disaster Fund		108,184
State Housing Initiative Partnership – County	603,129	
State Housing Initiative Partnership – City		603,129
Nonmajor Debt Service Funds -		
Debt Service Series 2013B	1,081,694	
Debt Service Series 2016	250,193	
Debt Service Infrastructure Series 2018	2,157,520	
Debt Service Series 2018	1,438,551	
Debt Service Hurricane Series		
Aggregate Nonmajor	<u>5,533,287</u>	<u>5,469,404</u>
Proprietary Funds -		
Major		
Utilities	829,403	1,120,441
Environmental Services		1,206,746
Marina	<u>450,000</u>	<u>274,490</u>
Aggregate Major	<u>1,279,403</u>	<u>2,601,677</u>
Nonmajor		
Equipment Maintenance	<u>6,667</u>	<u>6,667</u>
	<u>\$29,254,816</u>	<u>\$29,254,816</u>

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 8 - INTERFUND BALANCES AND TRANSFERS (Continued)

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers are used to provide for debt service requirements, grant matches, funding capital projects, and allocating administrative costs, insurance costs, and equipment maintenance expenses.

NOTE 9 - RETIREMENT PLANS

The City and component unit, the Panama City Port Authority (Port Authority), have provided retirement plans covering substantially all employees. All participants except Police Officers' and Firefighters' are included in the Florida Retirement System or the Retirement Plan and Trust for the General Employees of the City of Panama City, Florida. The City and the Port Authority maintain a separate Pension Fund for each of the groups excluded by the Florida Retirement System or the Retirement Plan and Trust for the General Employees of the City of Panama City, Florida. The City also provides a Senior Management Pension Plan.

9.1 Florida Retirement System

Plan Administration:

All full time City and Port Authority employees hired before January 1, 1996, except Police and Fire sworn personnel, are eligible to participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (Pension Plan) and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (Investment Plan) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for employees filling a regularly established position in a state agency, county agency, district school board, state university, or state community college. Participation by municipalities, special districts, charter schools and metropolitan planning organizations is optional. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The FRS was established and administered in accordance with Chapter 121, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the FRS pension plan.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the Department of Management Services, Division of Retirement, Research and Education Section, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

Pension Plan

Plan Description:

The Pension Plan is a cost-sharing, multiple-employer qualified defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

a. *Benefits Provided*

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

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

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

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

b. *Contributions*

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3.0% of their salary to the FRS. In addition to member contributions,

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 9 - RETIREMENT PLANS (Continued)

governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2023 through June 30, 2024 and from July 1, 2023 through September 30, 2024, respectively, were as follows: Regular – 13.57% and 13.63%; Senior Management Service – 34.52% and 34.52%; and DROP participants – 21.13% and 21.13%. These employer contribution rates include 2.06% HIS Plan subsidy for both periods.

The contributions, including employee contributions, to the Pension Plan for the fiscal year ended September 30, 2024 are as follows:

<u>Primary Government</u>	<u>Component Unit</u>
\$129,284	\$11,646

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

Primary Government:

At September 30, 2024, the City reported a liability of \$848,144 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The City's proportionate share of the net pension liability was based on the City's 2023-24 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members. At June 30, 2024, the City's proportionate share was .002192453 percent, which was an decrease of .000750226 percent from its proportionate share measured as of June 30, 2023.

Discretely Presented Component Unit:

At September 30, 2024, the Port Authority reported a liability of \$59,995 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Port Authority's proportionate share of the net pension liability was based on the Port Authority's 2023-24 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members. At June 30, 2024, the Port Authority's proportionate share was .000154985 percent, which was a increase of .000026342 percent from its' proportionate share measured as of June 30, 2023.

Primary Government and Discretely Presented Component Unit:

The pension expense (income) amounts recognized for the fiscal year ended September 30, 2024 are as follows:

<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>
\$17,111	\$(13,588)

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 9 - RETIREMENT PLANS (Continued)

In addition, the reported deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Primary Government		Discretely Presented Component Unit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 85,685	\$ -	\$ 6,057	\$ -
Changes in assumptions	116,246		8,217	
Net difference between projected and actual earnings on investments		56,372		3,985
Differences in proportion and differences between Pension Plan contributions and proportionate share of contributions	25,642	290,498	6,806	50,209
Pension Plan contributions subsequent to the measurement date	32,069		2,379	
Total Pension Plan	\$ 259,642	\$ 346,870	\$ 23,459	\$ 54,194

The deferred outflows of resources related to the Pension Plan, resulting from contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Subsequent contributions are as follows:

<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>
\$32,069	\$2,379

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

Fiscal Year Ending September 30:	Primary Government	Discretely Presented Component Unit
2025	\$ (68,565)	\$ (17,939)
2026	(23,791)	(13,567)
2027	(28,740)	(6,487)
2028	(22,935)	1,700
2029	13,303	2,371
Thereafter	11,431	808
Total	<u>\$ (119,297)</u>	<u>\$ (33,114)</u>

Actuarial Assumptions:

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The long-term expected rate of return on the Pension 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 target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 9 - RETIREMENT PLANS (Continued)

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.30%	3.30%	1.10%
Fixed income	29.00%	5.70%	5.60%	3.90%
Global equity	45.00%	8.60%	7.00%	18.20%
Real estate	12.00%	8.10%	6.80%	16.60%
Private equity	11.00%	12.40%	8.80%	28.40%
Strategic investments	2.00%	6.60%	6.20%	8.70%
Assumed Inflation - Mean			2.40%	1.5%

(1) As outlined in the Pension Plan's investment policy

Discount Rate:

The discount rate used to measure the total pension liability was 6.7%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate:

The following represents the proportionate shares of the net pension liability calculated using the discount rate of 6.7%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.7%) or one percentage point higher (7.7%) than the current rate:

	1% Decrease 5.7%	Current Discount Rate 6.7%	1% Increase 7.7%
City's proportionate share of the net pension liability	\$ 1,491,855	\$ 848,144	\$ 308,899
Port Authority's proportionate share of the net pension liability	\$ 105,460	\$ 59,955	\$ 21,836

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 9 - RETIREMENT PLANS (Continued)

Pension Plan Fiduciary Net Position:

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

Payables to the Pension Plan:

Discretely Presented Component Unit:

At September 30, 2024, the Port Authority reported a payable in the amount of \$754 for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2024.

HIS Plan

Plan Description:

The HIS Plan is a cost-sharing, multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of the State, administered by the Florida Department of Management Services, Division of Retirement.

a. ***Benefits Provided***

For the fiscal year ended September 30, 2024, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$45 and a maximum HIS payment of \$225 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

b. ***Contributions***

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2024, the HIS contribution for the period was 1.66%. The City and the Port Authority contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

The contributions to the HIS Plan totaled for the fiscal year ended September 30, 2024, are as follows:

<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>
\$13,141	\$1,597

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

Primary Government:

At September 30, 2024, the City reported a liability of \$278,100 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The City's proportionate share of the net pension liability was based on the City's 2023-24 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members. At June 30, 2024, the City's proportionate share was .001853876 percent, which was a decrease of .000631047 percent from its' proportionate share measured as of June 30, 2023.

Discretely Presented Component Unit:

At September 30, 2024, the Port Authority reported a liability of \$27,021 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Port Authority's proportionate share of the net pension liability was based on the Port Authority's 2023-24 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members. At June 30, 2024, the Port Authority's proportionate share was .000180131 percent, which was a increase of .000026864 percent from its' proportionate share measured as of June 30, 2023.

Primary Government and Discretely Presented Component Unit:

The pension expense (income) amounts recognized for the fiscal year ended September 30, 2024, are as follows:

<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>
(\$49,284)	(\$8,638)

In addition, the reported deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 9 - RETIREMENT PLANS (Continued)

	Primary Government		Discretely Presented Component Unit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,685	\$ 534	\$ 261	\$ 52
Changes in assumptions	4,922	32,923	478	3,199
Net difference between projected and actual earnings on investments		101		10
Differences in proportion and differences between HIS Plan contributions and proportionate share of contributions		166,110	3,760	25,392
HIS Plan contributions subsequent to the measurement date	3,960		411	
Total HIS Plan	\$ 11,567	\$ 199,668	\$ 4,910	\$ 28,653

The deferred outflows of resources related to the HIS Plan, resulting from contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Subsequent contributions are as follows:

<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>
\$3,960	\$411

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30:	Primary Government	Discretely Presented Component Unit
2025	\$ (54,649)	\$ (9,576)
2026	(49,831)	(7,140)
2027	(31,113)	(4,527)
2028	(24,364)	(2,353)
2029	(21,771)	(250)
Thereafter	(10,333)	(305)
Total	\$ (192,061)	\$ (24,151)

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

Actuarial Assumptions:

The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Municipal Bond Rate	3.93%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021.

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023 of the FRS Pension Plan.

Discount Rate:

The discount rate used to measure the total pension liability was 3.93%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because 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 FRS Actuarial Assumption Conference.

Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate:

The following represents the City and the Port Authority's proportionate share of the net pension liability calculated using the discount rate of 3.93%, as well as what the City and the Port Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current rate:

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
City's proportionate share of the net pension liability	\$ 316,581	\$ 278,100	\$ 246,154
Port Authority's proportionate share of the net pension liability	\$ 30,760	\$ 27,021	\$ 23,917

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

Pension Plan Fiduciary Net Position:

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

Payables to the HIS Plan:

Primary Government:

Discretely Presented Component Unit:

At September 30, 2024, the Port Authority reported a payable in the amount of \$130 for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2024.

9.2 Police Officers', Firefighters', and Senior Management Pension Trust Funds

Plan Description:

a. Plan Names

The Police Officers, Firefighters, and Senior Management participate in single-employer contributory defined benefit retirement plans. They are as follows:

City of Panama City Municipal Police Officers' Pension Trust Fund (Police Officers')
City of Panama City Municipal Firefighters' Pension Trust Fund (Firefighters')
City of Panama City Supplemental Retirement Plan for Designated General Employees
(Senior Management)

b. Plan Administration, Police Officers', Firefighters', and Senior Management Pension Trust Funds

The sole and exclusive administration of and responsibility for the proper operation of the systems and for making effective the provisions of this division are hereby vested in each Board of Trustees. Each Board is hereby designated as its plan administrator. Each Board shall consist of five Trustees, two of whom, unless otherwise prohibited by law, shall be legal residents of the City, who shall be appointed by the City Commission, and two of whom shall be members of the system, who shall be elected by a majority of the respective police officers, firefighters, or senior management participants who are members of that system. The fifth Trustee shall be chosen by a majority of the previous four trustees as provided for herein, and such person's name shall be submitted to the City Commission. The Police Officers', Firefighters', and Senior Management Pension Trust Funds do not issue audited stand-alone financial statements but rely on the audit performed for the City. Full-time sworn police officers participate as a condition of employment.

Full-time firefighters participate as a condition of employment. Designated employees (Senior Management) of the City of Panama City, including designated managers and directors, the City Engineer, the City Commission, the City Manager, the Assistant City Managers, and the City Clerk participate as a condition of employment.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

c. Plan Membership

Membership of each plan consisted of the following:

	Police Officers' Pension <u>10/1/23</u>	Firefighters' Pension <u>10/1/23</u>	Senior Management Pension <u>10/1/24</u>
Inactive plan members or beneficiaries currently receiving benefits	100	77	21
Inactive plan members entitled to but not yet receiving benefits	41	9	3
Active plan members	<u>98</u>	<u>75</u>	<u>23</u>
Total members	<u><u>239</u></u>	<u><u>161</u></u>	<u><u>47</u></u>
Number of participating employers	1	1	1

d. Benefits Provided

Normal Retirement

	Police Officers' <u>Pension</u>	Firefighters' <u>Pension</u>	Senior Management <u>Pension</u>
Date	Earlier of: 1) age 50 and the completion of 15 years of credited service, 2) the completion of 23 years of credited service, regardless of age, 3) age 55 and the completion of 10 years of credited service.	Earlier of: 1) Age 55 and the completion of 10 years of credited service, or 2) 25 years of credited service, regardless of age.	Age 59 with 10 years of credited service for Category 1 employees, or at least 6 years of credited service for Category 2 and 3 employees.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

	Police Officers' <u>Pension</u>	Firefighters' <u>Pension</u>	Senior Management <u>Pension</u>
Benefit	The Plan provides retirement, termination, disability and death benefits. A summary of the benefit provisions can be found in the October 1, 2023 Actuarial Valuation Report for the City of Panama City Municipal Police Officers' Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.	The Plan provides retirement, termination, disability and death benefits. A summary of the benefit provisions can be found in the October 1, 2023 Actuarial Valuation Report for the City of Panama City Municipal Firefighters' Retirement System prepared by Foster & Foster Actuaries and Consultants.	1% of average earnings times the years of credited service, or a minimum benefit of \$50 per month times up to 20 years each year of credited service for Category 1 and 2 employees, or \$100 per month for each year of service up to 10 years for Category 3 employees.

Early Retirement

Date	Earlier of: 1) Age 40 and completion of 15 years of credited service, or 2) age 50 and the completion of 10 years of credited service.	Age 45 and completion of 10 years of credited service.	None provided
Benefit	Determined as for normal retirement and reduced 3% for each year the commencement of benefits precedes normal retirement date.	Determined as for normal retirement (without supplement) reduced 3% per year to age 50 and actuarially for years prior to age 50.	None provided

Termination of Employment

Benefit	Less than 10 years: refund of accumulated member contributions without interest. 10 or more: refund of contributions or vested accrued benefit payable at age 50 (or reduced as early as age 40).	Less than 10 years: refund of member contributions without interest. 10 or more: refund of contributions or vested accrued benefit (supplemental benefit not included) payable at age 55 (or reduced as early as age 45).	Less than 6 years: refund of accumulated member contributions without interest. More than 6 years: vested accrued benefit payable at normal retirement date.
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**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

	Police Officers' <u>Pension</u>	Firefighters' <u>Pension</u>	Senior Management <u>Pension</u>
<u>Disability</u>			
Eligibility	Total and permanent as determined by the Board (medical proof required) after completing 10 years of service.	Total and permanent as determined by the Board (medical proof required). One year of service required for not-in-line of duty.	None provided
Benefit	Accrued benefit but not less than 42% of average final compensation (service incurred) and 25% of average final compensation (non-service incurred).	Accrued benefit but not less than 42% of average final compensation (service incurred) and 25% of average final compensation (non-service incurred).	None provided

Pre-Retirement Death Benefits

Greater of: 1) death benefit provided in Chapter 185, F.S., 2) accumulated member contributions, or, 3) 3 times annual salary.	Vested: Greater of: 1) actuarial equivalent of participant's accrued benefit payable as a Ten Year Certain and Life Annuity, or 2) 3 times annual salary. Prior to vesting: 3 times annual salary.	Return of accumulated employee contributions.
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**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

	<u>Police Officers’ Pension</u>	<u>Firefighters’ Pension</u>	<u>Senior Management Pension</u>
<u>Supplement</u>	Service retirees (Early and Normal) and members with vested deferred benefits who terminate on or after 10/1/2000, receive a \$450 per month benefit payable to the earlier of death or age 65. Those who terminate on or after 10/1/2006 and prior to 10/1/2016 will receive this benefit for the life of the member. Those who terminate on or after 10/1/2016 will receive \$650 per month for the life of the member.	\$575 per month to earlier of death or Social Security retirement age.	None provided
<u>Cost-of-Living Adjustment</u>	Members retiring on or after 1/1/1998, receive a 2% per year increase beginning on January 1 following the later of age 50 or the date of retirement and ending on January 1 of the year the member reaches Social Security retirement age. Members retiring on or after September 1, 2023, receive a 3% per year increase beginning on the January 1 following the later of age 50 or the date of retirement and ending on January 1 of the year the Member reaches Social Security retirement age.	Each January 1, following retirement, the base benefit is increased annually by 3.0% (1.0% if retired prior to January 1, 1999). Adjustments cease at Social Security retirement age (age 65 if retired between 1/1/1994 and 9/30/1997). Supplemental benefits are not adjusted.	Cost of living increases of 2% per year for Category 1 employees with 15 continuous years of credited service and Category 2 and 3 employees with 10 continuous years of credited service.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

e. Contributions

	Police Officers' <u>Pension</u>	Firefighters' <u>Pension</u>	Senior Management <u>Pension</u>
Employee	8.13% of salary	7.5% of salary	4.5% of pensionable earnings
Employer	Remaining amount necessary after member and State contributions for payment of normal cost and amortization of accrued past service liability over 30 years.	Remaining amount necessary after member and State contributions for payment of normal cost and amortization of accrued past service liability over 30 years. In no event less than 7.5% of total salaries of the members.	Subject to State minimums.
State	0.85% tax on insurance premiums.	1.85% tax on insurance premiums.	None provided

Pursuant to Florida Statutes Section 185 and Section 175, the State of Florida makes contributions to fund police and firefighter benefits. These State contributions were recognized as revenue and expenditures by the City. During fiscal year 2024, the amounts were \$507,953 and \$466,493 for police and firefighters, respectively.

Investments:

a. Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2024:

	Police Officers' <u>Pension</u>	Firefighters' <u>Pension</u>	Senior Management <u>Pension</u>	
<u>Asset Class</u>	Target <u>Allocation</u>	Target <u>Allocation</u>	<u>Asset Class</u>	Target <u>Allocation</u>
Domestic equity	40.00%	38.00%	Core bonds	15.00%
International equity	12.00%	12.00%	Core plus	15.00%
Bonds	18.00%	19.00%	U. S. large cap equity	25.00%
High yield bonds	5.00%	5.00%	U. S. small cap equity	14.00%
Convertibles	12.00%	10.00%	Non-U.S. equity	21.00%
Private real estate	6.00%	5.00%	Core real estate	10.00%
REITS	2.00%	5.00%		
Infrastructure	4.00%	5.00%		
Cash	1.00%	1.00%		

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

b. Concentrations:

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

c. Rate of Return:

<u>Police Officers' Pension</u>	<u>Firefighters' Pension</u>	<u>Senior Management Pension</u>
For the year ended September 30, 2024, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense was 20.38%.	For the year ended September 30, 2024, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense was 20.12%.	For the year ended September 30, 2024, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 17.84%.
The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.	The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.	The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Participation

If a member has completed less than 25 years of service, not to exceed 60 months. If a member has completed at least 25 but less than 27 years of service, not to exceed 60 months. If a member has completed at least 27 but less than 30 years of service, not to exceed 36 months. Members with 30 years and 1 day of service are ineligible.	May participate for a period not to exceed 96 months.	Categories are as follows: Category 1 - designated managers and directors and the City engineer. Category 2 – City Commission, Assistant City Managers, and City Clerk Category 3 – City Manager.
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**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

	<u>Police Officers’ Pension</u>	<u>Firefighters’ Pension</u>	<u>Senior Management Pension</u>
<u>Rate of Return</u>	6.5% per annum, credited quarterly. The DROP balance as of September 30, 2024 is \$0.	6.5% per annum, credited quarterly. The DROP balance as of September 30, 2024 is \$853,353.	None provided

Deferred Retirement Option Program:

Eligibility

Satisfaction of Normal Retirement requirements.	Satisfaction of Normal Retirement requirements (earlier of 1) Age 55 and 10 years of credited service, or 2) 25 years of credited service).	None provided
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Employer Reporting of Pension Liabilities, Pension Expense, Deferred Outflows of Resources, Deferred Inflows of Resources, and Actuarial Assumptions (Employer Reporting)

Reporting Date, Measurement Date, and Valuation Date (Employer Reporting):

Net pension liabilities, deferred pension outflows of resources, deferred pension inflows of resources, and pension expense are all presented as of the City’s reporting date (September 30, 2024) and for the City’s reporting period (the year ended September 30, 2024). These amounts are measured as of the measurement date and for the measurement period (the period between the prior and current measurement dates). GASB Statement No. 68 requires that the current measurement date be no earlier than the end of the employer’s prior fiscal year. For the reporting date of September 30, 2024, the City has chosen to use the end of the prior fiscal year (September 30, 2023) as the measurement date, and the year ended September 30, 2023 as the measurement period for the Police Officers’ and Firefighters’ Pensions and September 30, 2024 as the measurement date, and the year ended September 30, 2024 as the measurement period for Senior Management Pension.

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 9 - RETIREMENT PLANS (Continued)

The total pension liability is determined by an actuarial valuation performed as of the measurement date, or by the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a date no more than 30 months and 1 day earlier than the employer's most recent fiscal year-end. The City has elected to apply update procedures to roll forward amounts from an actuarial valuation performed as of October 1, 2022 to the measurement date of September 30, 2023 for the Police Officers' and Firefighters' Pensions, and to apply update procedures to roll forward amounts from an actuarial valuation performed as of October 1, 2023 to the measurement date of September 30, 2024 for the Senior Management Pension.

Net Pension Liability (Employer Reporting):

The components of the net pension liability of the sponsor on September 30, 2024 were as follows:

Police Officers' Changes in Net Pension Liability	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting Period Ending September 30, 2023	\$ 50,602,912	\$ 36,748,004	\$ 13,854,908
Changes for a year:			
Service cost	945,211		945,211
Interest	3,737,461		3,737,461
Change in excess State money	55,092		55,092
Differences between expected and actual experience	982,069		982,069
Changes of assumptions			
Contributions – Employer		1,648,376	(1,648,376)
Contributions – State		449,205	(449,205)
Contributions – Employee		531,959	(531,959)
Contributions – Buyback	36,132	36,132	
Net investment income		3,209,230	(3,209,230)
Benefit payments, including refunds of employee contributions	(3,321,623)	(3,321,623)	
Administrative expense		(42,868)	42,868
Net changes	2,434,342	2,510,411	(76,069)
Reporting Period Ending September 30, 2024	\$ 53,037,254	\$ 39,258,415	\$ 13,778,839

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 9 - RETIREMENT PLANS (Continued)

Firefighters'

Changes in Net Pension Liability	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting Period Ending September 30, 2023	\$ 57,920,710	\$ 38,163,302	\$ 19,757,408
Changes for a year:			
Service cost	1,003,653		1,003,653
Interest	4,302,025		4,302,025
Changes in benefit terms	91,626		91,626
Excess State money addition	8,433		8,433
Differences between expected and actual experience	2,209,290		2,209,290
Contributions – Employer		3,083,769	(3,083,769)
Contributions – State		426,195	(426,195)
Contributions – Employee		401,603	(401,603)
Net investment income		3,395,207	(3,395,207)
Benefit payments, including refunds of employee contributions	(3,115,454)	(3,115,454)	
Administrative expense		(56,135)	56,135
Net changes	4,499,573	4,135,185	364,388
Reporting Period Ending September 30, 2024	\$ 62,420,283	\$ 42,298,487	\$ 20,121,796

Senior Management

Changes in Net Pension Liability	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at September 30, 2023	\$ 4,184,555	\$ 3,642,674	\$ 541,881
Changes for a Year:			
Service cost	201,278		201,278
Expected interest growth	296,935	254,051	42,884
Unexpected investment income		466,725	(466,725)
Demographic experience	(852,690)		(852,690)
Contributions – Employer		211,614	(211,614)
Contributions – Employee		92,453	(92,453)
Benefit payments, including refunds of employee contributions	(297,308)	(297,308)	
Administrative expense		(33,971)	33,971
Net changes	(651,785)	693,564	(1,345,349)
Balances at September 30, 2024	\$ 3,532,770	\$ 4,336,238	\$ (803,468)

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

Pension Expense (Employer Reporting):

For the year ended September 30, 2024, the Sponsor will recognize a pension expense of:

<u>Police Officers'</u>	<u>Firefighters'</u>	<u>Senior Management</u>
\$3,015,258	\$4,156,792	\$69,805

Deferred Pension Outflows of Resources and Deferred Pension Inflows of Resources (Employer Reporting):

On September 30, 2024, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Police Officers'</u>		<u>Firefighters'</u>		<u>Senior Management</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected actual experience	\$ 654,712	\$ 339,945	\$ 1,844,316	\$ 377,303	\$ 51,579	\$ 718,840
Changes in assumptions			146,764		43,822	15,934
Net difference between projected and actual earnings on pension plan investments	3,348,891		3,985,541			165,918
Pension Plan contributions subsequent to the measurement date	<u>2,236,605</u>		<u>3,381,004</u>			
Total	<u>\$ 6,240,208</u>	<u>\$ 339,945</u>	<u>\$ 9,357,625</u>	<u>\$ 377,303</u>	<u>\$ 95,401</u>	<u>\$ 900,692</u>

The deferred outflows of resources related to the Pension Plan, resulting from contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Subsequent contributions are as follows:

<u>Police Officers'</u>	<u>Firefighters'</u>
\$2,236,605	\$3,381,004

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in Pension Expense as follows:

Fiscal Year Ending September 30:	Police Officers' Pension	Firefighters' Pension	Senior Management Pension
2024	\$ 806,233	\$ 1,754,421	\$ (115,177)
2025	1,160,624	1,208,085	(56,278)
2026	1,792,668	2,295,996	(235,273)
2027	(95,867)	340,816	(230,213)
2028			(136,868)
2029			(31,482)
Total	<u>\$ 3,663,658</u>	<u>\$ 5,599,318</u>	<u>\$ (805,291)</u>

Actuarial Assumptions (Employer Reporting):

	Police Officers' <u>Pension</u>	Firefighters' <u>Pension</u>	Senior Management <u>Pension</u>
Funding method	Entry age normal actuarial cost method. The following loads are utilized for determination of the total required contribution: -Interest – a half-year, based on the 7.5% assumption. -Salary – a full-year, based on the 6.22% assumption.	Entry age normal actuarial cost method. The following loads are utilized for determination of the total required contribution: -Interest – a half-year, based on the 7.5% assumption. -Salary – a full-year, based on the 5.46% assumption.	Aggregate cost method
Amortization method	New Unfunded Actuarial Accrued Liability amortization bases are amortized over the following amortization periods: Experience: 15 years Assumption/Method Changes: 15 years. The amortization payment is subject to a minimum based on a 30-year amortization of the UAAL, if the UAAL is positive, in order to comply with Actuarial Standard of Practice No. 4. Bases established prior to the valuation date are adjusted proportionally to match the Expected UAAL as of the evaluation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.	New Unfunded Actuarial Accrued Liability amortization bases are amortized over the following amortization periods: Experience: 15 years Assumption/Method Changes: 15 years. The amortization payment is subject to a minimum based on a 30-year amortization of the UAAL, if the UAAL is positive, in order to comply with Actuarial Standard of Practice No. 4. Bases established prior to the valuation date are adjusted proportionally to match the Expected UAAL as of the evaluation date, in order to align prior year bases with the portion of the current year UAAL associated with prior year sources.	Level % of pay, Open

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 9 - RETIREMENT PLANS (Continued)

	Police Officers' <u>Pension</u>	Firefighters' <u>Pension</u>	Senior Management <u>Pension</u>
Remaining amortization period	30 years	30 years	30 years
Actuarial Asset	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.	Market Value
Post Retirement COLA	2% per year from the later of retirement or age 50 to Social Security Retirement Age for members who retire between January 1, 1998 and September 1, 2023. 3.0% per year from the later of retirement or age 50 to Social Security retirement age for members who retire on or after September 1, 2023.	3% per year from the later of retirement or age 50 to Social Security Retirement Age.	2% per year for category 1 with 15 years and category 2 and 3 with 10 years of service.
Inflation	2.5%	2.5%	2.62%
Salary Increases	Service based	Service based	4.00%
Investment Rate of Return	7.5%	7.5%	4.38%
Mortality Rates	<i>Mortality Rate Healthy Active Lives:</i> Female: PubS.H-2010 (Below Median) For Employees, set forward one year. Male: PubS.H-2010 (Below Median) For Employees, set forward one year. <i>Mortality Rate Healthy Retiree Lives:</i> Female: PubS.H-2010 (Below Median) For Healthy Retirees, set forward one year. Male: PubS.H-2010 (Below Median) For Healthy Retirees, set forward one year.		* See Below

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 (Below Median) For Healthy Retirees.

