



CITY OF TITUSVILLE, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FISCAL YEAR ENDED SEPTEMBER 30, 2023
TITUSVILLE "GATEWAY TO NATURE & SPACE"

CITY OF TITUSVILLE, FLORIDA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended September 30, 2023

Prepared by the Finance Department



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March 26, 2024

To the Honorable Mayor, Members of City Council, and Citizens of the City of Titusville:

It is with great pleasure that we present to you the City of Titusville Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2023, as required by City Charter and Florida Statutes.

Management is responsible for the completeness and reliability of all the information presented in this report, based upon a comprehensive framework of internal controls established for this purpose. The objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

James Moore, a firm of licensed certified public accountants, has issued an unmodified ("clean") opinion on the City of Titusville's financial statements for the fiscal year ended September 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal should be considered complementary to the MD&A.

Profile of the Government

The City of Titusville was founded in 1867 and incorporated on July 13, 1887, as a political subdivision of the State of Florida and a municipal corporation with a five-member Council, including a Mayor and Vice-Mayor. It is located on the east coast of Florida, approximately 40 miles east of Orlando bordering the John F. Kennedy Space Center along the Indian River Lagoon in Brevard County, Florida. The City of Titusville currently occupies 30.49 square miles and serves an estimated population of 49,949 citizens. The City of Titusville is empowered to levy a property tax on real property located within its boundaries. It is empowered by state statute to extend its corporate limits by annexation, which occurs when deemed appropriate by the City Council.

Titusville voters elect five Council members for four-year terms on a staggered-term basis. The Mayor is a member of the City Council and is elected in the same manner as other City Council members. City Council members run for office in non-partisan elections. Titusville has "at-large" elections; that is, all City voters can vote for the candidate of their choice to fill each vacancy and to represent the City as a whole.

The City Council, as the legislative body, determines all municipal policies which are not set forth in the City Charter or by State legislation. The City Council adopts ordinances and resolutions, votes on appropriations, approves the budget, and determines the tax rate. The City Council appoints interested citizens to serve on various City advisory boards and commissions. The City Council appoints the City Manager. The following are general duties of the City Manager, broadly stated:

- assures that all laws and ordinances are enforced
- appoints and removes department heads and employees on the basis of merit
- exercises control over all departments
- advises the City Council on the financial condition of the City government
- informs the public on the City government operations

The City of Titusville provides a full range of services including: law enforcement; fire and emergency services; streets and traffic maintenance; neighborhood and social services; water, sewer, and solid waste operations; storm water management; community development; building, planning and zoning; marina provision; economic development; emergency management; and general and administrative functions. The City of Titusville is financially responsible for the Downtown Titusville Community Redevelopment Agency and collaborates with Brevard County in funding the North Brevard Economic Development Zone.

The City Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the City of Titusville's financial planning and control. The budget is prepared for each fund, by department. The City Manager may make transfers within a department within the same fund. Any other budget transfers or amendments require approval by the City Council. Such budget transfer or amendment requests are submitted throughout the fiscal year by departments to the City Manager to bring before the City Council.

Local Economy

Situated on the scenic Indian River Lagoon in the northern portion of Brevard County, the City of Titusville is a key economic driver in the Palm Bay-Melbourne-Titusville Metropolitan Statistical Area (PB-M-T MSA). In 2023, the Milken Institute, a nonprofit, nonpartisan think tank that utilizes job, wage and salary, and high-tech gross domestic product (GDP) indicators to analyze regional performance, ranked Titusville and the PB-M-T MSA **No. 10 in the nation** for Best Performing Tier 1 Large Cities.

As the Titusville/North Brevard region continues to diversify its business and commercial portfolio, major industries that are currently influencing the economy include space-themed tourism, satellite processing facilities, aerospace manufacturing, wireless communications services, liquid hydrogen production, armament manufacturing, and experimental space research. Aerospace behemoths, such as Lockheed Martin, Boeing, Blue Origin, and SpaceX, continue to expand to revolutionize space research and exploration, while other types of industrial and manufacturing companies are exploring Titusville for locating, relocating, or expanding their operations. To attract and secure additional businesses into our area, City staff and elected officials

are continuously interacting with multiple economic-development partners, while remaining mindful of the needs of our existing commercial, retail, and industrial employers.

Recent business recruitment success stories include the expansion of Draper Lab, an electromechanical systems developer, in Titusville; Lockheed Martin, a leading defense contractor, relocating its Missile Defense Headquarters from Sunnyvale, California to Titusville; and Amazon selecting NASA's Kennedy Space Center for its new satellite manufacturing facility, Project Kuiper. Draper Labs is providing a \$50 million capital investment for a 36,000 square-foot facility and anticipates employing 150 highly skilled workers in the next two to three years. Lockheed Martin will be making a capital investment ranging from \$107.7 million to over \$150 million and spurring the creation of 300 full-time positions, that could result in 519 additional jobs at other businesses, with an average annual salary of \$89,466. Amazon is providing a \$120 million capital investment for a 120,000 square-foot state-of-the-art facility and will create at least 50 new jobs with an average annual wage of \$80,000.

Titusville continues to experience steady population growth, as well as significant advances in housing starts, which are essential for the City's ability to entice additional retail and commercial operations. Currently, 3,895 single- and multi-family residential units have been approved or under construction, while 2,153 are slated to be phased-in, amounting to just over 6,000 (6,048) single- and multi-family residential dwellings.

Long-term Financial Planning

The City's strategic plan and performance measures are the cornerstones for its long-term financial planning and budgeting. The General Fund operating budget was adopted in September 2022, at a millage tax rate of \$6.9812 which is an increase of 6.08% over the rolled back rate. The governing budget supports the City's five-year capital improvement plan and the State's comprehensive plan concurrency elements for Fiscal Year 2023. The City uses a blended budget approach to reduce the reliance on property tax revenues and continues to initiate alternative revenue sources.

As part of the City's efforts to "maintain financial sustainability", the City continues to seek new ways to contain costs by creating a culture of continuous improvement. While healthcare costs continue to increase, the City continues to work towards favorable trends. For Fiscal Year 2023 claims costs were lower than Fiscal Year 2022 costs by 1.9%. Along these lines, the City continues with its commitment of recurring contributions towards the Other Post Employment Benefit's (OPEB) annually required contribution. In Fiscal Year 2023, the OPEB Trust Fund's funded status increased by 1.01%. The City's General Employees' and Police Officers' and Firefighters' pension plans are highly funded at 86.9% and 85.6%, respectively. Additionally, the City maintains its General Fund operating reserve balance, which supports sixty days of operations meeting the Government Finance Officers Association's (GFOA) best practices standards. This \$7 million dollar reserve fund is committed for use during times of emergencies as approved by the City Council.

The largest enterprise activity, the water and sewer utility, continues to support its operating and capital improvement plan with rate structure changes to ensure operating stability and a fully

funded capital plan. Investing to improve and maintain the infrastructure related to water and sewer utility functions provides for future stability related to the current customer base and future growth.

The City adopted a five-year capital improvement plan identifying future funding needs to maintain, repair and upgrade capital assets and infrastructure. Included in these long-term capital needs are road resurfacing and water line upgrades, within funding constraints; and aligned with the approved comprehensive plan concurrency elements. The City recognizes with the population growth variation, residential and commercial development, changes in assessed values and increased cost of operations, a clearer vision is necessary for the proper allocation of financial resources based on both legal debt capacity and the City's debt affordability to fund capital projects.

Relevant Financial Policies

The City's revenue policies establish the use of one-time revenue sources for non-recurring appropriations and prioritizes the use of restricted funding sources. Coupled with this is the City's budgetary focus to have all its Enterprise and Internal Service Fund activities be self-supporting.

The City's risk management program administers certain worker's compensation and property/casualty self-insured claims. The estimated amount of the claim reserves is fully funded by the program participants and records as liabilities of the respective Internal Service Fund and is determined through a formal actuarial study of the City's self-insured property, worker's compensation, and casualty programs.

Major Initiatives

Furthering the City's continuous improvement journey requires measurable goals. In Fiscal Year 2023, the City Council identified measurable goals promoting economic development and quality of life as well as maintaining financial sustainability and efficient/effective municipal services. A portion of the funding for some of these initiatives is provided by the American Rescue Plan Act (ARPA) for which the City received just over \$8.6 million dollars. The City continues to spend these funds on infrastructure projects, which are well underway.

Some notable strategic accomplishments under these initiatives include:

- a variety of projects related to Indian River Lagoon water quality
- 5.5 miles of road resurfacing
- firewall replacement for City Hall to maximize security based on security audit findings
- city server infrastructure refresh and update to ensure growth capacity and security/redundance of city data
- issuance of 4,975 permits, city wide
- several neighborhood enrichment projects and food programs
- collaboration with partners to attract new corporations
- maintaining an Insurance Services Office (ISO) rating of 2, which places our Fire Department within the top 5% in the nation

- maintaining an accreditation by the Florida Department of Law Enforcement
- furthered citywide continuous improvement initiatives saving resources and increasing efficiencies through cultural changes in our workforce.

Awards and Acknowledgements


The Government Financial Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Titusville for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2022. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by the government and its management. This was the fortieth consecutive year the City of Titusville has received this prestigious award.


A Certificate of Achievement is valid for a period of one year. We believe our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we have submitted it to the GFOA to determine its eligibility for another certificate.

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the Finance Department. Sincere appreciation is expressed to the Finance Team who have made significant contributions to the publication of this report.

In closing, we want to thank the Mayor and City Council for their leadership, unyielding support, and steadfast commitment to maintaining the financial integrity of the city.