Male: PubG.H-2010 (Below Median) For Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

80% PubG.H-2010 For Disabled Retirees/20% PubS.H-2010 for Disabled Retirees.

Senior Management Pension

*Pre-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; post-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year.

Long-term expected rate of return

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

Police Officers' and Firefighters' as of September 30, 2023

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Police Officers' Long-Term Expected Real Rate of Return</u>	<u>Firefighters' Long-Term Expected Real Rate of Return</u>
Domestic equity	40.00%	7.2%	7.2%
International equity	12.00%	2.9%	2.9%
Bonds	18.00%	1.7%	1.7%
High yield bonds	5.00%	4.1%	4.1%
Convertibles	12.00%	5.9%	5.9%
Private real estate	6.00%	5.9%	5.9%
REITS	2.00%	6.1%	6.1%
Infrastructure	4.00%	5.1%	5.1%
Cash	1.00%	-.1%	-.1%

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 9 - RETIREMENT PLANS (Continued)

Senior Management as of September 30, 2024

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core bonds	15.00%	1.6%
Core plus	15.00%	2.1%
U.S. large cap equity	25.00%	4.6%
U.S. small cap equity	14.00%	5.5%
Non-U.S. equity	21.00%	6.7%
Core real estate	10.00%	5.0%

Discount Rate (Employer Reporting):

The discount rate used to measure the total pension liability was 7.5% for Police Officers', 7.5% for Firefighters', and 7.0% for senior management. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Employer Reporting):

Sponsor's Net Pension Liability	Current Discount		
	1% Decrease 6.50%	Rate 7.50%	1% Increase 8.50%
Police Officers'	\$ 19,879,961	\$ 13,778,839	\$ 8,702,095

Firefighters'	Current Discount		
	1% Decrease 6.50%	Rate 7.50%	1% Increase 8.50%
Firefighters'	\$ 27,924,736	\$ 20,121,796	\$ 13,704,893

Senior Management	Current Discount		
	1% Decrease 6.00%	Rate 7.00%	1% Increase 8.00%
Senior Management	\$ (435,087)	\$ (803,468)	\$ (1,115,227)

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

Net Pension Liability and Disclosures Required by GASB Statement No. 67 (Plan Reporting)

This section includes the information that is required to be presented by GASB Statement No. 67, reporting on the financial statement for the defined benefit plans for the year ended September 30, 2024. Separate valuations were performed by actuaries to calculate the total pension liability in accordance with this standard for financial reporting by pension plans and calculates the net pension liability (NPL). The plans elected to base the valuations on plan data as of September 30, 2024. In addition to presenting the NPL, this section also includes information on the actuarial assumptions used in the valuation, the discount rate that was used to calculate the NPL, and disclosures as to the sensitivity of the NPL to changes in the discount rate.

Net Pension Liabilities (Plan Reporting):

	<u>Police Officers' Pension</u>	<u>Firefighters' Pension</u>	<u>Senior Management Pension</u>
Total pension liability	\$ 57,394,539	\$ 67,336,524	\$ 3,532,770
Plan fiduciary net position	<u>(46,512,859)</u>	<u>(50,844,281)</u>	<u>(4,336,238)</u>
Sponsor's net pension liability	<u>\$ 10,881,680</u>	<u>\$ 16,492,243</u>	<u>\$ (803,468)</u>
Plan fiduciary net position as a percentage of total pension liability	81.04%	75.51%	122.74%

Actuarial Assumptions (Plan Reporting):

The September 30, 2024 total pension liability for Police Officers' and Firefighters' was determined by rolling forward the total pension liability as of September 30, 2023 to September 30, 2024, using the actuarial assumptions and methods used in the October 1, 2023 actuarial valuation on the plans. Except for the changes listed as follows there have been no other changes. For the 2024 fiscal year, amounts reported as changes of assumptions for the pension plan resulted from:

Changes of assumptions

Police Officers' Pension

No assumptions were changed since the prior measurement date.

Firefighters' Pension

No assumptions were changed since the prior measurement date.

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 9 - RETIREMENT PLANS (Continued)

Senior Management Pension

No assumptions were changed since the prior measurement date.

The long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024 are summarized in the following table:

Asset Class	Police Officers' Pension Long-Term Expected Real Rate of Return	Firefighters' Pension Long-Term Expected Real Rate of Return
Domestic equity	8.0%	8.0%
International equity	3.3%	3.3%
Bonds	2.2%	2.2%
High yield bonds	4.5%	4.5%
Convertibles	6.5%	6.5%
Private real estate	5.5%	5.5%
REITS	7.4%	7.4%
Infrastructure	6.5%	6.5%
Cash	0.0%	0.0%

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

Discount Rate (Plan Reporting):

The discount rate used to measure the total pension liability was 7.5% for Police Officers', 7.5% for Firefighters', and 7.0% for senior management. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Plan Reporting):

Sponsor's Net Pension Liability	1% Decrease	Current Discount	1% Increase
	6.5%	Rate 7.5%	8.5%
Police Officers'	\$ 17,711,986	\$ 10,881,680	\$ 5,219,831
Firefighters'	1% Decrease	Current Discount	1% Increase
	6.5%	Rate 7.5%	8.5%
	\$ 25,075,404	\$ 16,492,243	\$ 9,453,324
Senior Management	1% Decrease	Current Discount	1% Increase
	6.0%	Rate 7.0%	8.0%
	\$ (435,087)	\$ (803,468)	\$ (1,115,227)

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 9 - RETIREMENT PLANS (Continued)

Combining Statement of Pension Plan Net Position
September 30, 2024

	Police Officers' Pension	Firefighters' Pension	Senior Management Pension	Total
Assets:				
Cash and cash equivalents:				
Short term investments	\$ 1,257,629	\$ 1,108,437	\$ 60,707	\$ 2,426,773
Receivables:				
Member contributions in transit	10,484	6,956		17,440
City contributions	32,407	51,070		83,477
Investment income	50,407	29,810		80,217
Total receivables	93,298	87,836		181,134
Investments:				
Common stocks	5,987,565			5,987,565
Corporate bonds	5,133,071			5,133,071
Mutual funds:				
Fixed income	9,972,868	16,210,517		26,183,385
Equity	21,502,487	19,148,484		40,650,971
Pooled/common/commingled funds:				
Fixed income			624,418	624,418
Equity		11,582,643	3,243,507	14,826,150
Real estate investment trust	2,643,555	2,740,971	407,606	5,792,132
Total investments	45,239,546	49,682,615	4,275,531	99,197,692
Total assets	46,590,473	50,878,888	4,336,238	101,805,599
Liabilities:				
Accounts Payable:				
Administrative expenses	856	881		1,737
Investment expenses	26,003	18,272		44,275
Prior refunds	284			284
Other payables	50,471	15,454		65,925
Total accounts payable	77,614	34,607		112,221
Total liabilities	77,614	34,607		112,221
Net Position:				
Restricted for pension benefits	\$ 46,512,859	\$ 50,844,281	\$ 4,336,238	\$ 101,693,378

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 9 - RETIREMENT PLANS (Continued)

Combining Statement of Changes in Net Position
Fiscal Year Ended September 30, 2024

	Police Officers' Pension	Firefighters' Pension	Senior Management Pension	Total
Additions				
Contributions:				
Plan members	\$ 559,055	\$ 396,485	\$ 211,614	\$ 1,167,154
Employer	1,728,652	2,914,512	92,453	4,735,617
State	507,953	466,492		974,445
Total contributions	<u>2,795,660</u>	<u>3,777,489</u>	<u>304,067</u>	<u>6,877,216</u>
Investment earnings:				
Net appreciation				
in fair value of investments	6,909,386	7,279,199	720,776	14,909,361
Interest	1,129,698	1,324,711		2,454,409
Total investment earnings (losses)	<u>8,039,084</u>	<u>8,603,910</u>	<u>720,776</u>	<u>17,363,770</u>
Less investment expense	<u>(148,431)</u>	<u>(139,371)</u>		<u>(287,802)</u>
Net investment earnings (losses)	<u>7,890,653</u>	<u>8,464,539</u>	<u>720,776</u>	<u>17,075,968</u>
Total additions (deletions)	<u>10,686,313</u>	<u>12,242,028</u>	<u>1,024,843</u>	<u>23,953,184</u>
Deductions				
Distributions to members:				
Benefit payments	3,186,768	3,209,790	261,730	6,658,288
Lump sum DROP distributions	14,282	392,489		406,771
Refunds of member contributions	<u>174,094</u>	<u>30,524</u>	<u>35,578</u>	<u>240,196</u>
Total distributions	<u>3,375,144</u>	<u>3,632,803</u>	<u>297,308</u>	<u>7,305,255</u>
Administrative expenses	<u>56,725</u>	<u>63,431</u>	<u>33,971</u>	<u>154,127</u>
Total deductions	<u>3,431,869</u>	<u>3,696,234</u>	<u>331,279</u>	<u>7,459,382</u>
Change in Net Position	<u>7,254,444</u>	<u>8,545,794</u>	<u>693,564</u>	<u>16,493,802</u>
Net Position Restricted for Pension Benefits				
Beginning of year	<u>39,258,415</u>	<u>42,298,487</u>	<u>3,642,674</u>	<u>85,199,576</u>
End of year	<u>\$ 46,512,859</u>	<u>\$ 50,844,281</u>	<u>\$ 4,336,238</u>	<u>\$ 101,693,378</u>

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

9.3 Aggregate Schedule of Retirement Plan Information

For the fiscal year ended September 30, 2024, in total, reported deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Primary Government		Discretely Presented Component Unit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,638,977	\$ 1,436,622	\$ 6,318	\$ 52
Changes in assumptions	311,754	48,857	8,695	3,199
Net difference between projected and actual earnings on investments		56,473		3,995
Differences in proportion and differences between Pension Plan contributions and proportionate share of contributions	7,360,074	622,526	10,566	75,601
Pension Plan contributions subsequent to the measurement date	5,653,638		2,790	
Total	\$ 15,964,443	\$ 2,164,478	\$ 28,369	\$ 82,847

Pension Expense

For the fiscal year ended September 30, 2024, the City recognized total pension expense of \$7,209,682.

For the fiscal year ended September 30, 2024, the Port Authority recognized total pension income of \$22,226.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

9.4 The Retirement Plan and Trust for the General Employees of the City of Panama City, Florida

a. *Plan Description:*

The Retirement Plan and Trust for the General Employees of the City of Panama City, Florida (Fund), is a single-employer defined contribution plan administered by Voya Financial.

b. *Plan Provisions and Eligibility:*

All full-time City employees hired after January 1, 1996, are eligible to participate in the Plan. The City ordinances establish these plan provisions. Participants must be 18 years or older with three months of service. The effective date of participation is the first day of the month coinciding with or following ninety days of employment. Members qualify for normal retirement on the participant's 65th birthday. See City Code section 2-334.11.

Each participant who is an employee on his or her attainment of normal retirement age or is terminated as a result of death or disability, to the extent not then vested, shall become fully vested. Upon the death of the participant, the participant's vested plan account shall be paid to the participant's beneficiary. If a participant's employment terminates for any reason other than retirement, disability or death, the benefits shall be vested as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

The unvested portion shall be forfeited on the day the participant's employment is terminated. Any forfeitures that result from a participant's termination before he or she completes at least 12 months of service will be returned to the employer. All other forfeitures are allocated to the employer contribution accounts of eligible participants.

c. *Contribution Obligations :*

The City is required by a resolution of the City of Panama City, Florida to contribute 10% of participants' salaries to the plan. The City Commission has the authority to change contribution amounts. Total pension expense amounted to \$1,812,363, of which \$160,877 was forfeitures, for the fiscal year ended September 30, 2024. This is a noncontributory plan. Contributions are as follows:

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

		<u>Required Contribution</u>	<u>Percentage of the Amount Contributed</u>
9/30/24	\$	1,812,363	100%
9/30/23		1,637,886	100%
9/30/22		1,388,793	100%
9/30/21		1,227,833	100%
9/30/20		1,050,263	100%

- d. A separately issued annual report of the Fund is available from the Voya Financial, Plan Number 666935, 1 Orange Way C35, Windsor, CT 06095.

9.5 Discretely Presented Component Unit

Retirement Plan and Trust for the General Employees

The Port Authority participated in the Retirement Plan and Trust for the General Employees of the Panama City Port Authority for employees hired after January 1, 1996, who were not eligible to participate in the Florida Retirement System.

a. *Plan Description:*

The Retirement Plan and Trust for the General Employees of the Panama City Port Authority is a single- employer defined contribution plan administered by the Florida League of Cities, Inc.

b. *Plan Provisions and Eligibility:*

All Port Authority full-time employees hired after January 1, 1996 are eligible to participate in the Fund. Employees must be 18 years or older with three months of service. The effective date of participation is the first day of the month coinciding with or following ninety days of employment. Members qualify for normal retirement, after obtaining ten years of creditable service, on the first of the month coinciding with or following the participant's 65th birthday. Benefits fully vest after participant reaches ten years of service, with partial vesting after the completion of six through nine years of service. The benefits shall be vested as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
1-5	0%
6	60%
7	70%
8	80%
9	90%
10	100%

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 9 - RETIREMENT PLANS (Continued)

Any forfeited amounts are allocated to future plan contributions, and plan administrative expenditures.

c. Contribution Obligations:

The Port Authority is required to contribute 7% of participants' salaries to the plan. The City Commission has the authority to change contribution amounts. Total pension expense amounted to \$223,679, of which \$73,010 was forfeitures, for the fiscal year ended September 30, 2024. This is a noncontributory plan. Contributions are as follows:

		<u>Required Contribution</u>	<u>Percentage of the Amount Contributed</u>
9/30/24	\$	223,679	100%
9/30/23		236,824	100%
9/30/22		184,012	100%
9/30/21		175,013	100%
9/30/20		198,926	100%

- d. A separately issued annual report of the Fund is available from the Florida League of Cities, Inc., 301 S. Bronough Street, Tallahassee, Florida 32302.

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description:

The City administers a single-employer defined benefit healthcare plan (the "OPEB Plan"). Retirees under all of the City's Pension Plans continue their life insurance benefit (at a reduced level of \$1,000) and continue to receive health insurance benefits if they so choose. Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees.

a. Contribution requirement

	<u>City</u>	<u>Discretely Presented Component Unit</u>
Contribution requirement	Retirees must contribute an amount determined periodically by the City based on actual claims experience; there are no minimum required employer contributions.	Retirees must contribute an amount determined periodically by the Authority equal to 100% of the applicable health insurance premium charged by the insurance carrier; there are no minimum required employer contributions.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

b. Benefits Provided

	City	Discretely Presented Component Unit
Employees covered	Regular, full time employees of the City of Panama City.	Regular, full time employees of the Panama City Port Authority.
Types of benefits provided	Post-retirement medical, dental, vision, and life insurance benefits.	Post-retirement medical benefits.
Medical coverage	Post-retirement medical coverage is provided to eligible individuals under the same self-insured plan that covers active employees; no explicit subsidy is provided to retirees.	Post-retirement medical coverage is provided to eligible individuals under the same fully-insured plan that covers active employees; no explicit subsidy is provided to retirees.
Plan choice	For health insurance coverage, retirees may choose from a basic plan or a buy-up plan.	None provided
Life insurance	The City provides a fully-insured life insurance benefit of \$1,000 to all retirees.	None provided
Legal authority	Under Florida State law, the City is required to offer retirees health insurance on the same basis as employees provided that the retiree pays the full premium for the relevant coverage.	Under Florida State law, the Authority is required to offer retirees health insurance on the same basis as employees provided that the retiree pays the full premium for the relevant coverage.
Changes	The benefit terms did not change from the prior measurement date.	The benefit terms did not change from the prior measurement date.

c. Membership

As of the most recent actuarial valuation of the net OPEB liability, membership data is as follows:

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

	Primary Government	Discretely Presented Component Unit
Retirees and beneficiaries currently receiving benefits	22	-
Active members	<u>534</u>	<u>73</u>
	<u>556</u>	<u>73</u>

OPEB Liability, OPEB Expense, and Actuarial Assumptions

Measurement Date, and Valuation Date

The Net OPEB Liability was measured as of September 30, 2024. The Total OPEB Liability was determined from an actuarial valuation as of October 1, 2023. The Net OPEB Liability is the Total OPEB Liability less the Plan Fiduciary Net Position. The Total OPEB Liability is the present value of all future benefit payments for current retirees and active employees, considering assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions.

Net OPEB Liability:

	Primary Government	Discretely Presented Component Unit
Total OPEB Liability	\$ 4,422,842	\$ 187,934
Less: Fiduciary Net Position	-	-
Net OPEB Liability	<u>\$ 4,422,842</u>	<u>\$ 187,934</u>

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Primary Government:			
Change in Net OPEB Liability			
Beginning Net OPEB Liability	\$ 4,848,504		\$ 4,848,504
Service Cost	365,256		365,256
Interest	207,490		207,490
Changes of Assumptions	305,995		305,995
Benefit Payments	(208,436)		(208,436)
Difference between expected and actual experience	(1,095,967)		(1,095,967)
Net Change	<u>(425,662)</u>		<u>(425,662)</u>
Ending Net OPEB Liability	<u>\$ 4,422,842</u>		<u>\$ 4,422,842</u>

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Discretely Presented Component Unit:	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Change in Net OPEB Liability			
Beginning Net OPEB Liability	\$ 185,780		\$ 185,780
Service Cost	18,973		18,973
Interest	8,155		8,155
Demographic Loss	(9,013)		(9,013)
Assumption Changes	(8,098)		(8,098)
Benefit Payments	(7,863)		(7,863)
Net Change	2,154		2,154
Ending Net OPEB Liability	<u>\$ 187,934</u>		<u>\$ 187,934</u>

OPEB Expense (Income):

The OPEB expense (income) amounts recognized for the fiscal year ended September 30, 2024 are as follows:

Primary Government	Discretely Presented Component Unit
<u>\$ 293,975</u>	<u>\$ 5,371</u>

Deferred OPEB Outflows of Resources and Deferred OPEB inflows of Resources

	Primary Government		Discretely Presented Component Unit	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,989,006	\$ 1,915,704	\$ -	\$ 127,708
Change of assumptions	<u>298,184</u>	<u>323,736</u>	<u>785</u>	<u>19,775</u>
Total	<u>\$ 2,287,190</u>	<u>\$ 2,239,440</u>	<u>\$ 785</u>	<u>\$ 147,483</u>

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

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

Fiscal Year Ending September 30:	Primary Government	Discretely Presented Component Unit
2025	\$ (70,335)	\$ (13,894)
2026	(70,335)	(13,894)
2027	(10,316)	(13,894)
2028	121,226	(13,894)
2029	132,824	(13,894)
Thereafter	(55,514)	(77,228)
Total	\$ 47,550	\$ (146,698)

Actuarial Assumption:

	City	Discretely Presented Component Unit
Discount Rate	4.06% per annum: this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade index as of the measurement date.	4.06% per annum: this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade index as of the measurement date.
Salary increases	3.0% per annum	3.0% per annum
Cost-of-living increases	Retiree contributions and health insurance premiums have been assumed to increase in accordance with the healthcare cost trend rates.	Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.
Healthcare cost trend rates	Increases in healthcare costs are assumed to be 7.00% for the 2023/24 fiscal year graded down by 0.50% per year to 5.00% for the 2027/28 and later fiscal years.	Increases in healthcare costs are assumed to be 7.00% for the 2023/24 fiscal year graded down by 0.50% per year to 5.00% for the 2027/28 and later fiscal years.

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

	City	Discretely Presented Component Unit
Age-related morbidity	Healthcare costs are assumed to increase at the rate of 3.50% for each year of age.	Healthcare costs are assumed to increase at the rate of 3.50% for each year of age.
Expected claims/Implied subsidy	Claims cost at age 59 is assumed to be \$16,250 per covered individual for the 2023/24 fiscal year; buy-up plan retiree claims were assumed to be 7.34% greater than the basic plan retiree claims and buy-up plan spousal claims; were assumed to be 10.48% greater than the basic plan spousal claims these amounts were determined based on actual claims during the preceding three years, with greater weight given to more recent experience.	Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy of \$675 for the retiree and \$500 for the retiree's spouse has been assumed at age 62 for the 2023/24 fiscal year; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates; the implied subsidy is assumed to disappear at age 65.
Mortality basis	Sex-distinct rates set forth in the PUB-2010 mortality table (without income adjustments) for general and public safety employees with full generational improvements in mortality using Scale MP-2020.	Sex-distinct rates set forth in the PUB-2010 Mortality Table, with full generational improvements in mortality using Scale MP-2017.
Retirement	For general employees, retirement is assumed to occur at age 59 with 10 years of service or at any age with 30 years of service; for firefighters, retirement is assumed to occur at age 55 with 10 years of service or at any age with 25 years of service; for police officers, retirement is assumed to occur at age 55 with 10 years of service, at age 50 with 15 years of service, or at any age with 23 years of service.	For employees hired prior to July 1, 2011, retirement is assumed to occur at age 62 with six years of service or at any age with 30 years of service; for employees hired on or after July 1, 2011, retirement is assumed to occur at age 65 with 8 years of service or at any age with 33 years of service.

CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

	City	Discretely Presented Component Unit
Other decrements	Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 1 for general employees and Class 4 for firefighters and police officers).	Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 1).
Coverage election	15% of eligible employees are assumed to elect medical coverage upon retirement or disability until age 65 in accordance with their current health plan and coverage election; retirees are not assumed to have any dependent children.	20% of eligible employees are assumed to elect medical coverage upon retirement or disability until age 65 under the “buy-up” plan upon retirement or disability; spouses are assumed to be covered in accordance with the employee’s current election.
Spousal age and dependents	Husbands are assumed to be three years older than wives.	Husbands are assumed to be three years older than wives; retirees are not assumed to have any dependent children.
COBRA	Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.	Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

	City	Discretely Presented Component Unit
Life Insurance	Life insurance premiums are assumed to be 25% higher than the pure insurance cost; because data was not provided for retirees who have not elected to continue their health insurance coverage under the City's plan, retiree life insurance liability has been loaded by a factor of ten to account for the estimated number of covered retirees as well as the assumption that the unknown retirees are generally older than those retirees who are covered under the City's health insurance plan.	None provided
Changes	Since the prior measurement date, the discount rate was decreased from 4.91% per annum to 4.06% per annum.	Since the prior measurement date, the discount rate was decreased from 4.91% per annum to 4.06% per annum.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate:

	1.00% Decrease 3.06%	Current Discount Rate 4.06%	1.00% Increase 5.06%
City's OPEB Liability	\$ 4,941,019	\$ 4,422,842	\$ 3,922,720
Port Authority's OPEB Liability	206,793	187,934	171,158

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates:

	1.00% Decrease 4.00%	7.00% graded down to 5.00%	1.00% Increase 6.00%
Primary Government	\$ 3,878,034	\$ 4,422,842	\$ 5,091,559
Discretely Presented Component Unit	163,258	187,934	218,050

Deferred Compensation Plans

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

As required by Internal Revenue Code Section 457, the assets are held in a trust for the employees' benefit. The City does not make any matching or discretionary contributions to the deferred compensation plan. The deferred compensation plan is considered as an other employee benefit plan in accordance with paragraph 6 of GASB No. 97. And the deferred compensation plan is not considered as a fiduciary activity of the City under the provisions of GASB No. 84. The deferred compensation funds are not available until termination, retirement, death, or unforeseeable emergency.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 11 - ENCUMBRANCES

The amount of encumbrances at year-end do not constitute expenditures or liabilities; therefore, they are not reflected in the financial statements. The amount of encumbrances outstanding as of September 30, 2024, is as follows:

Governmental Funds-	
General Fund	\$ 1,040,691
Housing and Community Services	39,950
General Grants	908,554
Capital Projects	52,640,772
Capital Projects - Infrastructure Surtax	1,073,273
Infrastructure Surtax	338,722
Panama City Redevelopment Agency - Downtown North	64,929
Panama City Redevelopment Agency - St. Andrews	23,240
Panama City Redevelopment Agency - Downtown	227,226
Panama City Redevelopment Agency - Millville	284,871
Proprietary Funds-	
Equipment Maintenance	164,338
Marina	942,765
Environmental Services	2,921,384
Utilities	<u>85,720,530</u>
Total	<u>\$146,391,245</u>

NOTE 12 – MERCHANT LICENSE TAX ABATEMENT

The City considers economic incentives to encourage retail businesses to build or expand within the city limits of Panama City. The City Commission uses both qualitative and quantitative economic factors in approving abatements. To incentivize the development of retail centers located in Panama City, the City entered into agreement with real estate developers to refund a portion of the City's operating merchant license tax attributable to the merchants' operations on the retail center sites. The agreements refund 90% of the operating merchant license tax collected on the property, with a maximum reinvestment amount by the City of \$15,142,467 over a period of up to 15 years for the first development and \$2.8 million over a period of up to 15 years and 25 days for the second development. As conditions for payments by the City, the developer must certify that 50% or more of the business units are new business units which are open to the public. The City's promise to pay is evidenced and secured by an annual covenant to budget and appropriate from lawfully available, non-ad valorem revenues containing a disclaimer of the City maintaining any particular revenue source, all in a form traditionally used in municipal borrowings and often validated under Florida Statutes Chapter 75. For the fiscal year ended September 30, 2024, the City abated merchant license taxes totaling \$800,844. The first development received \$617,779 and the second development received \$183,065.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 13 – HURRICANE MICHAEL

The City continues to focus on recovery and restoration of the City from Hurricane Michael, the catastrophic category 5 hurricane and third strongest storm on record to impact the U.S. mainland, that struck the area on October 10, 2018. Our consultants, Federal Emergency Management Agency (FEMA), and the State continue to work with the City to complete FEMA and other agency funded projects. Currently, the funding sources available are from FEMA, the State of Florida, FEMA Section 428 Alternative Public Assistance Programs, insurance, FEMA Hazard Mitigation Grant Program (HMGP), Community Development Block Grant Disaster Recovery Funds (CDBG-DR), Community Disaster Recovery Funds Mitigation Funds (CDBG-MIT), FEMA Building Resilient Infrastructure and Communities (BRIC), FEMA Flood Mitigation Assistance (FMA) and the Florida's State Revolving Fund (SRF).

The City continues the process of consolidating the remaining FEMA project fund, Sudduth Park, the Vehicle Maintenance Building and Carl Grey Park have been completed. The city-wide road damages, Martin Luther King, Jr. Recreation Center and the Martin Theater are the remaining large FEMA projects. The City is also finalizing some smaller FEMA projects. The City received \$3,400,762 from FEMA in FY24, and \$92,003,085 over the previous five fiscal years.

NOTE 14 - COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS

Grant Program. The City participates in various federal and state grants. These programs are subject to audit and adjustment by the funding agency or their representatives. If grant revenues are received for expenditures which are subsequently disallowed, the City may be required to repay the revenues to the funding agency. In the opinion of management, liabilities resulting from such disallowed expenditures, if any, will not be material to the accompanying financial statements.

Self-Insurance Programs. The City is self-insured for employee healthcare. See Note 5 for further details.

Marina Project. The City borrowed \$12,999,000 in 2013 of which \$992,688 remains unspent. The remaining portion of the project is still in the planning phase.

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 14 - COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS
(Continued)

Construction Commitments. The City has outstanding commitments for construction contracts at year end. The commitments represent the difference between the contract prices of the various projects and the amounts paid on each contract. Outstanding construction commitments by fund at September 30, 2024, are as follows:

Governmental Funds:	
General Fund	\$ 223,927
Capital Projects	52,623,110
Capital Projects Infrastructure Sales Tax	1,067,475
Community Redevelopment Agency-St. Andrews	2,514
Community Redevelopment Agency-Downtown	217,655
Community Redevelopment Agency-Millville	262,291
Infrastructure Surtax	338,722
General Grants	854,049
Proprietary Funds:	
Utilities	83,526,312
Environmental Services	520,749
Marina	897,049

Other Subsequent Events. The City did not have any other subsequent events requiring disclosure or recording in these financial statements through May 27, 2025, which is the date these financial statements were issued.

NOTE 15 - CONDUIT DEBT OBLIGATIONS

The City has authorized issuance of the Educational Facilities Revenue Bonds (University Academy Project) to provide Community Charter Academy, Inc., with the cost of acquisition, improvements, installation and equipping of certain educational facilities for the benefit of Community Charter Academy, Inc. This bond is limited to the special obligations of the City, payable solely from the payments made by the borrower, solely out of loan payments and other monies received by or on account of the issuer from the borrower pursuant to the financial agreement.

The City accounts for the bond shown below as conduit debt, and neither the debt nor the related asset have been recorded in the accompanying financial statements.

	<u>9/30/2024</u>
City of Panama City, Florida	\$ 8,144,011
Educational Facilities Revenue	
Bond (University Academy Project),	
Series 2023, \$10,500,000 original	
principal, matures 2043.	

**CITY OF PANAMA CITY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

NOTE 15 - CONDUIT DEBT OBLIGATIONS (Continued)

On June 1, 2023, the City issued \$10,500,000 in City of Panama City, Florida Educational Facilities Revenue Bond (University Academy Project), Series 2023 on behalf of Community Charter Academy Inc, to finance the construction of certain educational facilities. The bond was issued at a 5.375% interest rate, due June 1, 2043.

NOTE 16 - CHANGE IN ACCOUNTING ESTIMATE

During the year ended September 30, 2024, the Port Authority was notified that they would be eligible to receive additional American Rescue Plan Act (ARPA) grant monies from another Port. The Port Authority requested and received reimbursement for fiscal year 2022 expenditures during fiscal year 2025. This resulted in a change in the Port Authority's accounting estimate regarding the recognition of federal grants and related accounts receivable for grants. Management determined that expenditures incurred in prior periods, specifically those related to insurance expenses met the criteria for reimbursement under federal grant guidelines.

As a result of this change in estimate, the Port Authority recognized federal grants of \$745,060 during the year ended September 30, 2024. This adjustment reflects amounts related to reimbursable expenditures incurred in fiscal year 2022. The corresponding accounts receivable for grants as of September 30, 2024 is recorded as \$745,060 in the statement of net position. The change in accounting estimate has been accounted for on a prospective basis in accordance with GASB Statement No. 100.



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REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT DISCUSSION AND ANALYSIS

THIS SUBSECTION CONTAINS THE FOLLOWING:

- BUDGET TO ACTUAL COMPARISON – MAJOR FUNDS (GENERAL AND SPECIAL REVENUE FUNDS)
- PENSION AND OTHER POST EMPLOYMENT SCHEDULES



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CITY OF PANAMA CITY, FLORIDA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Taxes	\$ 27,767,643	\$ 27,767,643	\$ 34,439,691	\$ 6,672,048
Licenses and permits	13,775,000	13,775,000	13,057,674	(717,326)
Intergovernmental	8,000,269	8,000,269	8,222,334	222,065
Charges for services	7,953,015	7,962,815	1,468,995	(6,493,820)
Investment earnings	100,000	100,000	1,847,828	1,747,828
Miscellaneous	835,100	1,239,846	1,984,040	744,194
Total revenues	58,431,027	58,845,573	61,020,562	2,174,989
Expenditures:				
Current:				
General government	13,701,512	13,519,249	13,968,926	(449,677)
Public safety	29,696,599	29,768,445	29,648,976	119,469
Transportation	6,083,559	6,042,001	5,680,928	361,073
Economic environment	1,406,772	1,458,772	1,691,751	(232,979)
Human services	285,000	285,000	191,885	93,115
Culture and recreation	4,761,778	4,880,756	4,905,108	(24,352)
Debt Service:				
Debt service principal	1,348,697	1,348,697	1,737,317	(388,620)
Debt service interest	10,350	10,350	178,364	(168,014)
Capital outlay	1,243,400	4,942,469	6,199,846	(1,257,377)
Total expenditures	58,537,667	62,255,739	64,203,101	(1,947,362)
Excess of revenues over expenditures	(106,640)	(3,410,166)	(3,182,539)	227,627
Other Financing Sources (Uses):				
Insurance proceeds			250,855	250,855
Issuance of debt for leases and SBITAS			774,641	774,641
Transfers in	2,367,926	2,434,426	2,466,201	31,775
Transfers out	(4,960,413)	(11,693,344)	(11,701,687)	(8,343)
Issuance of long-term debt			907,394	907,394
Total other financing sources (uses)	(2,592,487)	(9,258,918)	(7,302,596)	1,956,322
Net change in fund balance	(2,699,127)	(12,669,084)	(10,485,135)	2,183,949
Fund Balance:				
Beginning of year	22,924,389	22,924,389	22,924,389	
End of year	\$ 20,225,262	\$ 10,255,305	\$ 12,439,254	\$ 2,183,949

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
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	Police Officers' Pension			
	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>
Total Pension Liability				
Service cost	\$ 945,211	\$ 805,392	\$ 936,928	\$ 940,064
Interest	3,737,461	3,711,890	3,526,225	3,446,525
Change in excess State money	55,092	27,560	8,928	7,102
Changes in benefit terms				
Differences between expected and actual experience	982,069	(1,019,836)	957,566	748,674
Changes in assumptions			1,016,505	(367,260)
Contributions - buy back	36,132			
Benefit payments, including refunds of employee contributions	(3,321,623)	(3,271,004)	(3,152,037)	(3,102,445)
Net change in total pension liability	2,434,342	254,002	3,294,115	1,672,660
Total pension liability - beginning	50,602,912	50,348,910	47,054,795	45,382,135
Total pension liability - ending (a)	53,037,254	50,602,912	50,348,910	47,054,795
Plan Fiduciary Net Position				
Contributions - employer	1,648,376	1,514,530	1,336,324	1,237,615
Contributions - State	449,205	394,142	356,877	353,224
Contributions - employee	531,959	410,486	363,828	363,306
Contributions - buy back	36,132			
Net investment income	3,209,230	(6,185,327)	7,601,493	2,790,101
Benefit payments including refunds of employee contributions	(3,321,623)	(3,271,004)	(3,152,037)	(3,102,445)
Administrative expense	(42,868)	(44,150)	(51,827)	(76,591)
Net change in plan fiduciary net position	2,510,411	(7,181,323)	6,454,658	1,565,210
Plan fiduciary net position - beginning	36,748,004	43,929,327	37,474,669	35,909,459
Plan fiduciary net position - ending (b)	39,258,415	36,748,004	43,929,327	37,474,669
Net pension liability - ending (a) - (b)	<u>\$ 13,778,839</u>	<u>\$ 13,854,908</u>	<u>\$ 6,419,583</u>	<u>\$ 9,580,126</u>
Plan fiduciary net position as a percentage of the total pension	74.02%	72.62%	87.25%	79.64%
Covered payroll	\$ 6,543,155	\$ 5,049,031	\$ 4,472,741	\$ 4,468,701
Net pension liability as a percentage of covered payroll	210.58%	274.41%	143.53%	214.38%

See independent auditor's report.

**CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
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Police Officers' Pension

9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
\$ 996,560	\$ 880,010	\$ 861,961	\$ 885,176	\$ 1,254,367	\$ 1,110,917
3,366,495	3,259,155	3,181,465	3,099,797	2,907,190	2,710,277
8,697	2,209				
1,564				619,363	
(208,747)	(37,800)	(565,730)	(452,178)	726,890	
464,770	879,242			184,891	
		13,249	11,054		
(2,822,952)	(2,533,001)	(2,542,719)	(2,456,851)	(2,136,270)	(2,108,924)
1,806,387	2,449,815	948,226	1,086,998	3,556,431	1,712,270
43,575,748	41,125,933	40,177,707	39,090,709	35,534,278	33,822,008
45,382,135	43,575,748	41,125,933	40,177,707	39,090,709	35,534,278
969,030	924,910	957,303	1,372,342	1,292,438	1,411,641
356,414	343,438	336,697	325,836	312,431	292,899
365,560	346,586	329,705	334,052	221,583	220,523
		13,249	11,054		
2,493,084	2,258,395	2,827,366	2,640,449	(966,448)	2,905,224
(2,822,952)	(2,533,001)	(2,542,719)	(2,456,851)	(2,136,270)	(2,108,924)
(91,542)	(64,719)	(40,885)	(46,785)	(41,641)	(29,479)
1,269,594	1,275,609	1,880,716	2,180,097	(1,317,907)	2,691,884
34,639,865	33,364,256	31,483,540	29,303,443	30,621,350	27,929,466
35,909,459	34,639,865	33,364,256	31,483,540	29,303,443	30,621,350
\$ 9,472,676	\$ 8,935,883	\$ 7,761,677	\$ 8,694,167	\$ 9,787,266	\$ 4,912,928
79.13%	79.49%	81.13%	78.36%	74.96%	86.17%
\$ 4,496,435	\$ 4,263,073	\$ 4,055,417	\$ 4,184,070	\$ 4,041,893	\$ 3,952,031
210.67%	209.61%	191.39%	207.79%	242.15%	124.31%

See independent auditor's report.

**CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
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FISCAL YEAR ENDED SEPTEMBER 30, 2024
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Notes to Schedules:

Changes of benefit terms:

For measurement date 09/30/2019, the following benefit changes were implemented:

- 1) Amending the eligibility requirement for not-in-line of duty disability benefits from immediate coverage to coverage upon completion of ten years of credited service.
- 2) Adding clarifying language regarding in-service distributions for plan members who are re-employed with the City as a general employee.

For measurement date 09/30/2015, amounts reported as changes of benefit terms were resulted from:

- The member contribution rate increased from 5.58% to 8.13%, effective October 1, 2015.
- Effective October 1, 2015, the supplemental benefit shall increase from \$450 to \$650 per month for Members who retire on or after October 1, 2015. This supplemental benefit is payable to service retirees (Early and Normal) and Members with vested deferred benefits who terminate employment.

Changes of assumption:

For measurement date 09/30/2021, the Board approved the following assumption changes based on the March 4, 2021 actuarial experience study:

1. Reduce the investment return assumption from 7.60% to 7.50% per year, net of investment related expenses.
2. Increase expected salary increases for Members following their initial year of employment and decrease expected salary increases for Members with one to ten years of service.
3. Increase expected termination rates for Members with ten or less years of service and decrease expected termination rates for Members with greater than 10 years of service.
4. Generally decrease expected rates of retirement for both early and normal retirement.

For measurement date 9/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics. Additionally, as approved by the Board of Trustees, the assumed rate of investment return was lowered from 7.70% per year to 7.60% per year, net of investment related expenses.

For measurement date 9/30/2019, amounts reported as changes of assumptions resulted from lowering the investment rate of return from 7.80% to 7.70%.

For measurement date 9/30/2018, the investment rate of return was lowered from 8.00% to 7.80%.

For measurement date 09/30/2016, the inflation assumption rate was lowered from 3.00% to 2.70%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

For measurement date 09/30/2015, amounts reported as changes of assumptions were resulted from an actuarial experience study dated December 2, 2015.

For the 2016 reporting period ending year, amounts reported as changes of assumptions were resulted from an actuarial experience study dated December 2, 2015. The Board has approved a number of changes to the actuarial assumptions including the following:

- The assumed rate of salary increases has been changed from a flat assumption of 6.00% per year to a service-based assumption table.

See independent auditor's report.

**CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF CHANGES IN NET PENSION
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- The mortality table assumption has been changed from the RP-2000 Combined Healthy Mortality Table (sex-distinct) with no adjustment for future mortality improvements for healthy lives and a 5-year set forward for disabled lives to the mortality table assumption that is in compliance with Chapter 2015-157, Florida Statutes. Specifically, the new mortality table assumption is the special risk mortality tables reflected in the Florida Retirement System Actuarial Valuation as of July 1, 2014.
- The assumed probability of Early Retirement has increased from 5.0% to 10.0% per year.
- The assumed probability of Normal Retirement has been changed from 100% retirement probability for any member who has satisfied the requirements for Normal Retirement eligibility to a table with a 50% probability at first eligibility, 75% the following year and 100% two (2) years following first eligibility.
- The assumed rate of termination has been changed from an age-based table to a service-based table.
- The assumed rate of disablement has been reduced in half at each age.

See independent auditor's report.

**CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2024
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Police Officers' Pension

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Actuarially determined contribution	\$ 1,674,847	\$ 1,479,388	\$ 1,747,614	\$ 1,687,048	\$ 1,584,017
Contributions in relation to the actuarially determined contributions	<u>2,152,139</u>	<u>2,042,489</u>	<u>1,881,112</u>	<u>1,684,273</u>	<u>1,583,737</u>
Contribution deficiency (excess)	<u>\$ (477,292)</u>	<u>\$ (563,101)</u>	<u>\$ (133,498)</u>	<u>\$ 2,775</u>	<u>\$ 280</u>
Covered payroll	\$ 6,878,845	\$ 6,543,155	\$ 5,049,031	\$ 4,472,741	\$ 4,468,701
Contributions as a percentage of covered payroll	31.29%	31.22%	37.26%	37.66%	35.44%
	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Actuarially determined contribution	\$ 1,321,483	\$ 1,271,961	\$ 1,290,387	\$ 1,688,178	\$ 1,604,869
Contributions in relation to the actuarially determined contributions	<u>1,316,747</u>	<u>1,266,139</u>	<u>1,294,000</u>	<u>1,698,178</u>	<u>1,604,869</u>
Contribution deficiency (excess)	<u>\$ 4,736</u>	<u>\$ 5,822</u>	<u>\$ (3,613)</u>	<u>\$ (10,000)</u>	<u>\$ -</u>
Covered payroll	\$ 4,496,435	\$ 4,263,073	\$ 4,055,417	\$ 4,184,070	\$ 4,041,893
Contributions as a percentage of covered payroll	29.28%	29.70%	31.91%	40.59%	39.71%

Notes to Schedules:

Valuation Date: 10/1/2022

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2022 Actuarial Valuation for the City of Panama City Municipal Police Officer's Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.



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CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2024
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Firefighters' Pension

	9/30/2024	9/30/2023	9/30/2022	9/30/2021
Total Pension Liability				
Service cost	\$ 1,003,653	\$ 773,641	\$ 906,287	\$ 803,636
Interest	4,302,025	4,210,461	4,117,235	4,010,409
Changes in benefit terms				
Excess State money addition	8,433			
Changes in benefit terms	91,626			
Differences between expected and actual experience	2,209,290	(752,138)	(4,931)	384,420
Changes in assumptions			488,921	122,669
Contributions - buy back				
Benefit payments, including refunds of employee contributions	(3,115,454)	(3,366,801)	(3,452,261)	(3,213,489)
Net change in total pension liability	4,499,573	865,163	2,055,251	2,107,645
Total pension liability - beginning	57,920,710	57,055,547	55,000,296	52,892,651
Total pension liability - ending (a)	62,420,283	57,920,710	57,055,547	55,000,296
Plan Fiduciary Net Position				
Contributions - employer	3,083,769	2,638,495	2,337,612	2,134,496
Contributions - State	426,195	334,407	306,137	315,605
Contributions - employee	401,603	324,355	276,969	269,326
Contributions - buy back				
Net investment income	3,395,207	(6,427,323)	7,359,819	1,227,269
Benefit payments including refunds of employee contributions	(3,115,454)	(3,366,801)	(3,452,261)	(3,213,489)
Administrative expense	(56,135)	(44,531)	(53,413)	(45,563)
Net change in plan fiduciary net position	4,135,185	(6,541,398)	6,774,863	687,644
Plan fiduciary net position - beginning	38,163,302	44,704,700	37,929,837	37,242,193
Plan fiduciary net position - ending (b)	42,298,487	38,163,302	44,704,700	37,929,837
Net pension liability - ending (a) - (b)	<u>\$ 20,121,796</u>	<u>\$ 19,757,408</u>	<u>\$ 12,350,847</u>	<u>\$ 17,070,459</u>
Plan fiduciary net position as a percentage of the total pension	67.76%	65.89%	78.35%	68.96%
Covered payroll	\$ 5,354,695	\$ 4,324,706	\$ 3,692,909	\$ 3,591,012
Net pension liability as a percentage of covered payroll	375.78%	456.85%	334.45%	475.37%

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF CHANGES IN NET PENSION
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Firefighters' Pension

<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
\$ 833,187	\$ 807,572	\$ 932,890	\$ 814,109	\$ 840,054	\$ 753,886
3,924,315	3,813,594	3,844,945	3,713,228	3,604,980	3,478,697
(627)					
(320,412)	158,830	(656,507)	(839,486)	196,997	
576,569	556,455	(212,715)	1,689,388		
			20,069		
<u>(3,211,705)</u>	<u>(3,434,408)</u>	<u>(3,709,120)</u>	<u>(4,030,129)</u>	<u>(2,495,847)</u>	<u>(2,984,580)</u>
1,801,327	1,902,043	199,493	1,367,179	2,146,184	1,248,003
51,091,324	49,189,281	48,989,788	47,622,609	45,476,425	44,228,422
52,892,651	51,091,324	49,189,281	48,989,788	47,622,609	45,476,425
1,942,755	1,912,733	1,730,909	1,641,064	1,568,772	1,433,019
290,472	313,843	305,820	331,496	327,139	355,576
263,161	252,579	248,753	229,393	218,870	207,185
			20,069		
1,883,317	2,119,621	3,139,126	2,897,802	(1,162,379)	3,164,093
(3,211,705)	(3,434,408)	(3,709,120)	(4,030,129)	(2,495,847)	(2,984,580)
(45,233)	(58,383)	(38,203)	(38,737)	(33,019)	(26,647)
<u>1,122,767</u>	<u>1,105,985</u>	<u>1,677,285</u>	<u>1,050,958</u>	<u>(1,576,464)</u>	<u>2,148,646</u>
36,119,426	35,013,441	33,336,156	32,285,198	33,861,662	31,713,016
37,242,193	36,119,426	35,013,441	33,336,156	32,285,198	33,861,662
<u>\$ 15,650,458</u>	<u>\$ 14,971,898</u>	<u>\$ 14,175,840</u>	<u>\$ 15,653,632</u>	<u>\$ 15,337,411</u>	<u>\$ 11,614,763</u>
70.41%	70.70%	71.18%	68.05%	67.79%	74.46%
\$ 3,508,805	\$ 3,367,671	\$ 3,316,702	\$ 3,058,582	\$ 3,402,962	\$ 2,656,214
446.03%	444.58%	427.41%	511.79%	450.71%	437.27%

See independent auditor's report.

**CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
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Notes to Schedules:

The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

Changes of benefit terms:

For measurement date 09/30/2023, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.816, Florida Statutes. The Statutes state that effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

For measurement date 09/30/2019, amounts reported as changes of benefit terms resulted from the provisions of Chapter 112.816, Florida Statutes. The Statutes state that effective July 1, 2019, a death or disability (under the Plan's definition of total and permanent disability) for a Firefighter due to the diagnosis of cancer or circumstances that arise out of the treatment of cancer will be treated as duty-related.

For measurement date 09/30/2016, the 30-year maximum accrual benefit cap for future retirees has been removed. The new benefit cap will be 100% of Average Final Compensation.

Changes of assumption:

For measurement date 09/30/2021, the Board approved the following assumption changes based on the March 4, 2021 actuarial experience study:

1. Reduce the investment return assumption from 7.60% to 7.50% per year, net of investment related expenses.
2. Increase expected salary increases for Members with less than 10 years of service and decrease expected salary increases for Members with ten or more years of service.
3. Add a 2.0% expected retirement rate for Members eligible for early retirement.
4. Increase expected termination rates for Members with less than five years of service and decrease expected termination rates for Members with 16 or more years of service.

For measurement date 9/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics. Additionally, as approved by the Board of Trustees, the assumed rate of investment return was lowered from 7.70% per year to 7.60% per year, net of investment related expenses.

For measurement date 9/30/2019, amounts reported as changes of assumptions resulted from lowering the investment rate from 7.80% to 7.70% per year, net of investment related expenses.

For measurement date 9/30/2018, the investment rate of return was lowered from 7.90% to 7.80% per year net of investment related expenses.

For measurement date 09/30/2017, as a result of an actuarial experience study dated November 16, 2017, the following changes have been incorporated:

- *The assumed rate of investment return was lowered from 8.00% to 7.90% per year, net of investment related expenses.
- * The assumed rates of salary increases were amended from a flat rate of 6.00% per year to a service-based table.
- * As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed from the rates used by the Florida Retirement System actuary in July 1, 2015 actuarial valuation to the rates used in the July 1, 2016 actuarial valuation for special risk lives.
- *The assumed rates of retirement were amended to remove the assumption that members eligible for normal retirement on the valuation date will continue employment for one additional year. Additionally, the retirement rates were amended to be 75% upon completion of 25 or 26 years of service (previously 100% at completion of 25 years), and the assumed rates of early retirement were amended from 2% per year to 0% per year.
- *The assumed rates of withdrawal were amended from an age-based table to a service-based table.