Respectfully submitted,


William S. Larese
City Manager


Teri Butler, CGFO
Finance Director



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Government Finance Officers Association

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

Presented to

**City of Titusville
Florida**

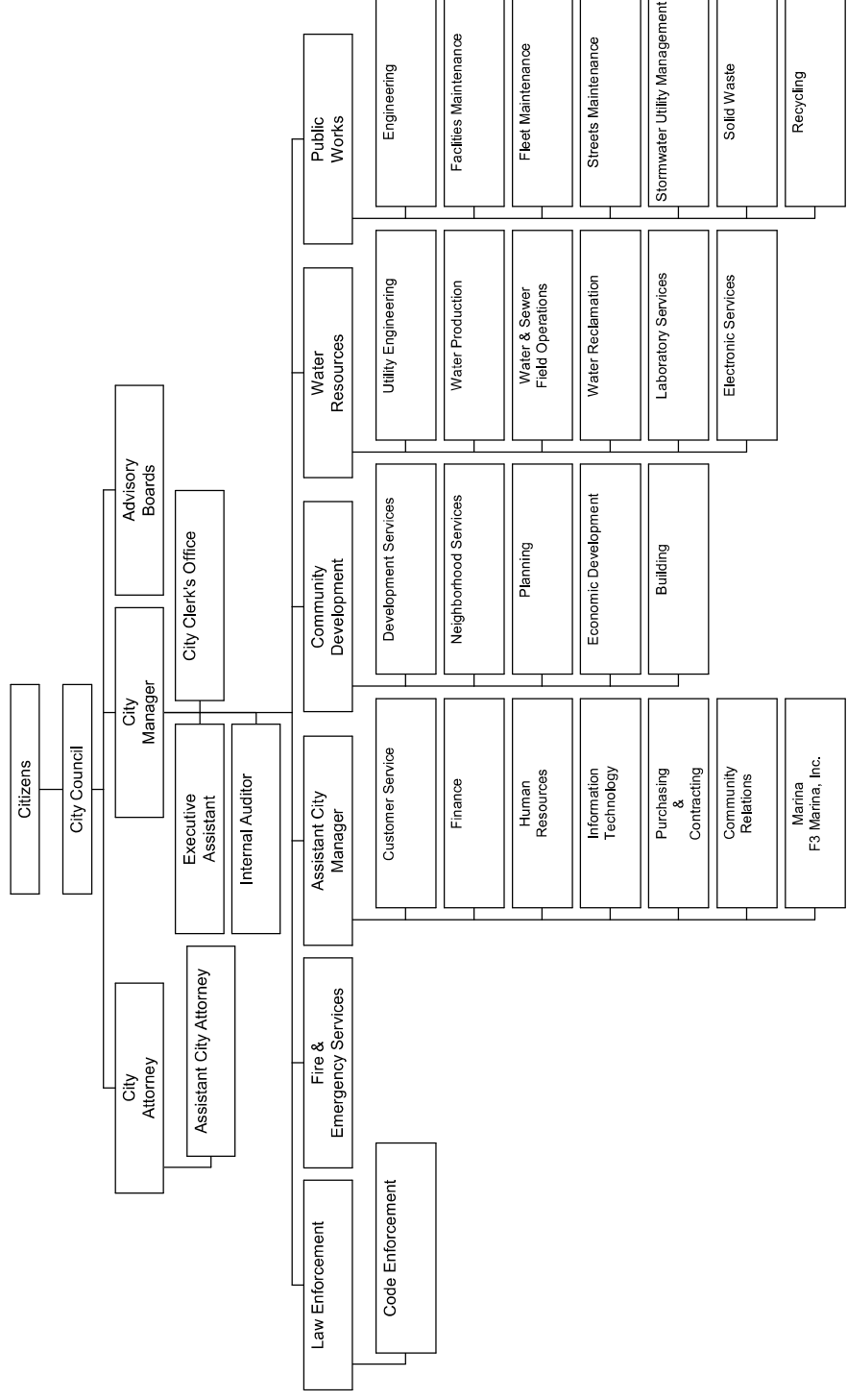
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrell

Executive Director/CEO

City-Wide Organization Chart



CITY OF TITUSVILLE, FLORIDA
List of Elected and Appointed Officials

CITY COUNCIL

Daniel E. Diesel, Mayor

Joe C. Robinson, Vice Mayor
Dr. Sarah Stoeckel, Member

Jo Lynn Nelson, Member
Herman A. Cole, Jr., Col USAF, Retired
Member

ADMINISTRATION

CITY MANAGER

William S. Laresé

ASSISTANT CITY MANAGER

Thomas A. Abbate

CITY ATTORNEY

Richard C. Broome

CITY CLERK

Wanda F. Wells

**COMMUNITY DEVELOPMENT
DIRECTOR**

Bradley Parrish

FINANCE DIRECTOR

Teri Butler

FIRE CHIEF

John Hustoles

POLICE CHIEF

John Lau

PUBLIC WORKS DIRECTOR

Kevin Cook



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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council Members
of the City of Titusville, Florida:

Report on the Audit of the Financial Statements

Opinions

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

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

We did not audit the financial statements of TIFA, LLC, a joint venture project in which the City has a 50% ownership interest and represents approximately 4% of the assets and less than 1% of the revenues of the business-type activities and water and sewer utility funds, respectively. The joint venture was audited by another auditor whose report has been furnished to us and our opinions, insofar as they relate to the amounts included for the investment in TIFA, LLC, are based solely on the report of the other auditor.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The City's 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'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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and other schedules, fiduciary fund schedules, statistical section, and schedule of expenditures of federal awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Section 215.97, Florida Statutes, *Florida Single Audit Act*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules, fiduciary fund schedules, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