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**CITY OF PANAMA CITY, FLORIDA
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*The assumed rates of disablement were reduced at each age by 30%.

* The payroll growth assumption was reduced from 0.9% to 0.0% per year.

* Prior to measuring the impact of the assumption changes stated directly above, a “fresh start” to the existing Unfunded Actuarial Accrued Liability (UAAL) was implemented. The “fresh start” effectively consolidated all existing UAAL layers into one single layer which will be amortized over a 16-year period. As approved by the Board of Trustees, all future UAAL layers will be amortized as a level dollar over a 15-year period.

For measurement date 09/30/2016, as a result of Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the assumptions used by the Florida Retirement System for special risk employees.

The inflation assumption rate was lowered from 3.00% to 2.70%, matching the long-term inflation assumption utilized by the Plan's investment consultant.

**CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
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Last 10 Fiscal Years**

Firefighters' Pension

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Actuarially determined contribution	\$ 3,001,832	\$ 2,480,837	\$ 2,682,290	\$ 2,534,111	\$ 2,430,902
Contributions in relation to the actuarially determined contributions	<u>3,352,422</u>	<u>3,501,531</u>	<u>2,972,902</u>	<u>2,643,749</u>	<u>2,450,101</u>
Contribution deficiency (excess)	<u>\$ (350,590)</u>	<u>\$ (1,020,694)</u>	<u>\$ (290,612)</u>	<u>\$ (109,638)</u>	<u>\$ (19,199)</u>
Covered payroll	\$ 5,286,470	\$ 5,354,695	\$ 4,324,706	\$ 3,692,909	\$ 3,591,012
Contributions as a percentage of covered payroll	63.42%	65.39%	68.74%	71.59%	68.23%
	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Actuarially determined contribution	\$ 2,231,911	\$ 2,252,865	\$ 2,003,301	\$ 1,969,699	\$ 1,895,911
Contributions in relation to the actuarially determined contributions	<u>2,233,227</u>	<u>2,226,576</u>	<u>2,036,729</u>	<u>1,972,560</u>	<u>1,895,911</u>
Contribution deficiency (excess)	<u>\$ (1,316)</u>	<u>\$ 26,289</u>	<u>\$ (33,428)</u>	<u>\$ (2,861)</u>	<u>\$ -</u>
Covered payroll	\$ 3,508,805	\$ 3,367,671	\$ 3,316,702	\$ 3,058,582	\$ 3,402,962
Contributions as a percentage of covered payroll	63.65%	66.12%	61.41%	64.49%	55.71%

Notes to Schedules:

Valuation Date: 10/1/2022

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2022 Actuarial Valuation for the Panama City Firefighter's Retirement System.

See independent auditor's report.



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CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2024
Last 10 Fiscal Years

	Senior Management Pension			
	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>
Total Pension Liability				
Service cost	\$ 201,278	\$ 161,933	\$ 131,636	\$ 127,467
Interest	296,935	281,436	268,992	260,369
Differences Between Expected and Actual Experience	(852,690)	86,381	(7,115)	33,490
Changes in Assumptions				(61,481)
Benefit payments, including refunds of employee contributions	<u>(297,308)</u>	<u>(329,330)</u>	<u>(237,009)</u>	<u>(234,646)</u>
Net change in total pension liability	(651,785)	200,420	156,504	125,199
Total pension liability - beginning	<u>4,184,555</u>	<u>3,984,135</u>	<u>3,827,631</u>	<u>3,702,432</u>
Total pension liability - ending (a)	<u>3,532,770</u>	<u>4,184,555</u>	<u>3,984,135</u>	<u>3,827,631</u>
Plan Fiduciary Net Position				
Contributions - employer	211,614	37,310	93,248	77,457
Contributions - employee	92,453	95,733	73,687	58,191
Net investment income	720,776	305,171	(545,930)	693,626
Benefit payments including refunds of employee contributions	(297,308)	(329,330)	(237,009)	(234,646)
Administrative expense	<u>(33,971)</u>	<u>(25,132)</u>	<u>(18,276)</u>	<u>(16,961)</u>
Net change in plan fiduciary net position	<u>693,564</u>	<u>83,752</u>	<u>(634,280)</u>	<u>577,667</u>
Plan fiduciary net position - beginning	<u>3,642,674</u>	<u>3,558,922</u>	<u>4,193,202</u>	<u>3,615,535</u>
Plan fiduciary net position - ending (b)	<u>4,336,238</u>	<u>3,642,674</u>	<u>3,558,922</u>	<u>4,193,202</u>
Net pension liability - ending (a) - (b)	<u><u>\$ (803,468)</u></u>	<u><u>\$ 541,881</u></u>	<u><u>\$ 425,213</u></u>	<u><u>\$ (365,571)</u></u>
Plan fiduciary net position as a percentage of the total pension	122.74%	87.05%	89.33%	109.55%
Covered payroll	\$ 2,215,214	\$ 1,744,250	\$ 1,415,721	\$ 1,329,141
Net pension liability as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable

See independent auditor's report.

**CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF CHANGES IN NET PENSION
LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2024
Last 10 Fiscal Years**

Senior Management Pension

9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
\$ 130,384	\$ 110,201	\$ 120,363	\$ 132,908	\$ 111,867	\$ 77,922
252,856	248,762	251,099	225,197	175,476	230,283
(54,748)	(75,694)	(196,369)	85,036	(14,017)	58,580
			178,858	599,329	(250,495)
<u>(210,248)</u>	<u>(244,545)</u>	<u>(187,835)</u>	<u>(238,268)</u>	<u>(181,415)</u>	<u>(178,688)</u>
118,244	38,724	(12,742)	383,731	691,240	(62,398)
3,584,188	3,545,464	3,558,206	3,174,475	2,483,235	2,545,633
<u>3,702,432</u>	<u>3,584,188</u>	<u>3,545,464</u>	<u>3,558,206</u>	<u>3,174,475</u>	<u>2,483,235</u>
85,472	126,650	133,443	120,859	94,097	75,852
59,447	60,396	51,728	56,300	57,925	54,179
226,738	174,734	234,985	378,842	218,716	1,838
(210,248)	(244,545)	(187,835)	(238,268)	(181,415)	(174,790)
<u>(14,464)</u>	<u>(14,254)</u>	<u>(21,537)</u>	<u>(22,323)</u>	<u>(15,276)</u>	<u>(18,501)</u>
<u>146,945</u>	<u>102,981</u>	<u>210,784</u>	<u>295,410</u>	<u>174,047</u>	<u>(61,422)</u>
<u>3,468,590</u>	<u>3,365,609</u>	<u>3,154,825</u>	<u>2,859,415</u>	<u>2,685,368</u>	<u>2,746,790</u>
<u>3,615,535</u>	<u>3,468,590</u>	<u>3,365,609</u>	<u>3,154,825</u>	<u>2,859,415</u>	<u>2,685,368</u>
<u>\$ 86,897</u>	<u>\$ 115,598</u>	<u>\$ 179,855</u>	<u>\$ 403,381</u>	<u>\$ 315,060</u>	<u>\$ (202,133)</u>
97.65%	96.77%	94.93%	88.66%	90.08%	108.14%
\$ 1,380,552	\$ 1,124,599	\$ 1,147,863	\$ 1,338,740	\$ 1,203,982	\$ 1,177,075
6.29%	10.28%	15.67%	30.13%	26.17%	Not applicable

Notes to Schedule:

The amortization period for demographic experience and assumption changes was 10.56 years for the 2014/15 fiscal year, 9.71 years for the 2015/16 fiscal year, 4.97 years for the 2016/17 fiscal year, 4.72 years for the 2017/18 fiscal year, and 4.59 years for the 2018/19 fiscal year, 4.62 years for the 2019/20 fiscal year, and 4.18 years for the 2020/21 fiscal year.

See independent auditor's report.

**CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2024
Last 10 Fiscal Years**

Senior Management Pension

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
Actuarially determined contribution	\$ 211,614	\$ 37,310	\$ 93,248	\$ 77,457	\$ 85,472
Contributions in relation to the actuarially determined contributions	211,614	37,310	93,248	77,457	85,472
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,215,214	\$ 1,744,250	\$ 1,415,721	\$ 1,329,141	\$ 1,380,552
Contributions as a percentage of covered payroll	9.55%	2.14%	6.59%	5.83%	6.19%
	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Actuarially determined contribution	\$ 122,134	\$ 133,443	\$ 120,859	\$ 94,097	\$ 77,852
Contributions in relation to the actuarially determined contributions	126,650	133,443	120,859	94,097	77,852
Contribution deficiency (excess)	<u>\$ 4,516</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,124,599	\$ 1,147,863	\$ 1,338,740	\$ 1,203,982	\$ 1,177,075
Contributions as a percentage of covered payroll	11.26%	11.63%	9.03%	7.82%	6.61%

Notes to Schedules:

Actuarially determined contribution rates are calculated as of October 1, 2023 one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method: Aggregate actuarial cost method

Amortization Method: Level Percentage of Pay, Open

Remaining Amortization Period: 30 Years (as of 10/01/2018)

Asset Valuation Method: Market Value

Inflation: 2.62% per year

Salary Increases: 4%

Interest Rate: 7% per year, compounded annually, net of investment related expenses.

Retirement Age: Age 59 with 10 years of credited service for Category I employees, or age 59 with 6 years of credited service for Category II and III employees. Categories are as follows: Category I - Designated managers and directors and the City Engineer. Category II - City Commission, Assistant City Manager, and City Clerk. Category III - City Manager.

Mortality: Pre-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; post-retirement mortality is based on the sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year.

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF PROPORTIONATE SHARE OF
NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2024
Last 10 Fiscal Years

Florida Retirement System

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
City's proportion of the net pension liability	0.002192453%	0.002942679%	0.003234122%	0.003028567%	0.003033245%
City's proportionate share of the net pension liability	\$ 848,144	\$ 1,172,564	\$ 1,203,353	\$ 228,774	\$ 1,314,653
City's covered payroll	\$ 802,268	\$ 955,695	\$ 999,152	\$ 981,464	\$ 1,077,402
City's proportionate share of the net pension liability as a percentage of its covered payroll	105.72%	122.69%	120.44%	23.31%	122.02%
Plan fiduciary net position as a percentage of the total pension liability	83.70%	82.38%	82.89%	96.40%	78.85%
	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
City's proportion of the net pension liability	0.004179199%	0.004192135%	0.005168281%	0.005341020%	0.007041064%
City's proportionate share of the net pension liability	\$ 1,439,258	\$ 1,262,693	\$ 1,528,743	\$ 1,348,612	\$ 909,448
City's covered payroll	\$ 1,434,755	\$ 1,485,888	\$ 1,709,792	\$ 1,783,283	\$ 2,166,895
City's proportionate share of the net pension liability as a percentage of its covered payroll	100.31%	84.98%	89.41%	75.63%	41.97%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.39%	84.88%	92.00%

Notes to Schedules:

The amounts presented were determined by an actuarial valuation on July 1 of the fiscal year. The measurement period and measurement date is June 30 of the fiscal year.

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2024
Last 10 Fiscal Years

Florida Retirement System

	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Actuarially determined contribution	\$ 129,284	\$ 132,176	\$ 148,407	\$ 121,640	\$ 105,899
Contributions in relation to the					
actuarially determined contributions	<u>129,284</u>	<u>132,176</u>	<u>148,407</u>	<u>121,640</u>	<u>105,899</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 791,611	\$ 873,109	\$ 1,041,051	\$ 972,610	\$ 1,044,659
Contributions as a percentage of					
covered payroll	16.33%	15.14%	14.26%	12.51%	10.14%
	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Actuarially determined contribution	\$ 125,644	\$ 119,349	\$ 133,004	\$ 132,720	\$ 133,750
Contributions in relation to the					
actuarially determined contributions	<u>125,644</u>	<u>119,349</u>	<u>133,004</u>	<u>132,720</u>	<u>133,750</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,373,757	\$ 1,455,964	\$ 1,665,463	\$ 1,761,327	\$ 1,979,255
Contributions as a percentage of					
covered payroll	9.15%	8.20%	7.99%	7.54%	6.76%

Notes to Schedules:

Actuarially determined contribution rates are calculated as of July 1, 2023 one year prior to the end of the plan year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Individual Entry Age
Amortization Method:	Level Percent, Closed, Layered
Amortization Period at July 1, 2021	20 Years
2019 Actuarial Cost Method Change	30 Years as level percentage of Tier 1 pay
Asset Valuation Method:	5 years, Asymptotic, 80%-120% of fair market value
Inflation:	2.40%
Salary Increases Including Inflation:	3.50%
Investment Rate of Return:	6.70%
Cost of Living Adjustments:	3% for pre-July 2011 benefit service; 0% thereafter
Mortality:	PUB-2010 base table varies by member category and gender, projected generationally with Scale MP-2021

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF PROPORTIONATE SHARE OF
NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2024
Last 10 Fiscal Years

Health Insurance Subsidy Program

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020
City's proportion of the net pension liability	0.001853876%	0.002484923%	0.002667052%	0.002709207%	0.003120317%
City's proportionate share of the net pension liability	\$ 278,100	\$ 394,639	\$ 282,483	\$ 332,325	\$ 380,986
City's covered payroll	\$ 802,268	\$ 955,695	\$ 999,152	\$ 981,464	\$ 1,077,402
City's proportionate share of the net pension liability as a percentage of its covered payroll	34.66%	41.29%	28.27%	33.86%	35.36%
Plan fiduciary net position as a percentage of the total pension liability	4.80%	4.12%	4.81%	3.56%	3.00%
	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
City's proportion of the net pension liability	0.004281595%	0.004510270%	0.005285613%	0.005781922%	0.007153432%
City's proportionate share of the net pension liability	\$ 479,068	\$ 477,372	\$ 565,162	\$ 673,859	\$ 729,538
City's covered payroll	\$ 1,434,755	\$ 1,485,888	\$ 1,709,792	\$ 1,783,283	\$ 2,166,895
City's proportionate share of the net pension liability as a percentage of its covered payroll	33.39%	32.13%	33.05%	37.79%	33.67%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%

Notes to Schedules:

The amounts presented were determined by an actuarial valuation on July 1 of the fiscal year. The measurement period and measurement date is June 30 of the fiscal year.

See independent auditor's report.

**CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2024
Last 10 Fiscal Years**

	Health Insurance Subsidy Program				
	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Actuarially determined contribution	\$ 13,141	\$ 14,494	\$ 17,281	\$ 16,145	\$ 17,341
Contributions in relation to the					
actuarially determined contributions	<u>13,141</u>	<u>14,494</u>	<u>17,281</u>	<u>16,145</u>	<u>17,341</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 791,611	\$ 873,109	\$ 1,041,051	\$ 972,610	\$ 1,044,659
Contributions as a percentage of					
covered payroll	1.66%	1.66%	1.66%	1.66%	1.66%
	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Actuarially determined contribution	\$ 22,804	\$ 24,169	\$ 27,647	\$ 29,402	\$ 27,071
Contributions in relation to the					
actuarially determined contributions	<u>22,804</u>	<u>24,169</u>	<u>27,647</u>	<u>29,402</u>	<u>27,071</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,373,757	\$ 1,455,964	\$ 1,665,463	\$ 1,771,190	\$ 2,003,319
Contributions as a percentage of					
covered payroll	1.66%	1.66%	1.66%	1.66%	1.35%

Notes to Schedules:

Actuarially determined contribution rates are calculated as of July 1, 2023 one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Individual Entry Age
Amortization Method:	Level Percent, Closed, Layered
Amortization Period at July 1, 2021	20 Years
2019 Actuarial Cost Method Change	30 Years as level percentage of Tier 1 pay
Asset Valuation Method:	5 years, Asymptotic, 80%-120% of fair market value
Inflation:	2.40%
Salary Increases Including Inflation	3.50%
Investment Rate of Return:	3.93%
Cost of Living Adjustments:	3% for pre-July 2011 benefit service; 0% thereafter
Mortality:	Generational Pub-2010 with projection Scale MP-2021

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
SCHEDULES OF INVESTMENT RETURNS
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2024
Last 10 Fiscal Years

Police Officers' Pension					
	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Annual Money-Weighted Rate of Return					
Net of Investment Expense	20.38%	8.88%	(14.31%)	20.50%	7.93%
	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Annual Money-Weighted Rate of Return					
Net of Investment Expense	7.32%	6.89%	9.15%	9.14%	(3.19%)
Firefighters' Pension					
	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Annual Money-Weighted Rate of Return					
Net of Investment Expense	20.12%	8.87%	(14.47%)	19.50%	3.33%
	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Annual Money-Weighted Rate of Return					
Net of Investment Expense	5.26%	6.16%	9.71%	9.15%	(3.45%)
Senior Management Pension					
	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Annual Money-Weighted Rate of Return					
Net of Investment Expense	17.84%	7.78%	(13.19%)	19.51%	6.29%
	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Annual Money-Weighted Rate of Return					
Net of Investment Expense	4.94%	7.50%	13.41%	8.23%	0.07%
Florida Retirement System					
	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Annual Money-Weighted Rate of Return					
Net of Investment Expense	10.33%	7.58%	(7.20%)	30.41%	3.35%
	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Annual Money-Weighted Rate of Return					
Net of Investment Expense	5.98%	9.28%	13.59%	0.57%	3.77%
Health Insurance Subsidy					
	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
Annual Money-Weighted Rate of Return					
Net of Investment Expense	10.33%	7.58%	(7.20%)	30.41%	3.35%
	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
Annual Money-Weighted Rate of Return					
Net of Investment Expense	5.98%	9.28%	13.59%	0.57%	3.77%

See independent auditor's report.

**CITY OF PANAMA CITY, FLORIDA
SCHEDULE OF CHANGE IN NET OPEB
LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2024
Last 10 Fiscal Years**

	OPEB	
	9/30/2024	9/30/2023
Total OPEB Liability		
Service cost	\$ 365,256	\$ 350,968
Interest	207,490	215,366
Changes in Assumptions	305,995	(67,053)
Difference between actual and expected experience	(1,095,967)	470,554
Benefit payments, including refunds of employee contributions	(208,436)	(309,569)
Net change in total pension liability	(425,662)	660,266
Total OPEB liability - beginning	4,848,504	4,188,238
Total OPEB liability - ending (a)	4,422,842	4,848,504
Plan Fiduciary Net Position		
Contributions - employer		
Contributions - employee		
Net investment income		
Benefit payments including refunds of employee contributions		
Administrative expense		
Net change in plan fiduciary net position		
Plan fiduciary net position - beginning		
Plan fiduciary net position - ending (b)		
Net OPEB liability - ending (a) - (b)	\$ 4,422,842	\$ 4,848,504
Plan fiduciary net position as a percentage of the total OPEB		
Covered - employee payroll	\$ 29,711,770	\$ 26,243,703
Net OPEB liability as a percentage of covered - employee payroll	14.89%	18.47%

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
SCHEDULE OF CHANGE IN NET OPEB
LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED SEPTEMBER 30, 2024
Last 10 Fiscal Years

OPEB				
9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
\$ 267,289	\$ 234,145	\$ 162,171	\$ 162,702	\$ 202,889
154,218	57,909	66,610	140,393	140,999
(625,460)	(104,670)	297,345	(293,437)	
1,542,786	834,324	(1,150,573)	(611,146)	
(230,100)	(181,218)	(173,069)	(239,660)	(271,432)
1,108,733	840,490	(797,516)	(841,148)	72,456
3,079,505	2,239,015	3,036,531	3,877,679	3,805,223
4,188,238	3,079,505	2,239,015	3,036,531	3,877,679
<u>\$ 4,188,238</u>	<u>\$ 3,079,505</u>	<u>\$ 2,239,015</u>	<u>\$ 3,036,531</u>	<u>\$ 3,877,679</u>
\$ 20,612,969	\$ 18,179,171	\$ 16,996,166	\$ 18,201,713	\$ 17,336,337
20.32%	16.94%	13.17%	16.68%	22.37%

Notes to Schedules:

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 to P52.101 to pay related benefits for the OPEB plan.

Changes of assumptions:

Since the prior measurement date the discount rate was decreased from 4.91% per annum to 4.06% per annum. For the 2022/2023 fiscal year, the discount rate was increased from 4.77% per annum to 4.91% per annum; the healthcare cost trend rates were increased from 6.00% for the 2021/2022 fiscal year graded down to 5.00% for the 2023/24 and later fiscal years to the amounts shown above; expected claims at age 59 for the 2021/22 fiscal year were increased from \$14,590 per covered individual to \$15,800 under the basic plan per covered individual, to \$16,960 for the retiree under the buy-up plan, and to \$17,164 for the retiree's spouse under the buy-up plan; and the loading factor for retiree life insurance has been increased from 4 to 10.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, we have only presented information for those years for which information is available.

See independent auditor's report.



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COMBINING AND INDIVIDUAL FINANCIAL STATEMENTS AND SCHEDULES

THIS SUBSECTION CONTAINS THE FOLLOWING:

- NON-MAJOR GOVERNMENTAL FUNDS
- BUDGET TO ACTUAL COMPARISON – GENERAL FUND
- SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL – OTHER
MAJOR AND NON-MAJOR GOVERNMENTAL FUNDS
- INTERNAL SERVICE FUNDS
- FIDUCIARY FUNDS



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NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Infrastructure Surtax – This special revenue fund is used to account for 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 street reconstruction.

General Grants – This special revenue fund is used to account for revenues received from various State and Federal agencies other than grants accounted for in other special revenue funds.

Disaster Fund – This special revenue fund is used to account for revenues received from small disasters.

Housing and Community Services – This special revenue fund accounts for revenues from the Department of Housing and Urban Development and expenditures of these funds.

State Housing Initiative Partnership – City – This special revenue fund is used to account for the proceeds awarded from state agencies that are restricted to expenditures for specific purposes.

State Housing Initiative Partnership – County – This special revenue fund is used to account for revenues received from the State Housing Initiative Partnership program and expended on behalf of Bay County.

Panama City Florida Hurricane Disaster Relief Fund – This special revenue fund is a 501(c)3 not-for-profit entity created for the City to collect and disburse donations for purposes specified in the by-laws.

Panama City Community Redevelopment Agency – St. Andrews, Downtown, Downtown North, and Millville – These special revenue funds are used to account for revenues derived from the incremental increases in ad valorem taxes levied each year by taxing authorities on taxable real property in the project areas.

Debt Service Funds

Debt service funds account for the payment of principal and interest on debt associated with governmental fund debt.

The *Capital Improvement Revenue Note, Series 2013B*, accounts for the resources accumulated and payments made for principal and interest on long-term debt of the 2013B note.

The *Capital Improvement Revenue Note, Series 2016*, accounts for the resources accumulated and payments made for principal and interest on long-term debt of the 2016 note.

The *Capital Improvement Revenue Note, Series 2018*, accounts for the resources accumulated and payments made for principal and interest on long-term debt of the 2018 note.

The *Infrastructure Sales Surtax Revenue Note, Series 2018*, accounts for the resources accumulated and payments made for principal and interest on long-term debt of the 2018 note.

**CITY OF PANAMA CITY, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

ASSETS	Special Revenue				
	Infrastructure Surtax	General Grants	Disaster Fund	Housing and Community Services	State Housing Initiative Partnership City
Assets:					
Cash and cash equivalents	\$ 7,740,805	\$ -	\$ 451,101	\$ -	\$ 3,418,615
Due from other governmental entities	369,404	1,753,447		324,285	
Due from other funds		3,255	103	36,723	3,985
Leases asset receivable					
Prepaid items					4,181
Inventories				124,763	4,326,566
Accounts receivable				14,889	236,955
Notes receivable				998,220	8,360,272
Total Assets	\$ 8,110,209	\$ 1,756,702	\$ 451,204	\$ 1,498,880	\$ 16,350,574
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 250,634	\$ -	\$ 60,932	\$ 77,451
Due to other funds		1,475,436	77,152	71,803	745
Unearned revenue			320,320	281,583	209,533
Other accrued liabilities					
Accrued salaries				6,014	6,677
Total liabilities		1,726,070	397,472	420,332	294,406
Deferred Inflows of Resources:					
Deferred inflows of resources-grants		518,738		136,912	
Deferred inflows of resources-lease revenue					
Total deferred inflows of resources		518,738		136,912	
Fund Balances:					
Non-Spendable					
Inventory				124,763	4,326,566
Prepaid items					4,181
Restricted					
Housing and Urban Development				816,873	11,725,421
Infrastructure	8,110,209				
Community Redevelopment					
Debt Service					
Purposes designated by the Not-For Profit					
Disaster Relief			53,732		
Unassigned		(488,106)			
Total fund balances	8,110,209	(488,106)	53,732	941,636	16,056,168
Total Liabilities and Fund Balances	\$ 8,110,209	\$ 1,756,702	\$ 451,204	\$ 1,498,880	\$ 16,350,574

See independent auditor's report.

**CITY OF PANAMA CITY, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024**

Special Revenue					
State Housing Initiative Partnership County	Panama City Florida Hurricane Disaster Relief Fund	Panama City Community Redevelopment Agency St. Andrews	Panama City Community Redevelopment Agency Downtown	Panama City Community Redevelopment Agency Downtown North	Panama City Community Redevelopment Agency Millville
\$ -	\$ 1,539,991	\$ 630,129	\$ 378,749	\$ 480,370	\$ 877,348
		6,893		9,050	
				122,783	
				688	
				303,780	
				184,767	
<u>\$ -</u>	<u>\$ 1,539,991</u>	<u>\$ 637,022</u>	<u>\$ 378,749</u>	<u>\$ 1,101,438</u>	<u>\$ 877,348</u>
\$ -	\$ -	\$ 12,647	\$ 18,729	\$ 17,740	\$ 37,559
		120	1,163	13,738	
				1,517	
		1,904	1,142	2,665	1,904
		14,671	21,034	35,660	39,463
				121,691	
				121,691	
				303,780	
				688	
		622,351	357,715	639,619	837,885
	1,539,991				
<u>-</u>	<u>1,539,991</u>	<u>622,351</u>	<u>357,715</u>	<u>944,087</u>	<u>837,885</u>
<u>\$ -</u>	<u>\$ 1,539,991</u>	<u>\$ 637,022</u>	<u>\$ 378,749</u>	<u>\$ 1,101,438</u>	<u>\$ 877,348</u>

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	Debt Service				
ASSETS	Capital Improvement Revenue Note, Series 2013B	Capital Improvement Revenue Note, Series 2016	Capital Improvement Revenue Note, Series 2018	Infrastructure Sales Surtax Revenue Note, Series 2018	Total Non-Major Governmental Funds
Assets:					
Cash and cash equivalents	\$ 1,025,495	\$ 62,931	\$ 1,256,275	\$ 2,065,110	\$ 19,926,919
Due from other governmental entities					2,447,136
Due from other funds					60,009
Leases asset receivable					122,783
Prepaid items					4,869
Inventories					4,755,109
Accounts receivable					251,844
Notes receivable					9,543,259
Total Assets	<u>\$ 1,025,495</u>	<u>\$ 62,931</u>	<u>\$ 1,256,275</u>	<u>\$ 2,065,110</u>	<u>\$ 37,111,928</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 475,692
Due to other funds					1,640,157
Unearned revenue					811,436
Other accrued liabilities					1,517
Accrued salaries					20,306
Total liabilities					<u>2,949,108</u>
Deferred Inflows of Resources:					
Deferred inflows of resources-grants					655,650
Deferred inflows of resources-lease revenue					121,691
Total deferred inflows of resources					<u>777,341</u>
Fund Balances:					
Non-Spendable					
Inventory					4,755,109
Prepaid items					4,869
Restricted					
Housing and Urban Development					12,542,294
Infrastructure					8,110,209
Community Redevelopment					2,457,570
Debt Service	1,025,495	62,931	1,256,275	2,065,110	4,409,811
Purposes designated by the Not-For Profit					1,539,991
Disaster Relief					53,732
Unassigned					(488,106)
Total fund balances	<u>1,025,495</u>	<u>62,931</u>	<u>1,256,275</u>	<u>2,065,110</u>	<u>33,385,479</u>
Total Liabilities and Fund Balances	<u>\$ 1,025,495</u>	<u>\$ 62,931</u>	<u>\$ 1,256,275</u>	<u>\$ 2,065,110</u>	<u>\$ 37,111,928</u>

See independent auditor's report.



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CITY OF PANAMA CITY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue				
	Infrastructure Surtax	General Grants	Disaster Fund	Housing and Community Services	State Housing Initiative Partnership City
Revenues:					
Intergovernmental	\$ -	\$ 3,157,969	\$ 21,438	\$ 879,893	\$ 1,551,134
Taxes	4,851,807				
Investment earnings	637,946			1,290	267,331
Miscellaneous				240,287	597,853
Total revenues	<u>5,489,753</u>	<u>3,157,969</u>	<u>21,438</u>	<u>1,121,470</u>	<u>2,416,318</u>
Expenditures:					
Current:					
Economic environment	4,256	559,562		442,199	1,377,993
Debt service-					
Principal					1,759
Interest and other charges					204
Capital outlay		1,552,834	22,263	874,583	
Total expenditures	<u>4,256</u>	<u>2,112,396</u>	<u>22,263</u>	<u>1,316,782</u>	<u>1,379,956</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,485,497</u>	<u>1,045,573</u>	<u>(825)</u>	<u>(195,312)</u>	<u>1,036,362</u>
Other Financing Sources (Uses):					
Insurance proceeds					
Issuance of debt for lease					
Capital contributions					
Transfers in		2,500			
Transfers out	(4,688,079)		(108,184)	(11,669)	(603,129)
Total other financing sources (uses)	<u>(4,688,079)</u>	<u>2,500</u>	<u>(108,184)</u>	<u>(11,669)</u>	<u>(603,129)</u>
Net change in fund balances	797,418	1,048,073	(109,009)	(206,981)	433,233
Fund Balances:					
Beginning of year	<u>7,312,791</u>	<u>(1,536,179)</u>	<u>162,741</u>	<u>1,148,617</u>	<u>15,622,935</u>
End of year	<u>\$ 8,110,209</u>	<u>\$ (488,106)</u>	<u>\$ 53,732</u>	<u>\$ 941,636</u>	<u>\$ 16,056,168</u>

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

Special Revenue					
State Housing Initiative Partnership County	Panama City Florida Hurricane Disaster Relief Fund	Panama City Community Redevelopment Agency St. Andrews	Panama City Community Redevelopment Agency Downtown	Panama City Community Redevelopment Agency Downtown North	Panama City Community Redevelopment Agency Millville
\$ -	\$ -	\$ 753,917	\$ 466,368	\$ 1,115,653	\$ 742,114
	88,907	67,403	29,225	69,327	95,017
	18,602	129	291	70,019	4,846
	107,509	821,449	495,884	1,254,999	841,977
96,085	590,598	375,642	232,346	700,199	213,849
		4,918	12,294	31,965	12,294
		82	206	535	206
		477,120	135,599	283,441	494,335
96,085	590,598	857,762	380,445	1,016,140	720,684
(96,085)	(483,089)	(36,313)	115,439	238,859	121,293
		24,740	61,850	19,796	
			100,000	160,811	61,850
603,129				(58,343)	
603,129		24,740	161,850	122,264	61,850
507,044	(483,089)	(11,573)	277,289	361,123	183,143
(507,044)	2,023,080	633,924	80,426	582,964	654,742
\$ -	\$ 1,539,991	\$ 622,351	\$ 357,715	\$ 944,087	\$ 837,885

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Debt Service				
	Capital Improvement Revenue Note, Series 2013B	Capital Improvement Revenue Note, Series 2016	Capital Improvement Revenue Note, Series 2018	Infrastructure Sales Surtax Revenue Note, Series 2018	Total Non-Major Governmental Funds
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 8,688,486
Taxes					4,851,807
Investment earnings					1,256,446
Miscellaneous					932,027
Total revenues					15,728,766
Expenditures:					
Current:					
Economic environment					4,592,729
Debt service-					
Principal	948,000	216,000	1,040,000	1,915,000	4,182,230
Interest and other charges	56,199	25,262	182,276	92,110	357,080
Capital outlay					3,840,175
Total expenditures	1,004,199	241,262	1,222,276	2,007,110	12,972,214
Excess (deficiency) of revenues over (under) expenditures	(1,004,199)	(241,262)	(1,222,276)	(2,007,110)	2,756,552
Other Financing Sources (Uses):					
Insurance proceeds					19,796
Issuance of debt for lease					309,251
Capital contributions					100,000
Transfers in	1,081,694	250,193	1,438,551	2,157,220	5,533,287
Transfers out					(5,469,404)
Total other financing sources (uses)	1,081,694	250,193	1,438,551	2,157,220	492,930
Net change in fund balances	77,495	8,931	216,275	150,110	3,249,482
Fund Balances:					
Beginning of year	948,000	54,000	1,040,000	1,915,000	30,135,997
End of year	\$ 1,025,495	\$ 62,931	\$ 1,256,275	\$ 2,065,110	\$ 33,385,479

See independent auditor's report.

**CITY OF PANAMA CITY, FLORIDA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET (GAAP BASIS) AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Original Budget	Final Budget	Actual	Variance
Legislative	\$ 346,150	\$ 364,150	\$ 425,793	\$ (61,643)
Executive	1,264,315	1,254,522	1,373,516	(118,994)
Finance and Administration - City Clerk	1,346,369	1,349,209	1,432,060	(82,851)
Finance and Administration - Purchasing	427,052	460,419	530,987	(70,568)
Finance and Administration - Human Resources	936,651	936,651	825,228	111,423
Finance and Administration - Data Processing	1,702,476	1,735,774	1,681,601	54,173
Finance and Administration - Logistics	520,226	484,929	531,426	(46,497)
Finance and Administration - Legal Counsel	1,000,000	1,000,000	1,692,306	(692,306)
Public Works - Engineering	3,205,247	3,304,292	3,428,442	(124,150)
Public Works - Street	6,511,266	7,033,265	6,674,741	358,524
Public Works - Other	1,592,411	1,703,324	1,539,989	163,335
Police	18,695,992	18,992,908	19,317,938	(325,030)
Fire	12,794,154	15,194,750	16,025,205	(830,455)
Leisure Services	4,527,278	4,810,833	5,121,998	(311,165)
Non-departmental	3,668,080	3,630,713	3,601,871	28,842
Total General Fund Expenditures by Department	<u>\$ 58,537,667</u>	<u>\$ 62,255,739</u>	<u>\$ 64,203,101</u>	<u>\$ (1,947,362)</u>

See independent auditor's report.

**CITY OF PANAMA CITY, FLORIDA
INFRASTRUCTURE SURTAX
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Taxes	\$ 4,874,889	\$ 4,874,889	\$ 4,851,807	\$ (23,082)
Investment earnings			637,946	637,946
Total revenues	<u>4,874,889</u>	<u>4,874,889</u>	<u>5,489,753</u>	<u>614,864</u>
Expenditures:				
Current-				
Economic environment			4,256	(4,256)
Capital outlay		11,587		11,587
Total expenditures		<u>11,587</u>	<u>4,256</u>	<u>7,331</u>
Excess (deficiency) of revenues over expenditures	4,874,889	4,863,302	5,485,497	622,195
Other Financing Sources (Uses):				
Transfers out	<u>(2,157,220)</u>	<u>(2,157,220)</u>	<u>(4,688,079)</u>	<u>(2,530,859)</u>
Net change in fund balance	2,717,669	2,706,082	797,418	(1,908,664)
Fund Balance:				
Beginning of year	<u>7,312,791</u>	<u>7,312,791</u>	<u>7,312,791</u>	
End of year	<u>\$ 10,030,460</u>	<u>\$ 10,018,873</u>	<u>\$ 8,110,209</u>	<u>\$ (1,908,664)</u>

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CITY OF PANAMA CITY, FLORIDA
STATE HOUSING INITIATIVE PARTNERSHIP - CITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Intergovernmental	\$ 447,656	\$ 447,656	\$ 1,551,134	\$ 1,103,478
Investment earnings	9,000	9,000	267,331	258,331
Miscellaneous	92,000	92,000	597,853	505,853
Total revenues	<u>548,656</u>	<u>548,656</u>	<u>2,416,318</u>	<u>1,867,662</u>
Expenditures:				
Current:				
Economic environment:				
Housing and Urban Development	5,797,925	5,804,878	1,377,993	4,426,885
Capital outlay	50,000	50,000		50,000
Debt service				
Debt service principal			1,759	(1,759)
Debt service interest			204	(204)
Total expenditures	<u>5,847,925</u>	<u>5,854,878</u>	<u>1,379,956</u>	<u>4,474,922</u>
Excess (deficiency) of revenues over (under) expenditures	(5,299,269)	(5,306,222)	1,036,362	6,342,584
Other Financing Sources (Uses):				
Transfers out			(603,129)	(603,129)
Net change in fund balance	(5,299,269)	(5,306,222)	433,233	5,739,455
Fund Balance:				
Beginning of year	<u>15,622,935</u>	<u>15,622,935</u>	<u>15,622,935</u>	
End of year	<u>\$ 10,323,666</u>	<u>\$ 10,316,713</u>	<u>\$ 16,056,168</u>	<u>\$ 5,739,455</u>

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**CITY OF PANAMA CITY, FLORIDA
HOUSING AND COMMUNITY SERVICES
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Intergovernmental	\$ 801,974	\$ 1,676,922	\$ 879,893	\$ (797,029)
Investment earnings	2,500	2,500	1,290	(1,210)
Miscellaneous			240,287	240,287
Total revenues	<u>804,474</u>	<u>1,679,422</u>	<u>1,121,470</u>	<u>(557,952)</u>
Expenditures:				
Current:				
Economic environment:				
Housing and Urban Development	643,810	645,446	442,199	203,247
Capital outlay	<u>400,000</u>	<u>1,234,998</u>	<u>874,583</u>	<u>360,415</u>
Total expenditures	<u>1,043,810</u>	<u>1,880,444</u>	<u>1,316,782</u>	<u>563,662</u>
Excess (deficiency) of revenues over (under) expenditures	(239,336)	(201,022)	(195,312)	5,710
Other Financing Sources (Uses):				
Transfers out	<u>(10,007)</u>	<u>(10,007)</u>	<u>(11,669)</u>	<u>(1,662)</u>
Net change in fund balance	(249,343)	(211,029)	(206,981)	4,048
Fund Balance:				
Beginning of year	<u>1,148,617</u>	<u>1,148,617</u>	<u>1,148,617</u>	
End of year	<u>\$ 899,274</u>	<u>\$ 937,588</u>	<u>\$ 941,636</u>	<u>\$ 4,048</u>

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CITY OF PANAMA CITY, FLORIDA
PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY -
ST. ANDREWS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Intergovernmental	\$ 667,824	\$ 1,167,824	\$ 753,917	\$ (413,907)
Investment earnings			67,403	67,403
Miscellaneous			129	129
Total revenues	<u>667,824</u>	<u>1,167,824</u>	<u>821,449</u>	<u>(346,375)</u>
Expenditures:				
Current:				
Economic environment	358,880	338,188	375,642	(37,454)
Debt service				
Debt service principal			4,918	(4,918)
Debt service interest			82	(82)
Capital outlay	<u>277,500</u>	<u>437,364</u>	<u>477,120</u>	<u>(39,756)</u>
Total expenditures	<u>636,380</u>	<u>775,552</u>	<u>857,762</u>	<u>(82,210)</u>
Excess (deficiency) of revenues over (under) expenditures	31,444	392,272	(36,313)	(428,585)
Other Financing Sources (Uses):				
Issuance of debt for lease			<u>24,740</u>	<u>24,740</u>
Net change in fund balance	31,444	392,272	(11,573)	(403,845)
Fund Balance:				
Beginning of year	<u>633,924</u>	<u>633,924</u>	<u>633,924</u>	
End of year	<u>\$ 665,368</u>	<u>\$ 1,026,196</u>	<u>\$ 622,351</u>	<u>\$ (403,845)</u>

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY -
DOWNTOWN
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Intergovernmental	\$ 412,859	\$ 412,859	\$ 466,368	\$ 53,509
Investment earnings			29,225	29,225
Miscellaneous			291	291
Total revenues	<u>412,859</u>	<u>412,859</u>	<u>495,884</u>	<u>83,025</u>
Expenditures:				
Current:				
Economic environment	182,521	172,950	232,346	(59,396)
Debt service				
Debt service principal			12,294	(12,294)
Debt service interest			206	(206)
Capital outlay	314,500	280,543	135,599	144,944
Total expenditures	<u>497,021</u>	<u>453,493</u>	<u>380,445</u>	<u>73,048</u>
Excess (deficiency) of revenues over (under) expenditures	(84,162)	(40,634)	115,439	156,073
Other Financing Sources (Uses):				
Issuance of debt for lease			61,850	61,850
Capital contributions		100,000	100,000	
Total other financing sources (uses)		<u>100,000</u>	<u>161,850</u>	<u>61,850</u>
Net change in fund balance	(84,162)	59,366	277,289	217,923
Fund Balance:				
Beginning of year	<u>80,426</u>	<u>80,426</u>	<u>80,426</u>	
End of year	<u>\$ (3,736)</u>	<u>\$ 139,792</u>	<u>\$ 357,715</u>	<u>\$ 217,923</u>

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY -
DOWNTOWN NORTH
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Intergovernmental	\$ 968,949	\$ 968,949	\$ 1,115,653	\$ 146,704
Investment earnings			69,327	69,327
Miscellaneous			70,019	70,019
Total revenues	<u>968,949</u>	<u>968,949</u>	<u>1,254,999</u>	<u>286,050</u>
Expenditures:				
Current:				
Economic environment	609,736	1,004,143	700,199	303,944
Debt service				
Debt service principal			31,965	(31,965)
Debt service interest			535	(535)
Capital outlay	<u>402,500</u>	<u>67,943</u>	<u>283,441</u>	<u>(215,498)</u>
Total expenditures	<u>1,012,236</u>	<u>1,072,086</u>	<u>1,016,140</u>	<u>55,946</u>
Excess (deficiency) of revenues over (under) expenditures	(43,287)	(103,137)	238,859	341,996
Other Financing Sources (Uses):				
Transfers out			(58,343)	(58,343)
Insurance proceeds		19,796	19,796	
Issuance of debt for lease			160,811	160,811
Total other financing sources (uses)		<u>19,796</u>	<u>122,264</u>	<u>102,468</u>
Net change in fund balance	(43,287)	(83,341)	361,123	444,464
Beginning of year	<u>582,964</u>	<u>582,964</u>	<u>582,964</u>	
End of year	<u>\$ 539,677</u>	<u>\$ 499,623</u>	<u>\$ 944,087</u>	<u>\$ 444,464</u>

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
PANAMA CITY COMMUNITY REDEVELOPMENT AGENCY -
MILLVILLE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Intergovernmental	\$ 657,318	\$ 807,318	\$ 742,114	\$ (65,204)
Investment earnings			95,017	95,017
Miscellaneous			4,846	4,846
Total revenues	<u>657,318</u>	<u>807,318</u>	<u>841,977</u>	<u>34,659</u>
Expenditures:				
Current:				
Economic environment	383,602	383,121	213,849	169,272
Debt service				
Debt service principal			12,294	(12,294)
Debt service interest			206	(206)
Capital outlay	<u>500,000</u>	<u>432,693</u>	<u>494,335</u>	<u>(61,642)</u>
Total expenditures	<u>883,602</u>	<u>815,814</u>	<u>720,684</u>	<u>95,130</u>
Excess (deficiency) of revenues over expenditures	(226,284)	(8,496)	121,293	129,789
Other Financing Sources (Uses):				
Issuance of debt for lease			61,850	61,850
Net change in fund balance	(226,284)	(8,496)	183,143	191,639
Fund Balance:				
Beginning of year	<u>654,742</u>	<u>654,742</u>	<u>654,742</u>	
End of year	<u>\$ 428,458</u>	<u>\$ 646,246</u>	<u>\$ 837,885</u>	<u>\$ 191,639</u>

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
CAPITAL IMPROVEMENT REVENUE NOTE, SERIES 2013B
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Investment earnings	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Expenditures:				
Debt service:				
Principal retirement	948,000	948,000	948,000	
Interest and other charges	103,672	103,672	56,199	47,473
Total expenditures	1,051,672	1,051,672	1,004,199	47,473
Deficiency of revenues under expenditures	(1,046,672)	(1,046,672)	(1,004,199)	42,473
Other Financing Sources (Uses):				
Transfers in	1,061,723	1,061,723	1,081,694	19,971
Net change in fund balance	15,051	15,051	77,495	62,444
Fund Balance:				
Beginning of year	948,000	948,000	948,000	
End of year	\$ 963,051	\$ 963,051	\$ 1,025,495	\$ 62,444

See Independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
CAPITAL IMPROVEMENT REVENUE NOTE, SERIES 2016
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Expenditures:				
Debt service:				
Principal retirement	\$ 216,000	\$ 216,000	\$ 216,000	\$ -
Interest and other charges	34,202	34,202	25,262	8,940
Total expenditures	<u>250,202</u>	<u>250,202</u>	<u>241,262</u>	<u>8,940</u>
Deficiency of revenues under expenditures	(250,202)	(250,202)	(241,262)	8,940
Other Financing Sources (Uses):				
Transfers in	<u>250,193</u>	<u>250,193</u>	<u>250,193</u>	
Net change in fund balance	(9)	(9)	8,931	8,940
Fund Balance:				
Beginning of year	<u>54,000</u>	<u>54,000</u>	<u>54,000</u>	
End of year	<u>\$ 53,991</u>	<u>\$ 53,991</u>	<u>\$ 62,931</u>	<u>\$ 8,940</u>

See Independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
CAPITAL IMPROVEMENT REVENUE NOTE, SERIES 2018
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Revenues:				
Investment earnings	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Expenditures:				
Debt service:				
Principal retirement	1,040,000	1,040,000	1,040,000	
Interest and other charges	381,711	381,711	182,276	199,435
Total expenditures	1,421,711	1,421,711	1,222,276	199,435
Deficiency of revenues under expenditures	(1,416,711)	(1,416,711)	(1,222,276)	194,435
Other Financing Sources (Uses):				
Transfers in	1,438,551	1,438,551	1,438,551	
Net change in fund balance	21,840	21,840	216,275	194,435
Fund Balance:				
Beginning of year	1,040,000	1,040,000	1,040,000	
End of year	\$ 1,061,840	\$ 1,061,840	\$ 1,256,275	\$ 194,435

See Independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
INFRASTRUCTURE SALES SURTAX REVENUE NOTE, SERIES 2018
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance
Expenditures:				
Debt service:				
Principal retirement	\$ 1,915,000	\$ 1,915,000	\$ 1,915,000	\$ -
Interest and other charges	213,136	213,136	92,110	121,026
Total expenditures	<u>2,128,136</u>	<u>2,128,136</u>	<u>2,007,110</u>	<u>121,026</u>
 Deficiency of revenues under expenditures	 (2,128,136)	 (2,128,136)	 (2,007,110)	 121,026
Other Financing Sources (Uses):				
Transfers in	<u>2,157,220</u>	<u>2,157,220</u>	<u>2,157,220</u>	
 Net change in fund balance	 29,084	 29,084	 150,110	 121,026
Fund Balance:				
Beginning of year	<u>1,915,000</u>	<u>1,915,000</u>	<u>1,915,000</u>	
 End of year	<u><u>\$ 1,944,084</u></u>	<u><u>\$ 1,944,084</u></u>	<u><u>\$ 2,065,110</u></u>	<u><u>\$ 121,026</u></u>

See Independent auditor's report.

INTERNAL SERVICE FUNDS

These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies on the cost-reimbursement basis.

The following funds account for the City's insurance operations:

Medical Self-Insurance

Dental Insurance

The following fund accounts for labor and repairs on City owned equipment:

Equipment Maintenance Fund



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**CITY OF PANAMA CITY, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	Equipment Maintenance	Medical Self- Insurance	Dental Insurance	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 42,649	\$ 8,380,034	\$ 338,924	\$ 8,761,607
Due from other governmental entities	3,134			3,134
Inventories	203,889			203,889
Prepaid items	37,981			37,981
Total current assets	287,653	8,380,034	338,924	9,006,611
Noncurrent Assets:				
Capital Assets:				
Machinery and equipment	224,527			224,527
Less accumulated depreciation	(169,190)			(169,190)
Total noncurrent assets	55,337			55,337
Total assets	342,990	8,380,034	338,924	9,061,948
DEFERRED OUTFLOWS OF RESOURCES				
OPEB related outflows	45,744			45,744
LIABILITIES				
Current Liabilities:				
Due to other funds	5,380			5,380
Accounts payable	223,870	1,432,147		1,656,017
Accrued salaries	27,021			27,021
Current portion of finance purchase liability	2,104			2,104
Total current liabilities	258,375	1,432,147		1,690,522
Noncurrent Liabilities:				
Compensated absences	24,740			24,740
Net OPEB liability	88,456			88,456
Finance purchase liability	4,594			4,594
Total noncurrent liabilities	117,790			117,790
Total liabilities	376,165	1,432,147		1,808,312
DEFERRED INFLOWS OF RESOURCES				
OPEB related inflows	44,789			44,789
NET POSITION				
Net investment in capital assets	48,639			48,639
Restricted for claims		6,947,887	338,924	7,286,811
Unrestricted	(80,859)			(80,859)
Total net position	\$ (32,220)	\$ 6,947,887	\$ 338,924	\$ 7,254,591

See independent auditor's report.

**CITY OF PANAMA CITY, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	Equipment Maintenance	Medical Self- Insurance	Dental Insurance	Total
Operating Revenues:				
Charges for services	\$ 2,369,145	\$ -	\$ -	\$ 2,369,145
Insurance premiums		9,101,117	358,038	9,459,155
Miscellaneous	48,819			48,819
Total operating revenues	<u>2,417,964</u>	<u>9,101,117</u>	<u>358,038</u>	<u>11,877,119</u>
Operating Expenses:				
Personnel services	919,756			919,756
Operating expenses:				
Operating expenses	1,462,882			1,462,882
Administration fees		1,351,460	388,027	1,739,487
Depreciation	27,863			27,863
Insurance claims and expenses		7,789,931		7,789,931
Total operating expenses	<u>2,410,501</u>	<u>9,141,391</u>	<u>388,027</u>	<u>11,939,919</u>
Operating income (loss)	<u>7,463</u>	<u>(40,274)</u>	<u>(29,989)</u>	<u>(62,800)</u>
Nonoperating Revenues (Expenses):				
Scrap sales	<u>4,362</u>			<u>4,362</u>
Income (loss) before transfers	<u>11,825</u>	<u>(40,274)</u>	<u>(29,989)</u>	<u>(58,438)</u>
Transfers:				
Transfers out	<u>(6,667)</u>			<u>(6,667)</u>
Change in Net Position	<u>5,158</u>	<u>(40,274)</u>	<u>(29,989)</u>	<u>(65,105)</u>
Net Position - beginning of year	<u>(37,378)</u>	<u>6,988,161</u>	<u>368,913</u>	<u>7,319,696</u>
Net Position - end of year	<u>\$ (32,220)</u>	<u>\$ 6,947,887</u>	<u>\$ 338,924</u>	<u>\$ 7,254,591</u>

See independent auditor's report.