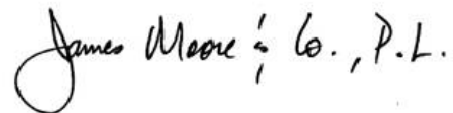
Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and statistical sections, but does not include the basic financial statements and our auditors' 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 financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Daytona Beach, Florida
March 19, 2024

Management's Discussion and Analysis

The City of Titusville, Florida's ("the City") Management's Discussion and Analysis (the "MD&A") presents this overview and analysis of the financial activities of the City of Titusville for the fiscal year ended September 30, 2023. Please read it in conjunction with the letter of transmittal in the introductory section and the City's financial statements following the MD&A.

Financial Highlights

- The City has \$156.1 million invested in capital assets, restricted net position of \$6.6 million for capital improvement projects, debt service and special revenues, and the remaining unrestricted net position of negative \$(16.3) million due to a combination of GASB 75 implementation as well as significant change in City's policy for retiree healthcare funding.
- There was a net decrease of \$(2.4) million in net position reported in connection with the City's governmental activities due to overall increases in wage and materials costs. The Fleet Fund deficit of \$(1.1) million represents a slight increase in the deficit from the prior year and is the result of long-term other post-employment benefits (OPEB) liabilities and higher materials costs. The City continues to reduce the OPEB liability by reforming health care cost and also contributing to the OPEB trust fund. The Fully Insured Healthcare Fund deficit of \$(35,558) is the result of administrative costs remaining higher than anticipated.
- There was a net increase of \$10.8 million in net position reported in connection with the City's business-type activities, which include the Water/Sewer Utility, Solid Waste System, Municipal Marina, and Stormwater Utility. There is a deficit in the Solid Waste Fund of \$(1.9) million and is the result of operating expenses exceeding operating revenues.

Overview of the Financial Statements

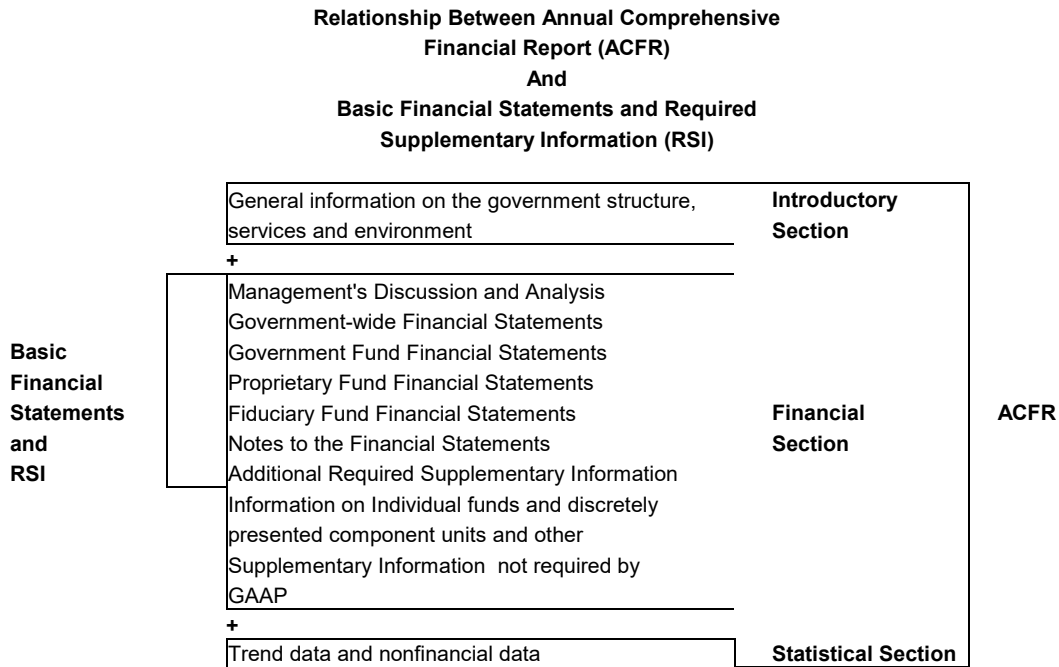
This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements have three components:

1. Government-wide financial statements
2. Fund financial statements and
3. Notes to the financial statements.

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

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

Management's Discussion and Analysis



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

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items resulting in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused leave).

Both of these financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include legislative, executive, legal counsel, community development, public works, public safety, support services and general administrative. The business-type activities of the City include the water/sewer utility, solid waste system, stormwater utility and municipal marina.

Management's Discussion and Analysis

The government-wide financial statements include not only the City of Titusville itself (known as the *primary government*), but also the legally separate Community Redevelopment Agency for which the City of Titusville is financially accountable. The Community Redevelopment Agency, although legally separate, functions for all practical purposes as a part of the Community Development Department of the City and, therefore, has been included as an integral part of the primary government as a Major Fund. The government-wide financial statements can be found immediately following the MD&A on pages 28-30 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations can be found on pages 31-34.

The City maintains fourteen individual governmental funds. Information for major funds is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances, located on pages 31 and 33 of this report. General Fund, Downtown Community Redevelopment Agency Fund, and American Rescue Plan Act Fund are considered major funds. Financial data for the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is presented in the form of *combining statements* in this report on pages 128-131.

The City adopts annual appropriated budgets for its *governmental funds*. Budgetary comparison schedules for the non-major funds have been provided in this report on pages 132-142, to demonstrate compliance with the budget.

Proprietary funds. The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water/sewer utility, solid waste system, stormwater utility and municipal marina. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, management information systems and consolidated risk management and insurance activities. Because these services predominately benefit governmental activities rather than business-type functions; the internal service funds have been included within *governmental activities* in the government-wide financial statements.

Management's Discussion and Analysis

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements separate information for each of the City's major enterprise funds and one non-major enterprise fund and can be found on pages 36-41 of this report. Conversely, 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* and can be found on pages 144-149 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of fiduciary funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statements can be found on pages 42-43 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 44-104 of this report.

Other information. In addition to the basic financial statements and the accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees. Required supplementary information can be found on pages 106-125 of this report. The combining statements referred to previously in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining statements and budgetary comparison schedules can be found on pages 128-142 of this report.

Government-Wide Position Analysis

As noted earlier, net position may serve over time as a useful indicator of the government's financial position. In the case of the City, assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$146.3 million at the close of fiscal year 2023.

The City used these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Some of the highlights of capital spending include Osprey Plant upgrades, water and sewer cure-in-place pipeline upgrades, software replacement and integration for City administrative functions, new police and fire vehicles, and roadway resurfacing and sidewalk preparations throughout the City. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Titusville, Florida

Management's Discussion and Analysis

City of Titusville's Statement of Net Position (in whole dollars)

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current and other assets | \$ 39,670,254 | \$ 39,813,209 | \$ 43,157,210 | \$ 42,583,783 | \$ 82,827,464 | \$ 82,396,992 |
| Capital assets | 70,045,074 | 68,984,449 | 112,357,063 | 101,441,931 | 182,402,137 | 170,426,380 |
| Total assets | \$ 109,715,328 | \$ 108,797,658 | \$ 155,514,273 | \$ 144,025,714 | \$ 265,229,601 | \$ 252,823,372 |
| Deferred outflow of resources | \$ 10,535,679 | \$ 19,459,382 | \$ 2,295,177 | \$ 5,000,852 | \$ 12,830,856 | \$ 24,460,234 |
| Non-current liabilities | \$ 68,077,641 | \$ 61,711,203 | \$ 35,482,146 | \$ 31,287,000 | \$ 103,559,787 | \$ 92,998,203 |
| Other liabilities | 7,647,945 | 16,367,940 | 5,534,263 | 9,667,679 | 13,182,208 | 26,035,619 |
| Total liabilities | \$ 75,725,586 | \$ 78,079,143 | \$ 41,016,409 | \$ 40,954,679 | \$ 116,741,995 | \$ 119,033,822 |
| Deferred Inflows of resources | \$ 10,899,820 | \$ 14,155,600 | \$ 4,814,332 | \$ 6,243,201 | \$ 15,714,152 | \$ 20,398,801 |
| Net Position: | | | | | | |
| Net investment in capital assets | 60,177,813 | 57,332,471 | 95,876,906 | 82,598,194 | 156,054,719 | 139,930,665 |
| Restricted | | | | | | |
| Public Safety | 249,017 | 304,346 | - | - | 249,017 | 304,346 |
| City Hall | - | 6,703 | - | - | - | 6,703 |
| Community Development | 2,484,806 | 1,826,023 | - | - | 2,484,806 | 1,826,023 |
| Water Conservation | - | - | 340,992 | 314,009 | 340,992 | 314,009 |
| Debt Service | 274,054 | 258,152 | - | - | 274,054 | 258,152 |
| Capital Projects | 3,208,401 | 3,078,561 | - | - | 3,208,401 | 3,078,561 |
| Grants | 9,042 | - | - | - | 9,042 | - |
| Unrestricted | (32,777,532) | (26,783,959) | 16,440,409 | 18,916,483 | (16,337,123) | (7,867,476) |
| Total net position | \$ 33,625,601 | \$ 36,022,297 | \$ 112,658,307 | \$ 101,828,686 | \$ 146,283,908 | \$ 137,850,983 |

The City has restricted net position of \$6.6 million for capital improvement projects, debt service, and special revenues.

There was a net decrease of \$(2.4) million in net position reported in connection with the City's governmental activities. A detailed explanation is provided, beginning on page 20 of this report.

There was a net increase of \$10.8 million in net position reported in connection with the City's business-type activities, which include the Water/Sewer Utility, Solid Waste System, Stormwater Utility and Municipal Marina. A detailed explanation is provided beginning on page 22 of this report.