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CITY OF PANAMA CITY, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Equipment Maintenance	Medical Self- Insurance	Dental Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,464,049	\$ -	\$ -	\$ 2,464,049
Payments to suppliers	(1,509,706)			(1,509,706)
Payments to employees	(913,317)			(913,317)
Cash received for insurance contributions		9,151,118	358,038	9,509,156
Cash paid for insurance claims		(9,027,414)	(416,519)	(9,443,933)
Net cash provided by (used in) operating activities	41,026	123,704	(58,481)	106,249
FINANCING ACTIVITIES				
Transfers out	(6,667)			(6,667)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sales of capital assets	10,622			10,622
Principal paid on long term debt	(2,332)			(2,332)
Net cash used in capital and related financing activities	8,290			8,290
Net increase (decrease) in cash and cash equivalents	42,649	123,704	(58,481)	107,872
Cash and cash equivalents				
Beginning of year		8,256,330	397,405	8,653,735
End of Year	\$ 42,649	\$ 8,380,034	\$ 338,924	\$ 8,761,607

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Equipment Maintenance</u>	<u>Medical Self - Insurance</u>	<u>Dental Insurance</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used) in operating activities:				
Operating income (loss)	\$ 7,463	\$ (40,274)	\$ (29,989)	\$ (62,800)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	27,863			27,863
Change in assets and liabilities:				
(Increase) Decrease:				
Accounts receivable		50,000		50,000
Inventories	74,158			74,158
Due from other governmental entities	46,085			46,085
Prepaid items	(37,979)			(37,979)
Deferred outflows of resources	1,242			1,242
Increase (Decrease):				
Accounts payable	10,514	113,978	(28,492)	96,000
Accrued salaries	7,221			7,221
Compensated absences	(6,661)			(6,661)
Deferred inflows of resources	13,150			13,150
Net OPEB liability	(8,513)			(8,513)
Due to other funds	(93,517)			(93,517)
Net cash provided by (used in) operating activities	<u>\$ 41,026</u>	<u>\$ 123,704</u>	<u>\$ (58,481)</u>	<u>\$ 106,249</u>

See independent auditor's report.



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FIDUCIARY FUNDS

These funds are used to account for assets held in a trust by the City for others. They include Trust Funds.

Pension Trust Funds. These funds account for the activities of the police officers', firefighters', and senior management defined benefit pension plans. These funds are as follows:

City of Panama City Municipal Police Officers' Pension Trust Fund

City of Panama City Municipal Firefighters' Pension Trust Fund

*City of Panama City Supplemental Retirement Plan for
Designated General Employees*



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CITY OF PANAMA CITY, FLORIDA
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2024

	Police Officers' Pension	Firefighters' Pension	Senior Management Pension	Total
Assets:				
Cash and cash equivalents:				
Short term investments	\$ 1,257,629	\$ 1,108,437	\$ 60,707	\$ 2,426,773
Receivables:				
Member contributions in transit	10,484	6,956		17,440
City contributions	32,407	51,070		83,477
Investment income	50,407	29,810		80,217
Total receivables	93,298	87,836		181,134
Investments:				
Common Stocks	5,987,565			5,987,565
Corporate bonds	5,133,071			5,133,071
Mutual funds:				
Fixed income	9,972,868	16,210,517		26,183,385
Equity	21,502,487	19,148,484		40,650,971
Pooled/common/commingled funds:				
Fixed income			624,418	624,418
Equity		11,582,643	3,243,507	14,826,150
Real estate investment trust	2,643,555	2,740,971	407,606	5,792,132
Total investments	45,239,546	49,682,615	4,275,531	99,197,692
Total assets	46,590,473	50,878,888	4,336,238	101,805,599
Liabilities:				
Accounts Payable:				
Administrative expenses	856	881		1,737
Investment expenses	26,003	18,272		44,275
Prior refunds	284			284
Other payables	50,471	15,454		65,925
Total accounts payable	77,614	34,607		112,221
Total liabilities	77,614	34,607		112,221
Net Position:				
Restricted for pension benefits	\$ 46,512,859	\$ 50,844,281	\$ 4,336,238	\$ 101,693,378

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Police Officers' Pension	Firefighters' Pension	Senior Management Pension	Total
Additions				
Contributions:				
Plan members	\$ 559,055	\$ 396,485	\$ 211,614	\$ 1,167,154
Employer	1,728,652	2,914,512	92,453	4,735,617
State	507,953	466,492		974,445
Total contributions	<u>2,795,660</u>	<u>3,777,489</u>	<u>304,067</u>	<u>6,877,216</u>
Investment earnings:				
Net appreciation				
in fair value of investments	6,909,386	7,279,199	720,776	14,909,361
Interest	1,129,698	1,324,711		2,454,409
Total investment earnings	<u>8,039,084</u>	<u>8,603,910</u>	<u>720,776</u>	<u>17,363,770</u>
Less investment expense	<u>(148,431)</u>	<u>(139,371)</u>		<u>(287,802)</u>
Net investment earnings	<u>7,890,653</u>	<u>8,464,539</u>	<u>720,776</u>	<u>17,075,968</u>
Total additions	<u>10,686,313</u>	<u>12,242,028</u>	<u>1,024,843</u>	<u>23,953,184</u>
Deductions				
Distributions to members:				
Benefit payments	3,186,768	3,209,790	261,730	6,658,288
Lump sum DROP distributions	14,282	392,489		406,771
Refunds of member contributions	<u>174,094</u>	<u>30,524</u>	<u>35,578</u>	<u>240,196</u>
Total distributions	<u>3,375,144</u>	<u>3,632,803</u>	<u>297,308</u>	<u>7,305,255</u>
Administrative expenses	<u>56,725</u>	<u>63,431</u>	<u>33,971</u>	<u>154,127</u>
Total deductions	<u>3,431,869</u>	<u>3,696,234</u>	<u>331,279</u>	<u>7,459,382</u>
Change in Net Position	<u>7,254,444</u>	<u>8,545,794</u>	<u>693,564</u>	<u>16,493,802</u>
Net Position Restricted for Pension Benefits				
Beginning of year	<u>39,258,415</u>	<u>42,298,487</u>	<u>3,642,674</u>	<u>85,199,576</u>
End of year	<u>\$ 46,512,859</u>	<u>\$ 50,844,281</u>	<u>\$ 4,336,238</u>	<u>\$ 101,693,378</u>

See independent auditor's report.

SUPPLEMENTAL INFORMATION

THIS SUBSECTION CONTAINS THE FOLLOWING:

- SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY



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CITY OF PANAMA CITY, FLORIDA
SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY
FISCAL YEAR ENDED SEPTEMBER 30, 2024

Governmental Activities

Year Ending September 30	Capital Improvement Revenue Note, Series 2013B		Capital Improvement Revenue Note, Series 2016		Infrastructure Sales Surtax Revenue Note, Series 2018	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 969,000	\$ 99,092	\$ 220,000	\$ 30,135	\$ 1,973,000	\$ 154,428
2026	992,000	71,564	225,000	25,993	2,033,000	93,937
2027	1,015,000	43,390	229,000	21,758	2,094,000	31,619
2028	1,038,000	14,571	233,000	17,447		
2029			237,000	13,063		
2030			242,000	8,597		
2031			246,000	4,042		
2032			62,000	290		
	<u>\$ 4,014,000</u>	<u>\$ 228,617</u>	<u>\$ 1,694,000</u>	<u>\$ 121,325</u>	<u>\$ 6,100,000</u>	<u>\$ 279,984</u>

	Capital Improvement Revenue Note, Series 2018		Capital Improvement Revenue Note, Series 2023	
	Principal	Interest	Principal	Interest
2025	\$ 1,074,000	\$ 346,830		\$ 8,730,000
2026	1,110,000	310,794	\$ 150,000,000	8,730,000
2027	1,146,000	273,570		
2028	1,184,000	235,125		
2029	1,223,000	195,410		
2030	1,264,000	154,374		
2031	1,305,000	111,986		
2032	1,348,000	68,211		
2033	1,393,000	22,984		
	<u>\$ 11,047,000</u>	<u>\$ 1,719,284</u>	<u>\$ 150,000,000</u>	<u>\$ 17,460,000</u>

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY
FISCAL YEAR ENDED SEPTEMBER 30, 2024

Business-type Activities

Year Ending September 30	Water & Sewer Revenue Note, Series 2021		State Revolving Fund DW0302G0		State Revolving Fund WW0302F0	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,754,000	582,600				
2026	1,798,000	538,200	\$ 237,738		\$ 590,597	
2027	1,842,000	492,700	475,476		1,181,194	
2028	1,886,000	446,100	475,476		1,181,194	
2029	1,934,000	398,350	475,476		1,181,194	
2030	1,983,000	349,388	475,476		1,181,194	
2031	2,031,000	299,213	475,476		1,181,194	
2032	2,083,000	247,788	475,476		1,181,194	
2033	2,136,000	195,050	475,476		718,209	
2034	2,188,000	141,000	475,476			
2035	2,245,000	85,588	475,476			
2036	2,301,000	28,760	475,476			
2037			475,476			
2038			475,476			
2039			475,476			
2040			475,476			
2041			401,753			
	<u>\$ 24,181,000</u>	<u>\$ 3,804,737</u>	<u>\$ 7,296,155</u>	<u>\$ -</u>	<u>\$ 8,395,970</u>	<u>\$ -</u>
	State Revolving Fund DW03020G1					
	Principal	Interest				
2025						
2026	\$ 1,175,436					
2027	2,350,872					
2028	2,350,872					
2029	2,350,872					
2030	2,350,872					
2031	2,350,872					
2032	2,350,872					
2033	1,677,674					
	<u>\$ 16,958,342</u>	<u>\$ -</u>				

See independent auditor's report.

STATISTICAL SECTION

THIS SECTION CONTAINS THE FOLLOWING:

- FINANCIAL TRENDS
- REVENUE CAPACITY
- DEBT CAPACITY
- DEMOGRAPHIC AND ECONOMIC INFORMATION
- OPERATING INFORMATION



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CITY OF PANAMA CITY, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED

	2015	2016	2017	Fiscal Year 2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 7,332,537	\$ 7,202,957	\$ 8,047,155	\$ 8,232,205	\$ 84,430,144	\$ 41,876,490	\$ 29,239,169	\$ 18,364,650	\$ 21,000,147	\$ 18,142,392
Public safety	18,241,148	21,345,141	21,091,964	21,197,707	22,418,938	23,707,967	22,686,653	24,092,554	29,731,147	32,985,229
Physical environment										
Transportation	5,320,025	5,293,976	5,781,421	5,824,445	5,478,278	5,966,864	6,119,401	6,159,397	7,901,598	8,262,187
Leisure services		5,748								
Economic environment	3,553,702	3,584,832	3,528,539	4,956,197	4,195,606	7,586,803	9,512,498	8,281,118	5,985,407	6,282,288
Culture and recreation	3,373,667	3,322,205	3,625,195	3,665,526	7,002,602	3,987,749	3,651,062	4,107,998	5,066,452	5,553,477
Human services	298,840	244,089	282,512	244,479	235,158	271,247	343,236	206,251	455,826	191,885
Interest on long-term debt	364,137	385,657	531,878	205,222	1,593,953	2,305,974	1,577,494	2,787,543	1,732,336	9,462,044
Total governmental activities expenses	<u>38,484,056</u>	<u>41,384,605</u>	<u>42,888,664</u>	<u>44,325,781</u>	<u>125,354,679</u>	<u>85,703,094</u>	<u>73,129,513</u>	<u>63,999,511</u>	<u>71,872,913</u>	<u>80,879,502</u>
Business-type activities:										
Utilities	13,818,774	15,018,401	15,252,532	15,981,122	23,524,617	18,138,534	20,470,364	24,258,952	27,648,566	27,434,755
Environmental services	5,592,968	5,764,430	6,012,230	6,440,541	6,569,405	7,045,202	8,017,814	7,948,084	8,356,175	9,403,875
Marina	2,895,496	2,500,262	2,707,680	2,842,914	2,656,578	2,838,965	2,223,734	2,829,855	2,500,309	2,947,401
Total business-type activities expenses	<u>22,307,238</u>	<u>23,283,093</u>	<u>23,972,442</u>	<u>25,264,577</u>	<u>32,750,600</u>	<u>28,022,701</u>	<u>30,711,912</u>	<u>35,036,891</u>	<u>38,505,050</u>	<u>39,786,031</u>
Total primary government expenses	<u>\$ 60,791,294</u>	<u>\$ 64,667,698</u>	<u>\$ 66,861,106</u>	<u>\$ 69,590,358</u>	<u>\$ 158,105,279</u>	<u>\$ 113,725,795</u>	<u>\$ 103,841,425</u>	<u>\$ 99,036,402</u>	<u>\$ 110,377,963</u>	<u>\$ 120,665,533</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 9,516,380	\$ 9,674,256	\$ 9,882,404	\$ 10,332,074	\$ 13,367,604	\$ 16,896,365	\$ 11,715,431	\$ 42,781,747	\$ 13,382,001	\$ 13,580,742
Public safety	942,066	1,081,365	1,127,848	1,106,826	4,897,479	2,145,159	1,212,897	1,296,969	1,512,492	1,542,610
Transportation	281,775	188,709	194,373	200,205	615,382	259,216	226,335	233,366	242,407	489
Economic environment	19,978		5,119	1,489	499,945	787,449		25,725		19,796
Culture and recreation	275,060	250,591	279,223	378,443	5,653,271	5,303,085	6,801,553	16,035	195,049	423,248
Other										
Operating grants and contributions	2,573,798	1,085,770	1,278,837	1,301,296	84,287,672	17,579,048	18,671,976	20,731,732	14,804,625	18,672,751
Capital grants and contributions	25,000									100,000
Total governmental activities program revenues	<u>13,634,057</u>	<u>12,280,691</u>	<u>12,767,804</u>	<u>13,320,333</u>	<u>109,321,353</u>	<u>42,970,322</u>	<u>38,628,192</u>	<u>65,085,574</u>	<u>30,136,574</u>	<u>34,339,636</u>
Business-type activities:										
Charges for services:										
Utilities	19,054,265	18,524,781	19,565,041	19,622,582	15,934,927	18,404,388	20,441,289	23,031,915	25,919,391	28,268,192
Environmental services	6,749,482	6,716,863	6,906,065	7,186,148	5,943,083	7,287,431	8,448,378	9,059,231	9,739,041	10,773,717
Marina	3,099,610	2,772,635	3,050,304	3,148,592	748,905	1,791,249	1,929,890	2,532,233	2,102,375	1,962,255
Operating grants and contributions	65,550		17,476	218,225	9,699,648	54,631	219,250	5,041,259	10,133,057	19,080,172
Capital grants and contributions	178,999	200,432	591,888	361,400	637,468	506,409	2,305,300	1,172,852	2,395,711	1,359,689
Total business-type activities program revenues	<u>29,147,906</u>	<u>28,214,711</u>	<u>30,130,774</u>	<u>30,536,947</u>	<u>32,964,031</u>	<u>28,044,108</u>	<u>33,344,107</u>	<u>40,837,490</u>	<u>50,289,575</u>	<u>61,444,025</u>
Total primary government program revenues	<u>\$ 42,781,963</u>	<u>\$ 40,495,402</u>	<u>\$ 42,898,578</u>	<u>\$ 43,857,280</u>	<u>\$ 142,285,384</u>	<u>\$ 71,014,430</u>	<u>\$ 71,972,299</u>	<u>\$ 105,923,064</u>	<u>\$ 80,426,149</u>	<u>\$ 95,783,661</u>
Net (Expense)/Revenue										
Governmental activities	\$ (24,849,999)	\$ (29,103,914)	\$ (30,120,860)	\$ (31,005,448)	\$ (16,033,326)	\$ (42,732,772)	\$ (34,501,321)	\$ 1,086,063	\$ (41,736,339)	\$ (46,539,866)
Business-type activities	6,840,668	4,931,618	6,158,332	5,272,370	213,431	21,407	2,632,195	5,800,599	11,784,525	21,357,994
Total primary government net expenses	<u>\$ (18,009,331)</u>	<u>\$ (24,172,296)</u>	<u>\$ (23,962,528)</u>	<u>\$ (25,733,078)</u>	<u>\$ (15,819,895)</u>	<u>\$ (42,711,365)</u>	<u>\$ (31,869,126)</u>	<u>\$ 6,886,662</u>	<u>\$ (29,951,814)</u>	<u>\$ (24,881,872)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 8,511,463	\$ 8,861,504	\$ 8,897,687	\$ 8,929,919	\$ 10,099,539	\$ 11,049,811	\$ 10,576,138	\$ 11,657,602	\$ 12,873,362	\$ 15,328,456
Fire assessment							5,026,835	5,305,577	6,181,880	5,994,496
Nuisance abatement							833,945	504,158	176,315	226,508
Tax increment ad valorem taxes	2,308,216	2,306,065	2,239,986	2,172,010	2,311,262	1,617,978	1,269,030	1,876,658	2,229,939	3,078,052
Local option gasoline tax	1,410,878	1,479,612	1,281,331	1,295,819	1,315,941	1,269,117	1,256,957	1,421,272	1,427,320	1,519,436
Franchise fees	4,409,262	4,373,282	4,112,022	4,261,663	3,490,296	3,612,700	3,950,194	4,524,020	4,949,482	4,602,894
Utility service tax	4,176,778	4,276,080	4,287,390	4,540,419	3,719,556	3,901,790	4,365,383	4,864,266	5,406,847	5,125,589
Communications service tax	1,619,995	1,537,187	1,614,810	1,574,325	1,361,929	1,542,282	1,483,903	1,533,527	1,565,316	1,642,311
Local option sales tax	3,110,963	3,285,075	2,120,937	3,279,225	3,596,071	3,405,468	4,196,581	4,713,569	4,747,585	4,851,807
Unrestricted state revenue sharing	1,403,496	1,436,957	4,871,519	5,117,650	5,531,002	5,181,838	6,365,799	7,123,337	7,234,730	7,117,399
Unrestricted investment earnings	343,489	176,342	472,139	663,874	1,253,276	707,005	117,318	461,328	4,339,764	12,061,439
Gain (loss) on disposal of capital assets	23,980	28,398	33,503	(107,719)						
Miscellaneous	941,573	1,389,553	563,515	618,970	1,937,466	2,127,706	1,657,885	2,341,624	4,940,579	3,557,287
Gain on extinguishment of debt							5,000,000			
Contributions							(1,501,815)			
Transfers	1,819,302	1,610,527	2,112,119	1,861,812	1,725,845	(1,373,984)	(5,913,510)	2,228,797	(6,793,865)	1,322,273
Total governmental activities general revenues	<u>30,079,395</u>	<u>30,760,582</u>	<u>32,606,958</u>	<u>34,207,967</u>	<u>36,342,183</u>	<u>33,041,711</u>	<u>38,684,643</u>	<u>48,555,735</u>	<u>49,279,254</u>	<u>66,427,947</u>
Business-type activities:										
Unrestricted investment earnings	144,474	207,665	395,756	488,472	560,802	250,612	14,707	96,123	1,049,953	1,010,238
Gain on disposal of capital assets	22,964	24,775	(265,461)	8,585						
Miscellaneous	6,807	2,433	4,258	12,844	1,846	61,732	8,656	14,981	11,627	4,247
Transfers	(1,819,302)	(1,610,527)	(2,112,119)	(1,861,812)	(1,725,845)	1,373,984	5,913,510	(2,228,797)	6,793,865	(1,322,273)
Total business-type activities general revenues	<u>(1,645,057)</u>	<u>(1,375,654)</u>	<u>(1,977,566)</u>	<u>(1,351,911)</u>	<u>(1,163,197)</u>	<u>1,686,328</u>	<u>5,936,873</u>	<u>(2,117,693)</u>	<u>7,855,445</u>	<u>(307,788)</u>
Total primary government general revenues	<u>\$ 28,434,338</u>	<u>\$ 29,384,928</u>	<u>\$ 30,629,392</u>	<u>\$ 32,856,056</u>	<u>\$ 35,178,986</u>	<u>\$ 34,728,039</u>	<u>\$ 44,621,516</u>	<u>\$ 46,438,042</u>	<u>\$ 57,134,699</u>	<u>\$ 66,120,159</u>
Changes in Net Position										
Governmental activities	\$ 5,229,396	\$ 1,656,668	\$ 2,486,098	\$ 3,202,519	\$ 20,308,857	\$ (9,691,061)	\$ 4,183,322	\$ 49,641,798	\$ 7,542,915	\$ 19,888,081
Business-type activities	5,195,611	3,555,964	4,180,766	3,920,459	(949,766)	1,707,735	8,569,068	19,639,970	21,350,206	
Total primary government changes in net position	<u>\$ 10,425,007</u>	<u>\$ 5,212,632</u>	<u>\$ 6,666,864</u>	<u>\$ 7,122,978</u>	<u>\$ 19,359,091</u>	<u>\$ (7,983,326)</u>	<u>\$ 12,752,390</u>	<u>\$ 53,324,704</u>	<u>\$ 27,182,885</u>	<u>\$ 41,238,287</u>

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year									
	<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>	<u>2024</u>
Governmental activities:										
Net investment in capital assets										
Restricted	\$ 60,426,245	\$ 61,541,617	\$ 70,309,572	\$ 70,572,052	\$ 72,191,254	\$ 60,326,001	\$ 66,646,034	\$ 78,422,422	\$ 83,049,934	\$ 103,213,026
Unrestricted	4,740,198	6,387,711	14,901,299	19,045,770	31,273,810	34,797,523	35,476,004	37,596,009	39,712,363	41,282,087
Total governmental activities net position	<u>\$ 21,883,518</u>	<u>\$ 20,777,301</u>	<u>\$ 5,981,856</u>	<u>\$ 4,356,416</u>	<u>\$ 10,818,031</u>	<u>\$ 13,208,298</u>	<u>\$ 9,953,356</u>	<u>\$ 40,683,476</u>	<u>\$ 41,482,525</u>	<u>\$ 39,637,790</u>
	<u>\$ 87,049,961</u>	<u>\$ 88,706,629</u>	<u>\$ 91,192,727</u>	<u>\$ 93,974,238</u>	<u>\$ 114,283,095</u>	<u>\$ 108,331,822</u>	<u>\$ 112,075,394</u>	<u>\$ 156,701,907</u>	<u>\$ 164,244,822</u>	<u>\$ 184,132,903</u>
Business-type activities:										
Net investment in capital assets										
Restricted	\$ 46,182,187	\$ 47,757,703	\$ 67,700,504	\$ 58,183,597	\$ 61,995,159	\$ 69,011,200	\$ 79,651,843	\$ 85,693,786	\$ 103,444,163	\$ 123,283,878
Unrestricted	5,726,784	8,787,979	6,841,454	10,248,871	12,679,599	12,788,051	8,737,986	3,886,088	-	-
Total business-type activities net position	<u>\$ 28,355,307</u>	<u>\$ 27,274,560</u>	<u>\$ 13,459,050</u>	<u>\$ 23,341,261</u>	<u>\$ 16,149,205</u>	<u>\$ 12,165,396</u>	<u>\$ 14,583,636</u>	<u>\$ 17,076,497</u>	<u>\$ 22,852,178</u>	<u>\$ 24,362,669</u>
	<u>\$ 80,264,278</u>	<u>\$ 83,820,242</u>	<u>\$ 88,001,008</u>	<u>\$ 91,773,729</u>	<u>\$ 90,823,963</u>	<u>\$ 93,964,647</u>	<u>\$ 102,973,465</u>	<u>\$ 106,656,371</u>	<u>\$ 126,296,341</u>	<u>\$ 147,646,547</u>
Primary government:										
Net investment in capital assets										
Restricted	\$ 106,608,432	\$ 109,299,320	\$ 138,010,076	\$ 128,755,649	\$ 134,186,413	\$ 129,337,201	\$ 146,297,877	\$ 164,116,208	\$ 186,494,097	\$ 226,496,904
Unrestricted	10,466,982	15,175,690	21,742,753	29,294,641	43,953,409	47,585,574	44,213,990	41,482,097	39,712,363	41,282,087
Total primary government net position	<u>\$ 50,238,825</u>	<u>\$ 48,051,861</u>	<u>\$ 19,440,906</u>	<u>\$ 27,697,677</u>	<u>\$ 26,967,236</u>	<u>\$ 25,373,694</u>	<u>\$ 24,536,992</u>	<u>\$ 57,759,973</u>	<u>\$ 64,334,703</u>	<u>\$ 64,000,459</u>
	<u>\$ 167,314,239</u>	<u>\$ 172,526,871</u>	<u>\$ 179,193,735</u>	<u>\$ 185,747,967</u>	<u>\$ 205,107,058</u>	<u>\$ 202,296,469</u>	<u>\$ 215,048,859</u>	<u>\$ 263,358,278</u>	<u>\$ 290,541,163</u>	<u>\$ 331,779,450</u>