City of Titusville, Florida

Management's Discussion and Analysis

There was an overall increase in the City's net position of \$8.4 million. A comparative analysis of government-wide changes in net position is presented in the following table:

| City of Titusville's Changes in Revenue, Expenses and Net Position (in whole dollars) | | | | | | |
|---|-------------------------|---------------|--------------------------|----------------|----------------|----------------|
| | Governmental Activities | | Business-Type Activities | | Total | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 4,388,436 | \$ 4,535,965 | \$ 36,434,853 | \$ 34,830,958 | \$ 40,823,289 | \$ 39,366,923 |
| Operating grants and contributions | 4,721,837 | 2,385,596 | 2,117,441 | 5,561,323 | 6,839,278 | 7,946,919 |
| Capital grants and contributions | 988,566 | 1,194,468 | 5,570,856 | 1,486,885 | 6,559,422 | 2,681,353 |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property | 20,756,028 | 18,621,965 | - | - | 20,756,028 | 18,621,965 |
| Local option gas tax | 1,117,877 | 1,169,645 | - | - | 1,117,877 | 1,169,645 |
| Utility and franchise taxes | 11,548,170 | 10,347,849 | - | - | 11,548,170 | 10,347,849 |
| Intergovernmental | 6,597,127 | 6,338,201 | - | - | 6,597,127 | 6,338,201 |
| Investment earnings | 826,128 | (429,666) | 1,759,507 | (1,406,114) | 2,585,635 | (1,835,780) |
| Miscellaneous revenue | 275,072 | 701,704 | 181,903 | 345,338 | 456,975 | 1,047,042 |
| Total revenues | 51,219,241 | 44,865,727 | 46,064,560 | 40,818,390 | 97,283,801 | 85,684,117 |
| Expenses | | | | | | |
| Program Activities: | | | | | | |
| Governmental Activities: | | | | | | |
| Legislative | 76,627 | 62,987 | - | - | 76,627 | 62,987 |
| Executive | 1,120,194 | 1,079,642 | - | - | 1,120,194 | 1,079,642 |
| Legal counsel | 630,194 | 552,073 | - | - | 630,194 | 552,073 |
| Community development | 5,539,839 | 4,893,014 | - | - | 5,539,839 | 4,893,014 |
| Public works | 5,819,041 | 4,330,379 | - | - | 5,819,041 | 4,330,379 |
| Public safety | 32,231,682 | 25,299,899 | - | - | 32,231,682 | 25,299,899 |
| Support services | 6,442,850 | 5,066,073 | - | - | 6,442,850 | 5,066,073 |
| General government | 1,110,431 | 1,646,989 | - | - | 1,110,431 | 1,646,989 |
| Interest on debt | 232,947 | 247,537 | - | - | 232,947 | 247,537 |
| Business-type activities: | | | | | | |
| Water/sewer utility | - | - | 23,077,760 | 21,759,276 | 23,077,760 | 21,759,276 |
| Solid waste system | - | - | 7,438,928 | 6,663,258 | 7,438,928 | 6,663,258 |
| Municipal marina | - | - | 1,609,150 | 1,562,750 | 1,609,150 | 1,562,750 |
| Stormwater utility | - | - | 3,521,233 | 3,208,143 | 3,521,233 | 3,208,143 |
| Total expenses | 53,203,805 | 43,178,593 | 35,647,071 | 33,193,427 | 88,850,876 | 76,372,020 |
| Excess before transfers | (1,984,564) | 1,687,134 | 10,417,489 | 7,624,963 | 8,432,925 | 9,312,097 |
| Transfers | (412,132) | 1,512,254 | 412,132 | (1,512,254) | - | - |
| Financed Purchases | - | - | - | - | - | - |
| Change in net position | (2,396,696) | 3,199,388 | 10,829,621 | 6,112,709 | 8,432,925 | 9,312,097 |
| Net position-beginning | 36,022,297 | 32,822,909 | 101,828,686 | 95,715,977 | 137,850,983 | 128,538,886 |
| Net position-ending | \$ 33,625,601 | \$ 36,022,297 | \$ 112,658,307 | \$ 101,828,685 | \$ 146,283,908 | \$ 137,850,983 |

Management's Discussion and Analysis

Governmental Activities

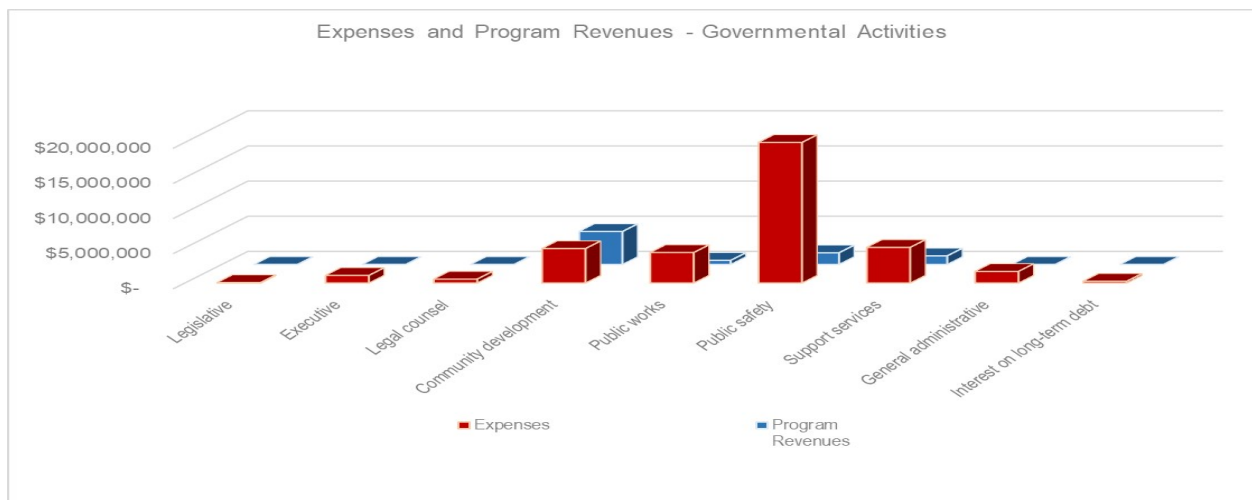
As mentioned previously, governmental activities increased the City's net position by \$(2.4) million. The key elements of the activities increase are as follows:

- Capital grants decreased by \$(0.2) million reflecting a decrease of federal and state funded grant projects.
- Property tax revenues increased by \$2.1 million or 11.5% due to a 13.02% increase in taxable property value over the prior year.
- Charges for services decreased by \$(0.1) million or (4.6)% due a decrease in General Administrative activities.
- OPEB liability decreased by \$(0.4) million or (1.0)% due to the City actively contributing to the OPEB Trust Fund.

The following tables show expenses and program revenue and the components of program and general revenues, respectively, as a percentage of totals for governmental activities:

Expenses and Program Revenues - Governmental Activities

| Functions/Programs | Expenses | % of Total | Program Revenues | % of Total | Net (Expenses) Revenue |
|----------------------------|----------------------|---------------|----------------------|---------------|------------------------|
| Legislative | \$ 76,627 | 0.1% | \$ - | 0.0% | \$(76,627) |
| Executive | 1,120,194 | 2.1% | - | 0.0% | (1,120,194) |
| Legal counsel | 630,194 | 1.2% | - | 0.0% | (630,194) |
| Community development | 5,539,839 | 10.4% | 6,355,039 | 62.9% | 815,200 |
| Public works | 5,819,041 | 10.9% | 444,557 | 4.4% | (5,374,484) |
| Public safety | 32,231,682 | 60.6% | 2,437,124 | 24.1% | (29,794,558) |
| Support services | 6,442,850 | 12.1% | 773,886 | 7.7% | (5,668,964) |
| General administrative | 1,110,431 | 2.1% | 88,233 | 0.9% | (1,022,198) |
| Interest on long-term debt | 232,947 | 0.4% | - | 0.0% | (232,947) |
| | <u>\$ 53,203,805</u> | <u>100.0%</u> | <u>\$ 10,098,839</u> | <u>100.0%</u> | <u>\$(43,104,966)</u> |



Management's Discussion and Analysis

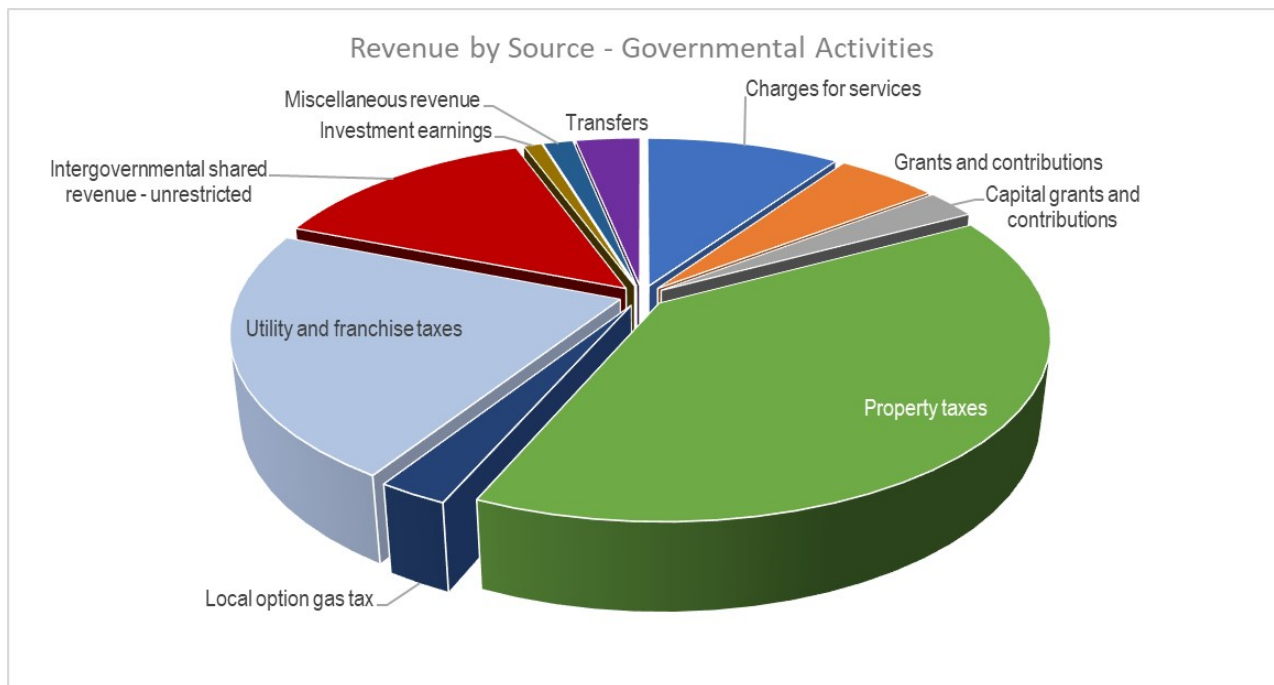
Revenue by Source - Governmental Activities