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

Function/Program Revenues	Fiscal Year									
	<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>	<u>2024</u>
Governmental activities:										
General government	\$ 9,516,380	\$ 9,674,256	\$ 9,882,404	\$ 10,332,074	\$ 93,858,826	\$ 21,975,993	\$ 20,092,430	\$ 60,626,080	\$ 26,284,291	\$ 26,643,059
Public safety	2,576,709	1,196,295	1,188,058	1,156,941	6,063,332	2,750,089	6,513,939	2,352,550	2,847,771	4,722,017
Transportation	281,775	188,709	194,373	200,205	645,489	297,351	231,783	233,366	242,407	489
Economic environment	984,133	970,840	1,223,746	1,252,670	3,051,881	12,447,000	4,953,436	1,857,543	567,056	2,550,823
Culture and recreation	275,060	250,591	279,223	378,443	5,701,825	5,499,889	6,836,604	16,035	195,049	423,248
Other										
Total governmental activities	13,634,057	12,280,691	12,767,804	13,320,333	109,321,353	42,970,322	38,628,192	65,085,574	30,136,574	34,339,636
Business-type activities:										
Utilities	19,233,264	18,725,213	20,156,929	19,983,982	25,859,090	18,910,797	21,442,510	27,055,276	38,426,316	48,708,053
Environmental services	6,749,482	6,716,863	6,906,065	7,186,148	6,311,029	7,300,966	8,461,654	9,059,231	9,739,041	10,773,717
Marina	3,165,160	2,772,635	3,067,780	3,366,817	793,912	1,832,345	3,439,943	4,722,983	2,124,218	1,962,255
Total business-type activities	29,147,906	28,214,711	30,130,774	30,536,947	32,964,031	28,044,108	33,344,107	40,837,490	50,289,575	61,444,025
Total primary government function/program revenues	\$ 42,781,963	\$ 40,495,402	\$ 42,898,578	\$ 43,857,280	\$ 142,285,384	\$ 71,014,430	\$ 71,972,299	\$ 105,923,064	\$ 80,426,149	\$ 95,783,661

See independent auditor's report.
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CITY OF PANAMA CITY, FLORIDA
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year									
	<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>	<u>2024</u>
Governmental Funds										
General fund:										
Non-spendable	\$ 355,237	\$ 292,545	\$ 293,011	\$ 319,010	\$ 304,141	\$ 383,043	\$ 431,939	\$ 2,620,019	\$ 2,469,901	\$ 1,495,854
Spendable:										
Restricted										
Committed	11,396,432	11,164,211	12,045,554	12,906,796						
Assigned	228,760	286,399	546,933	546,933	242,020	534,724	506,656	1,625,888	1,513,678	1,040,691
Unassigned	12,591,442	14,868,795	8,207,390	11,543,501	14,585,827	17,327,208	23,170,324	24,706,393	18,940,810	9,902,709
Total general fund	<u>24,571,871</u>	<u>26,611,950</u>	<u>21,092,888</u>	<u>25,316,240</u>	<u>15,131,988</u>	<u>18,244,975</u>	<u>24,108,919</u>	<u>28,952,300</u>	<u>22,924,389</u>	<u>12,439,254</u>
All other governmental funds:										
Non-spendable	1,931,733	1,947,538	2,322,141	2,285,632	2,532,757	4,264,991	437,547	9,312,769	9,070,126	4,759,978
Spendable:										
Restricted	8,059,411	9,821,489	10,344,149	14,176,471	27,250,949	24,673,971	34,556,854	22,008,317	23,109,094	29,113,607
Committed	2,260,097				71,961,293	39,185,680	34,914,637	59,717,106	44,917,716	38,230,956
Assigned	17,953,680	18,426,642	17,884,755	33,369,103	31,976,073	30,320,836	20,458,897	8,527,158	-	118,632,540
Unassigned						(554,790)	(780,960)	(3,153,822)	118,919,653	(560,135)
Total all other governmental funds	<u>30,204,921</u>	<u>30,195,669</u>	<u>30,551,045</u>	<u>49,831,206</u>	<u>133,721,072</u>	<u>97,890,688</u>	<u>89,586,975</u>	<u>96,411,528</u>	<u>196,016,589</u>	<u>190,176,946</u>
Total governmental funds	<u>\$ 54,776,792</u>	<u>\$ 56,807,619</u>	<u>\$ 51,643,933</u>	<u>\$ 75,147,446</u>	<u>\$ 148,853,060</u>	<u>\$ 116,135,663</u>	<u>\$ 113,695,894</u>	<u>\$ 125,363,828</u>	<u>\$ 218,940,978</u>	<u>\$ 202,616,200</u>

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

	<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>	<u>2024</u>
Revenues										
Taxes	\$ 20,128,376	\$ 20,527,665	\$ 22,314,178	\$ 23,881,370	\$ 23,583,332	\$ 24,781,168	\$ 31,689,937	\$ 34,523,993	\$ 37,328,107	\$ 39,291,498
Licenses and permits	9,163,514	9,361,261	9,573,480	10,013,624	9,650,287	10,164,936	11,259,682	12,260,516	12,886,549	13,057,674
Intergovernmental	10,174,102	8,888,292	9,150,093	9,372,046	91,693,380	24,601,564	27,999,222	52,740,595	24,006,452	25,222,033
Charges for services	1,209,316	1,156,224	1,249,335	1,317,923	1,164,419	1,127,439	1,398,056	1,367,286	1,614,769	1,468,995
Investment earnings	343,489	176,342	472,139	663,874	1,253,276	707,005	117,318	461,329	4,339,764	12,061,439
Miscellaneous	890,468	1,320,962	640,337	555,772	3,144,764	1,961,119	1,281,498	2,036,746	4,636,834	3,221,917
Total revenues	<u>41,909,265</u>	<u>41,430,746</u>	<u>43,399,562</u>	<u>45,804,609</u>	<u>130,489,458</u>	<u>63,343,231</u>	<u>73,745,713</u>	<u>103,390,465</u>	<u>84,812,475</u>	<u>94,324,556</u>
Expenditures										
Current:										
General government	5,465,271	5,043,149	5,314,495	5,631,954	81,212,990	38,740,031	25,870,729	15,526,921	16,966,080	15,265,250
Public safety	16,248,208	16,622,005	16,772,083	17,429,071	19,360,984	19,175,443	19,672,622	24,671,408	28,914,782	29,648,976
Physical environment		5,748								
Transportation	3,660,154	3,601,914	3,754,584	3,821,614	3,280,396	3,642,622	3,701,834	4,295,564	5,749,563	5,689,768
Economic environment	3,500,184	3,514,085	3,455,302	4,881,270	4,145,662	7,508,653	9,374,767	8,297,543	5,984,766	6,296,795
Human services	265,926	244,089	282,512	244,479	235,158	271,247	343,236	206,251	455,826	191,885
Culture and recreation	2,588,130	2,626,840	2,713,367	2,790,838	6,562,198	3,459,087	3,006,704	3,799,643	4,607,390	4,911,216
Debt service:										
Capital lease principal	806,349	750,414	381,959	535,300	622,728	390,148	589,903			
Capital lease interest	6,666	62,601	45,269	33,583	44,326	87,129	94,574			
Principal	1,802,000	1,838,000	3,243,000	216,000	1,821,000	4,032,000	3,933,000	90,769,447	47,087,921	5,919,547
Interest and other charges	370,427	332,915	493,141	1,753,387	1,550,357	2,217,163	1,480,563	2,785,104	1,729,818	9,459,444
Capital outlay	8,729,922	3,302,128	13,782,228	16,793,745	16,178,164	10,646,121	9,321,059	28,956,582	25,199,805	36,957,331
Total expenditures	<u>43,443,237</u>	<u>37,943,888</u>	<u>50,237,940</u>	<u>52,553,241</u>	<u>135,013,963</u>	<u>90,169,644</u>	<u>77,388,991</u>	<u>179,308,463</u>	<u>136,695,951</u>	<u>114,340,212</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,533,972)</u>	<u>3,486,858</u>	<u>(6,838,378)</u>	<u>(6,748,632)</u>	<u>(4,524,505)</u>	<u>(26,826,413)</u>	<u>(3,643,278)</u>	<u>(75,917,998)</u>	<u>(51,883,476)</u>	<u>(20,015,656)</u>
Other Financing Sources (Uses)										
Transfers in	9,467,567	7,353,850	7,020,694	11,290,553	22,913,434	10,081,463	10,828,321	36,519,626	34,895,398	27,975,413
Transfer out	(10,670,379)	(8,809,881)	(8,642,793)	(13,080,073)	(24,861,834)	(14,958,600)	(20,422,152)	(34,288,328)	(41,687,187)	(26,646,472)
Issuance of long term debt	1,888,296		3,296,791	32,082,490	60,077,909	15,501,564	1,817,621	59,958,737	151,676,299	907,394
Capital contributions				(40,825)						100,000
Original issue discount								283,845	459,921	1,083,892
Issuance of debt for leases					41,185,195					
Issuance of refunding bonds					(41,185,195)					
Payment to bond refunding escrow agent					20,100,610	13,439,200	6,885,802	30,127,337	116,195	270,651
Insurance proceeds						24,063,627	(890,408)	92,601,217	145,460,626	3,690,878
Total other financing sources (uses)	<u>685,484</u>	<u>(1,456,031)</u>	<u>1,674,692</u>	<u>30,252,145</u>	<u>78,230,119</u>	<u>24,063,627</u>	<u>(890,408)</u>	<u>92,601,217</u>	<u>145,460,626</u>	<u>3,690,878</u>
Net change in fund balances	<u>\$ (848,488)</u>	<u>\$ 2,030,827</u>	<u>\$ (5,163,686)</u>	<u>\$ 23,503,513</u>	<u>\$ 73,705,614</u>	<u>\$ (2,762,786)</u>	<u>\$ (4,533,686)</u>	<u>\$ 16,683,219</u>	<u>\$ 93,577,150</u>	<u>\$ (16,324,778)</u>
Debt service as a percentage of noncapital expenditures	8.60%	8.61%	11.42%	2.69%	3.40%	8.46%	8.96%	62.22%	43.78%	19.87%

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)
UNAUDITED

Fiscal Year	Real Property		Personal Property		Centrally Assessed		Total		Ratio of Total Assessed Value to Total Estimated Actual Value	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Estimated Actual Value	Total Direct Rate
2015	\$ 1,915,492	\$ 2,876,959	\$ 320,082	\$ 440,593	\$ 15,372	\$ 16,216	\$ 2,250,946	\$ 3,333,768	67.52%	3,8570
2016	1,925,554	2,837,577	361,462	459,143	15,210	15,503	2,302,226	3,312,223	69.51%	3,9740
2017	1,938,954	2,845,484	337,167	433,798	16,547	17,190	2,292,668	3,296,472	69.55%	3,9740
2018	1,981,248	2,897,689	320,030	417,208	20,272	20,624	2,321,550	3,335,521	69.60%	3,9740
2019	2,051,763	2,964,195	328,829	425,405	15,412	15,795	2,396,004	3,405,395	70.36%	4,3500
2020	2,416,478	2,492,004	402,164	407,563	14,711	14,711	2,833,353	2,914,278	97.22%	5,5469
2021	2,607,743	2,726,502	422,905	428,077	15,597	15,597	3,046,244	3,170,175	96.09%	4,9999
2022	2,972,114	3,219,650	432,427	435,385	14,340	15,795	3,418,881	3,670,830	93.14%	4,8999
2023	3,324,431	3,705,807	446,612	449,570	17,542	17,683	3,788,585	4,173,060	90.79%	4,7999
2024	3,806,899	4,353,227	524,345	527,279	17,158	17,158	4,348,402	4,897,664	88.79%	4,7999

Source: Office of the Property Appraiser, Bay County, Florida

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
UNAUDITED

Overlapping Rates

Fiscal Year	City of Panama City			Bay County			Bay District Schools			Panama City Downtown Improvement Board	Northwest Florida Water Management District	Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage			
2015	3.8570		3.8570	4.6500		4.6500	6.8890		6.8890	2.8918	0.0039	18.2917
2016	3.9740		3.9740	4.6500		4.6500	6.9070		6.9070	3.0000	0.0038	18.5348
2017	3.9740		3.9740	4.6500		4.6500	6.4750		6.4750	3.0000	0.0037	18.1027
2018	3.9740		3.9740	4.4362		4.4362	6.3410		6.3410	3.0000	0.0035	17.7547
2019	4.3500		4.3500	4.4362		4.4362	6.1220		6.1220	3.0000	0.0034	17.9116
2020	5.5469		5.5469	4.4362		4.4362	5.9476		5.9476	3.0000	0.0033	18.9340
2021	4.9999		4.9999	4.4362		4.4362	5.9680		5.9680	3.0000	0.0031	18.4072
2022	4.8999		4.8999	4.4362		4.4362	5.8470		5.8470	3.0000	0.0029	18.1860
2023	4.7999		4.7999	4.4362		4.4362	5.5040		5.5040	3.0000	0.0026	17.7427
2024	4.7999		4.7999	5.4362		5.4362	5.4830		5.4830	3.0000	0.0023	18.7214

Source: Office of the Property Appraiser, Bay County, Florida

**CITY OF PANAMA CITY, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED**

	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
<u>Taxpayer</u>						
Florida Power & Light (Gulf Power Company)	\$ 107,110,717	1	2.83%	\$ 48,691,086	3	2.11%
Bay Hospital, Inc.-Hospital Corp of America	79,430,517	2	2.10%	48,125,988	4	2.09%
Hallmark DE Waterstone at Jenks	53,365,446	3	1.41%			
St Andrew Bay Land-Academy Homes	50,975,972	4	1.35%	16,150,737	7	0.70%
C.W. Roberts Contracting	38,436,358	5	1.01%			
Berg Steel Pipe Corp	36,339,059	6	0.96%			
Brixmore GA-Centro NP	23,569,643	7	0.62%	12,550,839	9	0.55%
Eastern Shipbuilding - Affiliates	23,330,752	8	0.62%			
Westco ECP, LLC	22,946,630	9	0.61%			
LCP Panama City, LLC	22,152,327	10	0.58%			
Bay County Sacred Heart				101,870,871	1	4.42%
Panama City Port Authority				69,817,954	2	3.03%
Panama City Mall				34,339,323	5	1.49%
Manor Six Abbey 1825, LLC				16,355,969	6	0.71%
The Bay Line Railroad, LLC				14,401,828	8	0.63%
Eagles Landing, PC, LLC				11,303,160	10	0.49%
Total Principal Taxpayers	<u>\$ 457,657,421</u>		<u>12.09%</u>	<u>\$ 373,607,755</u>		<u>16.22%</u>
Total Taxable Assessed Value	\$ 3,788,585,030			\$ 2,302,225,691		

Source: Office of the Property Appraiser, Bay County, Florida

CITY OF PANAMA CITY, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Total Tax Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 9,148,158	\$ 8,458,119	92.46%	\$ 53,346	\$ 8,511,465	93.04%
2016	9,110,571	8,813,050	96.73%	48,454	8,861,504	97.27%
2017	9,225,232	8,868,185	96.13%	29,502	8,897,687	96.45%
2018	9,227,409	8,905,109	96.51%	24,809	8,929,918	96.78%
2019	10,419,785	10,065,961	96.60%	33,578	10,099,539	96.93%
2020	11,411,124	11,017,961	96.55%	31,850	11,049,811	96.83%
2021	10,923,022	10,558,376	96.66%	17,762	10,576,138	96.82%
2022	12,060,613	11,638,809	96.50%	18,793	11,657,603	96.66%
2023	13,345,274	12,849,448	96.28%	23,914	12,873,362	96.46%
2024	15,752,976	15,230,303	96.68%	98,152	15,328,455	97.31%

(1) By July 31, during each year for which taxes are levied, all taxes have been collected and remitted to the City or the delinquent taxes are raised by public auction of tax certificates and the proceeds are remitted to the City by the County Tax Collector. Therefore, there are no material unremitted tax revenues for each fiscal year on September 30.

Source: Based on information provided by Office of the Property Appraiser, Bay County, Florida

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
MERCHANT SERVICES FEES AND BUSINESS TAX RECEIPTS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year</u>	<u>Merchant License Fees Collected Fiscal Year</u>	<u>Merchant License Fees Abated Fiscal Year</u>	<u>Net Merchant License Fees Collected</u>	<u>Business Tax Receipts Issued</u>
2015	\$ 8,751,278	\$ -	\$ 8,751,278	3,771
2016	9,086,190	-	9,086,190	4,396
2017	9,289,533	-	9,289,533	3,818
2018	9,805,769	58,415	9,747,354	3,907
2019	9,548,451	179,930	9,368,521	3,603
2020	10,084,776	189,629	9,895,147	3,703
2021	11,415,498	423,628	10,991,870	3,437
2022	12,483,960	502,824	11,981,136	3,350
2023	13,226,020	599,535	12,626,485	3,377
2024	13,762,045	800,844	12,961,201	3,024

Source: City Departments

**PRINCIPAL MERCHANT LICENSE PAYERS
CURRENT YEAR ONLY
UNAUDITED**

	2024				2015			
	Merchant License Amount		Rank	Percentage of Total Merchant License	Merchant License Amount		Rank	Percentage of Total Merchant License
<u>Merchant</u>								
Sam's Club	\$	1,179,786	1	8.57%	\$	661,019	1	7.55%
Home Depot USA		650,373	2	4.73%		356,480	4	4.07%
Wal-Mart		637,786	3	4.63%		457,681	2	5.23%
Lowe's Home Centers		566,861	4	4.12%		388,369	3	4.44%
Publix Super Markets Inc		547,531	5	3.98%		204,501	7	2.34%
Target Corp		393,600	6	2.86%		259,505	5	2.97%
Food for Less PC, Inc		245,716	7	1.79%				
Bay Cars South		201,921	8	1.47%				
Best Buy Stores		187,737	9	1.36%		213,222	6	2.44%
John Lee		168,914	10	1.23%		147,199	9	1.68%
Bay Ford						155,861	8	1.78%
Higbee Company						133,911	10	1.53%
Total Principal Merchants	<u>\$</u>	<u>4,780,225</u>		<u>34.74%</u>	<u>\$</u>	<u>2,977,748</u>		<u>34.03%</u>
Total Merchant License Revenue	\$	13,762,045			\$	8,751,278		

Source: City Departments

**CITY OF PANAMA CITY, FLORIDA
WATER PURCHASES AND SALES
LAST TEN FISCAL YEARS
UNAUDITED**

Fiscal Year	Water Gallons Purchased (In Thousands)	Water Gallons Sold (In Thousands)	Loss Percentage	Water Revenue	Sewer Revenue
2015	1,953,289	1,786,966	8.5%	\$ 7,429,793	\$ 11,180,078
2016	1,938,300	1,728,059	10.8%	7,220,879	10,791,016
2017	2,073,247	1,748,758	15.7%	7,643,801	10,305,634
2018	1,962,580	1,673,498	14.7%	7,575,622	11,437,601
2019	2,035,900	1,452,737	28.6%	6,260,463	9,120,371
2020	2,100,493	1,540,421	26.7%	7,320,053	10,595,447
2021	2,290,684	1,516,568	33.8%	8,070,075	11,752,457
2022	2,352,777	1,579,833	32.9%	9,091,062	13,228,295
2023	2,486,743	1,597,757	35.7%	10,277,205	14,574,421
2024	2,382,952	1,608,217	32.5%	11,476,274	15,993,714

Source: City Departments

See independent auditor's report.

**CITY OF PANAMA CITY, FLORIDA
PRINCIPAL UTILITY CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED**

	2024			2015		
<u>Utility Customer</u>	<u>Utilities Billed</u>	<u>Rank</u>	<u>Percentage of Total Utilities Billed</u>	<u>Utilities Billed</u>	<u>Rank</u>	<u>Percentage of Total Utilities Billed</u>
Bay Medical Center	\$ 504,269	1	1.84%	\$ 293,992		1.58%
RFM-ESG Andrews Place, LLC	370,257	2	1.35%	218,822		1.18%
H C A Gulf Coast Hospital	301,941	3	1.10%	174,050		0.94%
Gulf Coast State College	184,796	4	0.67%			
Pruitt Health Management Care	136,696	5	0.50%			
Turtle Lake HC3 LLC	126,240	6	0.46%	66,295		0.36%
Pana Villa Gardent Apartments	120,357	7	0.44%			
The Residences at Sweetbay	112,012	8	0.41%			
Harbour Village at Hist St Andrews	110,781	9	0.40%	69,690		0.37%
St. Andrews Bay Skilled Nursing Facility	97,569	10	0.36%			
Stone Container				107,111		0.58%
Royal Arms Garden Apartments				80,897		0.43%
Hilton Development Company				69,628		0.37%
St Andrew Towers Apartments				66,183		0.36%
Macendonia Apartments LLC				65,638		0.35%
Total Principal Utility Customers	<u>\$ 2,064,918</u>		<u>7.53%</u>	<u>\$ 1,212,306</u>		<u>6.52%</u>
Total Utilities Billed	\$ 27,469,988			\$ 18,609,871		
Source: City Departments						

See independent auditor's report.
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CITY OF PANAMA CITY, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	Revenue Bonds/Notes	Finance Purchase Liability (1)	Subscription Payable	Revenue Bonds/Notes	Finance Purchase Liability (1)	Lease Obligations			
2015	\$ 15,638,480	\$ 1,582,251		\$ 44,878,789			\$ 62,099,520	2.58%	1,733
2016	13,790,621	1,131,837		43,379,092			58,301,550	2.90%	1,580
2017	13,748,090	839,668		37,899,394			52,487,152	3.36%	1,419
2018	44,917,517	956,857		37,891,697			83,766,071	2.70%	2,251
2019	102,150,284	1,357,541		35,045,000			138,552,825	8.81%	4,205
2020	113,119,967	1,468,956		32,139,000			146,727,923	8.54%	4,251
2021	104,378,825	2,507,142		29,267,000			136,152,967	7.23%	3,924
2022	72,501,174	3,687,920		28,352,735	\$ 177,231	\$ 5,928	104,907,900	5.32%	2,903
2023	176,943,784	4,116,381	200,004	31,871,004	147,032	10,724	213,450,143	10.14%	5,688
2024	172,827,384	3,696,581	230,140	56,831,467	107,427	5,481	234,437,765	Not Available	6,184

Note: For the fiscal years ended September 30. Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Prior to 2022 was Capital lease obligation

(2) See the Schedule of Demographic and Economic Statistics for personal income and population data. For the purpose of this schedule, personal income attributable to Panama City was utilized.

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
(IN THOUSANDS OF DOLLARS)
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percent Applicable ¹	Estimated Share of Overlapping Debt
Bay County:			
Bonds payable	\$ 21,801	16.41%	\$ 3,579
Leases	5,321	16.41%	873
Notes payable	243,121	16.41%	39,908
	<u>270,243</u>		<u>44,360</u>
Bay County School Board:			
Certificates of participation	158,388	14.08%	22,294
	<u>158,388</u>		<u>22,294</u>
Subtotal of overlapping debt			66,654
City of Panama City direct debt	177,493		<u>177,493</u>
Total direct and overlapping debt			<u>\$ 244,147</u>

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values, for 2024, that are provided by the Bay County Property Appraiser's Office. The percentages were calculated by dividing the City's taxable assessed value by the County or School Board taxable assessed value.

Source: - Bay County Clerk of Court & Comptroller for fiscal year ended September 30, 2023 as September 30, 2024 was unavailable.
- District School Board of Bay County Superintendent's Annual Financial Report for the fiscal year ended June 30, 2024

CITY OF PANAMA CITY, FLORIDA
PLEDGED - REVENUE COVERAGE - GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS
UNAUDITED

Local Option Gas Transportation Bonds				Utility Service Tax Bonds			
Fiscal Year	Revenue Collected	Debt Service		Revenue Collected	Debt Service		Coverage
		Principal	Interest		Principal	Interest	
2015	\$ 1,410,878	-	-	\$ -	\$ 293,000	\$ 4,746	14.03
2016	1,479,612	-	-	-	293,000	1,582	14.52
2017	1,281,331	-	-	-	-	-	-
2018	1,295,819	-	-	-	-	-	-
2019	1,315,941	-	-	-	-	-	-
2020	1,269,117	-	-	-	-	-	-
2021	1,256,957	-	-	-	-	-	-
2022	1,421,272	-	-	-	-	-	-
2023	1,427,320	-	-	-	-	-	-
2024	1,519,436	-	-	-	-	-	-

Utility Service Tax, Communications Services Tax, and
Merchants' License Fee Bonds

Fiscal Year	Revenue Collected (1)	Debt Service		Coverage
		Principal	Interest	
2015	\$ 14,250,305	\$ 605,000	\$ 52,886	21.66
2016	14,604,875	621,000	38,976	22.13
2017	15,191,733	1,272,000	44,453	11.54
2018	15,920,513	-	-	-
2019	14,629,936	-	-	-
2020	15,528,848	-	-	-
2021	17,264,784	-	-	-
2022	18,881,753	-	-	-
2023	20,198,176	-	-	-
2024	20,529,946	-	-	-

(1) Revenue collected for Utility Service Tax, Communications Services Tax, and Merchants' License Fee Bonds includes the amount remaining after principal and interest payments for the bonds covered solely by Utility Service Taxes, plus the Communications Services Tax and the Merchants' License Fees.

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
PLEDGED - REVENUE COVERAGE - BUSINESS-TYPE ACTIVITIES (1)
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Gross Revenue (2)	Expenses (3)	Net Revenue Available for Debt Service (4)	DEBT SERVICE REQUIREMENTS		
				Principal	Interest	Total Coverage
2013	17,500,817	10,642,101	6,858,716	1,198,000	519,315	1,717,315 3.99
2014	17,914,768	10,140,302	7,774,466	1,261,000	520,473	1,781,473 4.36
2015	19,140,180	10,440,568	8,699,612	416,000	225,781	641,781 13.56
2016	18,709,289	10,657,103	8,052,186	1,492,000	1,165,638	2,657,638 3.03
2017	19,906,474	10,941,850	8,964,624	2,692,000	1,080,841	3,772,841 2.38
2018	19,850,187	11,445,855	8,404,332	2,780,000	1,036,363	3,816,363 2.20
2019	25,683,597	19,074,971	6,608,626	2,839,000	979,519	3,818,519 1.73
2020	18,603,912	13,468,255	5,135,657	2,906,000	915,697	3,821,697 1.34
2021	20,652,142	15,812,204	4,839,938	2,988,000	731,875	3,719,875 1.30
2022	26,003,086	19,541,131	6,461,955	2,988,000	687,472	3,675,472 1.76
2023	36,615,503	22,764,392	13,851,111	2,988,000	653,712	3,641,712 3.80
2024	47,773,738	22,115,012	25,658,726	2,988,000	608,386	3,596,386 7.13

Notes: (1) Includes Utilities Fund only.

(2) Includes all operating and nonoperating revenues except impact fees.

(3) Includes all operating and nonoperating expenses except interest expense and depreciation expense.

(4) Before operating transfers out.

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Estimated City Population (1)	Estimated County Population (1)	City to County Population Ratio	Personal Income in '000's (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2015	35,835	173,310	20.68%	7,214,062	44,731	5.1%
2016	36,909	176,016	20.97%	7,529,278	45,744	4.8%
2017	36,988	178,820	20.68%	7,796,975	47,648	3.3%
2018	37,208	181,199	20.53%	8,010,201	48,944	2.8%
2019	32,951	167,283	19.70%	7,982,208	45,690	3.9%
2020	34,517	174,410	19.79%	8,685,322	50,696	4.7%
2021	34,698	178,282	19.46%	9,671,542	53,980	3.9%
2022	36,139	184,002	19.64%	10,046,785	54,268	2.7%
2023	37,526	187,545	20.01%	10,696,469	56,070	2.7%
2024	37,909	196,112	19.33%	Not Available	Not Available	3.4%

Source: (1) Florida Legislature, Office of Economic and Demographic Research
(2) U.S. Bureau of Economic Analysis
(3) U.S. Bureau of Labor Statistics

**CITY OF PANAMA CITY, FLORIDA
PRINCIPAL EMPLOYERS (1)
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED**

	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Tyndall Air Force Base	6,416	1	7.06%	6,471	1	6.47%
Naval Support Activity (NSA PC)	4,931	2	5.43%	3,170	3	3.17%
Bay District Schools	3,943	3	4.34%	4,411	2	4.41%
Bay Medical Sacred Heart	1,864	4	2.05%	2,000	5	2.00%
Trane Company	807	5	0.89%	575	10	0.58%
Goodwill Industries – Big Bend	800	6	0.88%			
Eastern Shipbuilding Group	746	7	0.82%	1,800	6	1.80%
HCA Florida Gulf Coast Hospital	690	8	0.76%	631	9	0.63%
Edgewater Beach & Gulf Resort	650	9	0.72%			
Bay County Government	636	10	0.70%	1,214	8	1.21%
General Dynamics IT				2,300	4	2.30%
Wal-Mart and Sam's Club				1,500	7	1.50%
	<u>21,483</u>		<u>23.65%</u>	<u>24,072</u>		<u>0.00%</u>
						<u>24.07%</u>
Total Bay County Labor Force	<u>90,881</u>			<u>99,985</u>		

(1) Date presented reflects Bay County

Source: Bay County Chamber of Commerce website

CITY OF PANAMA CITY, FLORIDA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

	<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>	<u>2024</u>
Fiscal Year										
<u>Governmental activities:</u>										
Police:										
Total crime arrests*	5,297	5,346	4,177	4,834	5,220	5,212	5,507	5,249	5,718	5,830
Traffic violations	9,179	8,385	8,438	5,427	6,870	4,434	4,912	5,336	6,396	6,649
Parking violations	98	42	70	61	31	19	13	-	-	-
Code enforcement reports	3,160	4,164	4,971	4,104	2,256	4,468	5,737	3,537	3,819	2,427
Calls for service	53,343	55,069	55,876	61,206	57,113	68,808	65,461	68,676	75,349	93,675
Fire:										
Structure fires	35	62	29	44	38	39	45	31	23	32
Total calls for service	2,735	2,779	5,206	6,186	5,185	4,897	4,397	4,534	4,970	5,850
Inspections	2,358	2,508	3,396	2,502	2,606	2,607	2,996	2,870	2,826	2,859

Business-type activities:

Wastewater system:

Number of service connections	14,683	14,734	14,885	15,038	13,532	13,141	14,165	14,501	14,930	15,326
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Water system:

Number of service connections	17,139	17,221	17,449	17,668	15,929	16,443	16,841	17,273	17,758	18,161
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Source: City Departments

* Updated figures based on new information received for FY22 and FY23.

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

	<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>	<u>2024</u>
Fiscal Year										
<u>Governmental activities:</u>										
Police:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of substations	2	2	2	2	0	0	0	0	0	0
Number of vehicles in fleet	121	122	126	137	137	137	132	186	147	150
Fire:										
Number of stations	6	6	6	6	6	6	6	6	6	6
Transportation:										
Miles of paved streets	199	201	201	204	204	204	234	234	224	227
Number of street lights	4,949	4,952	5,036	5,060	5,060	5,060	5,189	5,188	5,323	5,323
Culture and recreation:										
Community centers	8	8	8	8	8	8	8	8	8	8
Parks	35	35	35	35	35	35	35	35	36	36
Park acreage	156	156	156	156	156	228	268	268	268	171
Baseball and softball fields	10	10	10	10	10	10	10	10	8	8
Soccer fields	1	1	1	1	1	1	1	1	1	1
Multi-use fields	0	0	0	0	0	0	0	0	3	3
Public marinas	2	2	2	2	2	2	2	2	2	2
Public boat launching areas	4	4	4	4	4	4	4	4	5	5
Civic centers	1	1	1	1	1	1	1	1	1	1 *
<u>Business-type activities:</u>										
Wastewater system:										
Miles of sanitary sewers	293	295	295	297	293	293	296	321	312	323
Number of treatment plants	2	2	2	2	2	2	2	2	2	2
Daily average treatment in gallons	4,200,000	5,200,000	5,000,000	6,200,000	4,983,000	5,505,753	5,840,000	4,272,658	4,404,863	4,660,548
Water system:										
Miles of water mains	339	339	339	341	341	341	361	355	358	362
Number of fire hydrants	1,701	1,718	1,730	1,759	1,615	1,615	1,791	1,766	1,925	2,033
Daily average consumption in gallons	5,351,000	5,310,000	5,680,000	4,926,000	3,980,000	4,272,014	4,153,688	4,229,679	4,457,534	4,406,074

Source: City Departments

*Civic Center demolished on 10/3/2024

See independent auditor's report.

CITY OF PANAMA CITY, FLORIDA
FULL - TIME EQUIVALENT - CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

Function/Program	<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>	<u>2024</u>
Fiscal Year										
Governmental activities:										
General government	71	82	74	69	69	87	92	111	116	123
Public safety	216	224	243	233	257	226	229	239	235	247
Transportation	36	40	43	35	46	37	36	36	38	44
Culture and recreation	24	22	24	25	30	24	25	25	32	40
Economic environment	13	14	14	12	15	16	22	22	20	21
Business-type activities:										
Utilities	83	79	77	82	90	92	93	105	110	112
Environmental Services	39	39	40	39	44	41	42	46	48	49
Marinas	13	14	14	14	15	7	7	7	7	9
Total	495	514	529	509	566	530	546	591	606	645

Source: City of Panama City Annual Budget

SINGLE AUDIT SECTION

THIS SECTION CONTAINS THE FOLLOWING:

- SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE
FINANCIAL ASSISTANCE..... *p. 193*

- INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS.....*p. 196*

- INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL AND STATE PROJECT AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550,
RULES OF THE AUDITOR GENERAL..... *p. 198*

- SCHEDULE OF FINDINGS AND QUESTIONED COSTS – PRIMARY
GOVERNMENT.....*p. 201*

- MANAGEMENT’S CORRECTIVE ACTION PLAN.....*p. 204*

- INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE WITH
FLORIDA STATUTE 218.415 RELATED TO LOCAL GOVERNMENT
INVESTMENT POLICIES.....*p. 205*

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- SCHEDULE OF EXPENDITURES OF FUNDS RELATED TO THE
DEEPWATER HORIZON OIL SPILL.....*p. 210*



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CITY OF PANAMA CITY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED SEPTEMBER 30, 2024

Federal/State Agency, Pass-Through Entity, Federal Program/State Projects	CFDA/ CSFA Number	Grant Number	Expenditures
<u>Federal Awards</u>			
U.S. Department of Housing and Urban Development			
Direct programs:			
Community Development Block Grants/Entitlement Grants	14.218	B-MC-12-0025	\$ 1,011,496
<i>Passed through Department of Economic Opportunity:</i>			
Community Development Block Grant-Disaster Recovery			
(CDBG-DR) Hazard Mitigation Grant	14.228	M0049	86,910
(CDBG-DR) Hazard Mitigation Grant	14.228	M0050	111,915
(CDBG-DR) Hazard Mitigation Grant	14.228	M0052	492,003
(CDBG-DR) Hazard Mitigation Grant	14.228	M0053	82,125
(CDBG-DR) Hazard Mitigation Grant	14.228	M0051	583,769
(CDBG-DR) Hazard Mitigation Grant	14.228	M0028	167,285
(CDBG-DR) Hazard Mitigation Grant	14.228	HS012	62,861
(CDBG-DR) Hazard Mitigation Grant	14.228	HS015	3,750
(CDBG-DR) Hazard Mitigation Grant	14.228	M0145	1,297
(CDBG-DR) Hazard Mitigation Grant	14.228	M0148	152,787
(CDBG-DR) Hazard Mitigation Grant	14.228	M0157	34,069
(CDBG-DR) Hazard Mitigation Grant	14.228	M0093	2,377
(CDBG-DR) Hazard Mitigation Grant	14.228	M0176	1,210,317
(CDBG-DR) Hazard Mitigation Grant	14.228	M0134	302,341
(CDBG-DR) Hazard Mitigation Grant	14.228	M0007	1,288,008
(CDBG-DR) Hazard Mitigation Grant	14.228	M0116	2,096,874
(CDBG-DR) Hazard Mitigation Grant	14.228	M0166	578,108
(CDBG-DR) Hazard Mitigation Grant	14.228	M0168	314,158
(CDBG-DR) Hazard Mitigation Grant	14.228	M0094	22,592
(CDBG-DR) Hazard Mitigation Grant	14.228	M0135	8,820
Total U.S. Department of Housing and Urban Development			<u>8,613,862</u>
U.S Department of Justice:			
Direct Programs:			
Bulletproof Vest Partnership Program	16.607	15PBJA-21-04388-BWCX	1,950
Bulletproof Vest Partnership Program	16.607	JUR:PANAMA CITY	353
Bulletproof Vest Partnership Program	16.607	JUR:PANAMA CITY	1,327
Bulletproof Vest Partnership Program	16.607	JUR:PANAMA CITY	6,252
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBTA-23-GG-03249-JAGX	22,940
Total U.S. Department of Justice			<u>32,822</u>
U.S. Department of Homeland Security			
Direct Programs:			
Staffing for Adequate Fire and Emergency Response Grant	97.083	EMW-2019-FF-00998	14,161
<i>Passed through Florida Division of Emergency Management:</i>			
Disaster Grants - Public Assistance (Presidential Declared Disasters)	97.036	4399	9,120,794
Disaster Grants - Public Assistance (Presidential Declared Disasters)	97.036	4564	411,406
Hazard Mitigation Grant	97.039	4377-4-PT	25,500
Hazard Mitigation Grant	97.039	4399-019-R	3,891
Hazard Mitigation Grant	97.039	4399-105-R	458,362
Hazard Mitigation Grant	97.039	4399-053-R	102,206
Hazard Mitigation Grant	97.039	4399-056-R	7,132
Hazard Mitigation Grant	97.039	4399-079-R	907,022
Hazard Mitigation Grant	97.039	4399-044-R	67,774
Hazard Mitigation Grant	97.039	4399-047-R	26,457
Hazard Mitigation Grant	97.039	4399-076-R	9,375
Hazard Mitigation Grant	97.039	4564-021-R	1,015
Hazard Mitigation Grant	97.039	4564-004-R	5,462
Port Security Grant Program	97.056	EMW-2022-PU-00305-S01	11,157
Flood Mitigation Assistance	97.029	EMA-2020-FM-052	200
Total U.S. Department of Homeland Security			<u>11,171,914</u>

See independent auditor's report.

**CITY OF PANAMA CITY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Federal/State Agency, Pass-Through Entity, Federal Program/State Projects	CFDA/ CSFA Number	Grant Number	Expenditures
U.S. Department of Environmental Protection			
Drinking Water State Revolving Fund	66.468	DW0302G1/DW0302G0	25,373,947
Clean Water State Revolving Fund	66.458	WW302F0	11,925,644
Brownfields Multipurpose, Assessment, and Cleanup Cooperative Agreements	66.818	02D28622	89,822
Total U.S. Department of Environmental Protection			<u>37,389,413</u>
U.S. Department of the Treasury			
Direct Programs:			
<i>Passed through the Florida Department of Emergency Management:</i>			
		OMB APPROVED NO. 1505- 0271 for Coronavirus ARPA	
Coronavirus State and Local Fiscal Recovery Funds	21.027	Funds	<u>1,990,099</u>
U.S. Department of Transportation			
State and Community Highway Safety	20.600	G2S60	28,652
Highway Planning and Construction	20.205	G2M61	15,678
Highway Planning and Construction	20.205	G2X22	1,866
Total U.S. Department of Transportation			<u>46,196</u>
U.S. Department of Agriculture			
Direct Programs:			
Cooperative Forestry Assistance	10.664	31131	1,500
Inflation Reduction Act Urban & Community Forestry Program	10.727	24-DG-11083150-562	1,654
Total U.S. Department of Agriculture			<u>3,154</u>
Total Expenditures of Federal Awards			<u><u>59,247,460</u></u>
<u>State Financial Assistance</u>			
Florida Housing Finance Corp:			
State Housing Institutions Partnership Program	40.901	N/A	\$ 280,214
State Housing Institutions Partnership Program- Hurricane Housing Recovery Program	40.902	N/A	1,194,316
Total Florida Housing Finance Corp			<u>1,474,530</u>
Florida Department of Economic Opportunity:			
Economic Development Tax Refund, Tax Credit, and Grant Program	40.043	G0067	<u>135,288</u>
Department of Environmental Protection			
Statewide Water Quality Restoration Projects	37.039	LPA0035	3,459,045
Statewide Water Quality Restoration Projects	37.039	LPA0203	235,111
Resilient Florida Programs	37.098	22PLN30	171,319
Total Department of Environmental Protection			<u>3,865,475</u>
Department of Transportation			
Florida Highway Beautification Grant Program	55.003	ASJ51	375,086
Local Transportation Projects	55.039	G2H34	855,799
Local Transportation Projects	55.039	G1C82	7,655
Total Department of Transportation			<u>1,238,540</u>
Department of Law Enforcement			
State Assistance for Fentanyl Eradication (S.A.F.E.) in Florida	71.122	2023-SAFE-SF-013	<u>38,026</u>
Total Expenditures of State Financial Assistance			<u><u>\$ 6,751,859</u></u>

See independent auditor's report.

**CITY OF PANAMA CITY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED SEPTEMBER 30, 2024**

NOTES TO SCHEDULE

The accompanying schedule of expenditures of federal awards and state financial assistance includes the grant activity of the City of Panama City, Florida and is presented on the accrual basis of accounting.

The accompanying schedule of expenditures of federal awards and state financial assistance summarizes the federal and state expenditures of the City under programs of the federal government and state departments for the year ended September 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the requirements of Chapter 10.550, Rules of the Auditor General. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

For purposes of the schedule, federal awards and state projects include all grants, contracts, and similar agreements entered into directly with the federal government and state departments. The City has obtained the Catalog of Federal Domestic Assistance (CFDA) and Catalog of State Financial Assistance (CSFA) numbers to ensure that all programs have been identified in the schedule.



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Panama City, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Panama City, Florida's basic financial statements and have issued our report thereon dated May 27, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Panama City, Florida'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 of Panama City, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Panama City, Florida'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001, that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Panama City, Florida'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*.

City of Panama City, Florida's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Panama City, Florida's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of Panama City, Florida's response was not subjected to the other auditing procedures applied in the audit of financial statements, and accordingly, we express no opinion on the response.

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.



Panama City, Florida
May 27, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the City of Panama City, Florida's compliance with the types of compliance requirements identified as a subject to audit in the *OMB Compliance Supplement* and the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on each of the City of Panama City, Florida's major federal programs and state projects for the year ended September 30, 2024. The City of Panama City, Florida's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Panama City, Florida complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program and State Project

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

We are required to be independent of the City of Panama City, Florida 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 of Panama City, Florida's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Panama City, Florida's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General will always detect material 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 of Panama City, Florida'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, and Chapter 10.550, Rules of the Auditor General, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material 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 of Panama City, Florida'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 of Panama City, Florida'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 Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the City of Panama City, Florida'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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

A handwritten signature in blue ink that reads "Lipton, Mailes, Garner & Chastain". The signature is written in a cursive, flowing style.

Panama City, Florida
May 27, 2025

CITY OF PANAMA CITY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – PRIMARY GOVERNMENT
FISCAL YEAR ENDED SEPTEMBER 30, 2024

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the City of Panama City, Florida were prepared in accordance with GAAP.
2. Material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City of Panama City, Florida, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control relating to the audit of the major federal award programs and state financial assistance projects, are reported in the Independent Auditor's Report on Compliance for Each Major Federal Program or State Project and on Internal Control over Compliance required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General.
5. The auditor's report on compliance for the major federal award programs and major state projects for the City of Panama City, Florida, expresses an unmodified opinion on all major federal award programs and major state projects.
6. Our audit disclosed no findings related to federal award programs and state projects that were required to be disclosed in accordance with 2 CFR Section 200.516 (a) and Chapter 10.550 Rules of the Auditor General.
7. The programs and projects tested as major programs and projects included the following:

<u>Federal Programs</u>	<u>Federal CFDA No.</u>
Drinking Water State Revolving Fund	66.468
Community Development Block Grant	14.218
Clean Water State Revolving Fund	66.458
Coronavirus State and Local Fiscal Recovery Funds	21.027
 <u>State Projects</u>	 <u>State CSFA No.</u>
State Housing Institutions Partnership Program	40.901
Local Transportation Projects	55.039
Statewide Water Quality Restoration Projects	37.039

**CITY OF PANAMA CITY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – PRIMARY GOVERNMENT
FISCAL YEAR ENDED SEPTEMBER 30, 2024**

A. Summary of Auditor's Results (Continued)

8. The threshold used for distinguishing between Type A and B programs was \$1,777,828 for federal programs and \$750,000 for state projects.
9. The City of the Panama City, Florida, did not qualify as a low-risk auditee for the federal programs or state projects.

B. Findings - Financial Statements Audit

2024-001

(Previously 2022 – 002, 2023-001)

Condition: Several deficiencies were noted during the year regarding the Panama City Community Redevelopment Agency's policies, procedures, and plan documents.

Criteria: The Panama City Community Redevelopment Agency's policies, procedures, and plan documents should be written to minimize risks and protect assets, and encourage adherence to policies, rules, regulations, and laws.

Cause: The Panama City Community Redevelopment Agency's policies, procedures, and plan documents did not ensure expenditures were proper.

Effect: Assets could be misappropriated, and expenditures could be made that are not allowed if the CRA policies, procedures, and plan documents do not ensure compliance with Florida Statutes.

Recommendation: It is our recommendation that the Panama City Community Redevelopment Agency update their policies, procedures, and plan including verifying compliance with Florida Statutes.

Views of Responsible Officials and Planned Corrective Actions: The Panama City Community Redevelopment Agency agrees with the auditors'. See attached Managements Corrective Action Plan.

C. Findings and Questioned Costs – Major Federal Award Program and State Project

NONE



City of Panama City, Florida
501 Harrison Avenue, Panama City, FL 32401
(850) 872-3000 | panamacity.gov

May 27, 2025

City of Panama City, Florida
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended September 30, 2024

Finding Number 2023-001 (Previously 2022-002)

Planned Corrective Action:

The City is committed to supporting the development and revision of the Community Redevelopment Agency (CRA) plans, policies and procedures as needed to ensure proper expenditure of funds. The Community Redevelopment Agency has engaged GAI Consultants, Inc. to assist with updating the CRA plan. Policies and procedures are expected to be developed based on the updated plan.

Anticipated Completion Date: September 30, 2025

Current Status:

The CRA has encountered a delay in the project because of a decision to expand the St. Andrew CRA area's boundaries. The process is ongoing, but the anticipated completion date has been extended to September 30, 2025.

Finding Number 2023-002 (Previously 2022-004)

Planned Correction Action: The City has recently hired an Asset and Inventory Control Administrator. Along with the reorganization of the asset accounting function because of an employee separation and associated loss of institutional knowledge, the City will re-establish this function and properly account for capital assets.

Anticipated Completion Date: September 30, 2024

Current Status:

The corrective action plan has been completed.

Responsible Contact Person: Janette Smith, CPA, CMC


City Clerk-Treasurer

RESPECT. INTEGRITY. INNOVATION. COURAGE. EXCELLENCE.



City of Panama City, Florida
501 Harrison Avenue, Panama City, FL 32401
(850) 872-3000 | panamacity.gov

May 27, 2025

City of Panama City, Florida
Management's Corrective Action Plan
For the Fiscal Year Ended September 30, 2024

Finding Number 2024-001 (Previously 2022-002, 2023-001)

Planned Corrective Action:

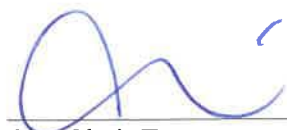
The City is committed to supporting the development and revision of the Community Redevelopment Agency (CRA) plans, policies and procedures as needed to ensure proper expenditure of funds. The Community Redevelopment Agency has engaged GAI Consultants, Inc. to assist with updating the CRA plan. Policies and procedures are expected to be developed based on the updated plan.

Anticipated Completion Date: September 30, 2025

Current Status:

The CRA has encountered a delay in the project because of a decision to expand the St. Andrew CRA area's boundaries. The process is ongoing, but the anticipated completion date has been extended to September 30, 2025.

Responsible Contact Person: Janette Smith, CPA, CMC



City Clerk-Treasurer



**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA
STATUTE 218.415 RELATED TO LOCAL GOVERNMENT INVESTMENT POLICIES**

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

We have examined the City of Panama City, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds and with Federal and State laws, rules, regulations, contracts, or grant agreements related to the receipt and expenditure of funds (see section 288.8018(1), Florida Statutes) they received related to the Deepwater Horizon Oil Spill, during the year ended September 30, 2024. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements, 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.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2024.

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 the specified parties.

Tipton, Marler, Garner & Chastain

Panama City, Florida
May 27, 2025



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the City of Panama City, Florida, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated May 27, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated May 27, 2025, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report for prior year findings 2022-001, 2022-003, 2022-005, and 2022-06.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. We determined that the City of Panama City, Florida compiled this information in Note 1 to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City of Panama City, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City of Panama City, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City of Panama City, Florida. It is management's responsibility to monitor the City of Panama City, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and 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.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the City is required to include a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the City's geographical boundaries during the fiscal year under audit. The City has not authorized the operation of a PACE program, and management is not aware of the operation of any such program, within its geographical boundaries.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6., Rules of the Auditor General, the Panama City Port Authority reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 71.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 10.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$5,174,545.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$794,076.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:

Bulkhead Improvements - Slip Enclosure and Apron	\$ 1,924,333
Cap and Fender Refurbishment	2,800,000
Container Terminal Expansion	2,376,000
Main Gate Rail Access Improvements	285,000
East Terminal Warehouse	2,800,000
IDC Bulk Transfer Facility Improvements	440,000

- 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 district amends a final adopted budget under Section 189.016(6), Florida Statutes, as (\$4,501,938).

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Panama City Downtown Improvement Board reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 2.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 2.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$55,741.
- d. All compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$50,223.
- e. There were no construction projects with a total cost of at least \$65,000 approved by the district that was scheduled to begin on or after October 1 of the fiscal year being reported.

- 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 district amends a final adopted budget under Section 189.016(6), Florida Statutes, as \$27,743

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Mayor, City Commissioners, City Manager, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Lipton, Mauler, Garner & Chastain

Panama City, Florida

May 27, 2025

**CITY OF PANAMA CITY, FLORIDA
SCHEDULE OF EXPENDITURES OF FUNDS
RELATED TO THE DEEPWATER HORIZON OIL SPILL
FISCAL YEAR ENDED SEPTEMBER 30, 2024**

<u>Source</u>	<u>2024</u>	
	<u>Amount Received</u>	<u>Amount Expended</u>
PRIMARY GOVERNMENT		
British Petroleum: Triumph Gulf Coast Inc.	<u>\$ -</u>	<u>\$ 1,294,380</u>
COMPONENT UNIT-Panama City Port Authority		
British Petroleum: Triumph Gulf Coast Inc.	<u>\$ 631,802</u>	<u>\$ -</u>

Note: This does not include funds related to the Deepwater Horizon Oil Spill that are considered Federal awards or State financial assistance. The Schedule of Expenditures of Federal Awards and State Financial Assistance includes \$0 of expenditures of Federal Awards and State financial assistance, that are related to the Deepwater Horizon Oil Spill.