Program Revenues:

| | | |
|----------------------------------|--------------|-------|
| Charges for services | \$ 4,388,436 | 8.64% |
| Grants and contributions | 4,721,837 | 9.29% |
| Capital grants and contributions | 988,566 | 1.95% |

General Revenues:

| | | |
|---|----------------------|----------------|
| Property taxes | 20,756,028 | 40.85% |
| Local option gas tax | 1,117,877 | 2.20% |
| Utility and franchise taxes | 11,548,170 | 22.73% |
| Intergovernmental shared revenue - unrestricted | 6,597,127 | 12.98% |
| Investment earnings | 826,128 | 1.63% |
| Miscellaneous revenue | 275,072 | 0.54% |
| Transfers | (412,132) | (0.81)% |
| | <u>\$ 50,807,109</u> | <u>100.00%</u> |



Management's Discussion and Analysis

Business-Type Activities

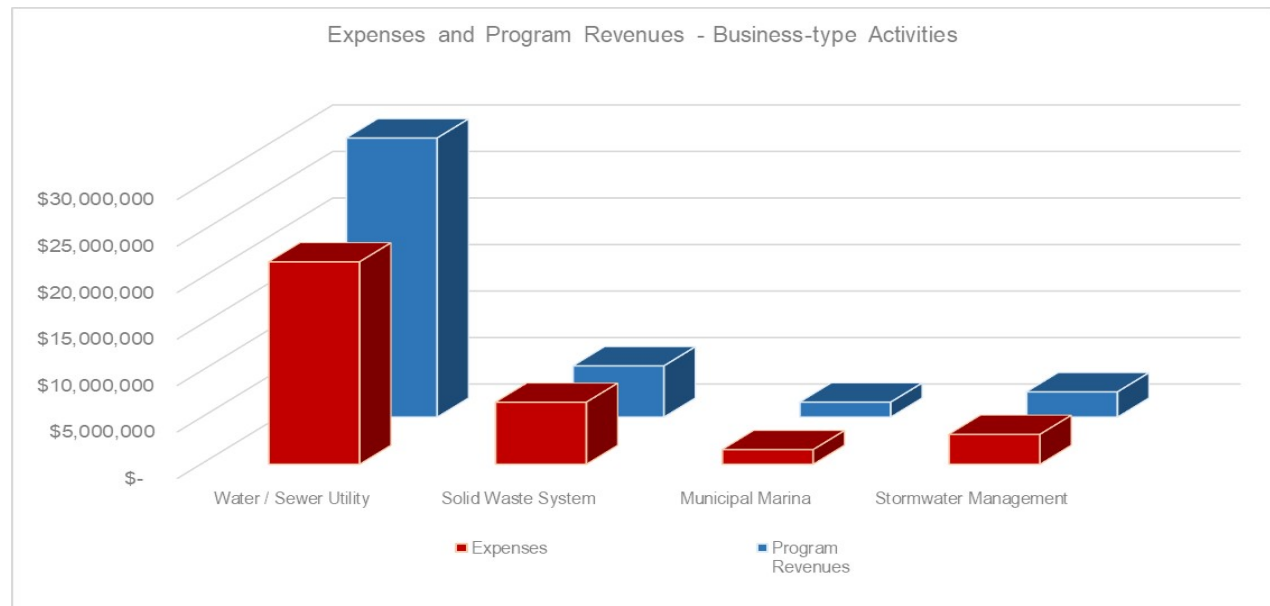
As mentioned, business-type activities net position increased by \$10.8 million. This compared to an increase in 2022 of \$6.1 million, before considering the cumulative effect of an accounting change. Key elements of the change in business-type activities are as follows:

- An increase in investment earnings of \$3.2 million
- An increase in Water & Sewer capital grants and contributions of \$1.4 million;
- An increase in Solid Waste capital grants and contributions of \$2.7 million;

The following tables show expenses & program revenues and the components of program & general revenues, respectively, as a percentage of totals for business-type activities:

Expenses and Program Revenues - Business-type Activities

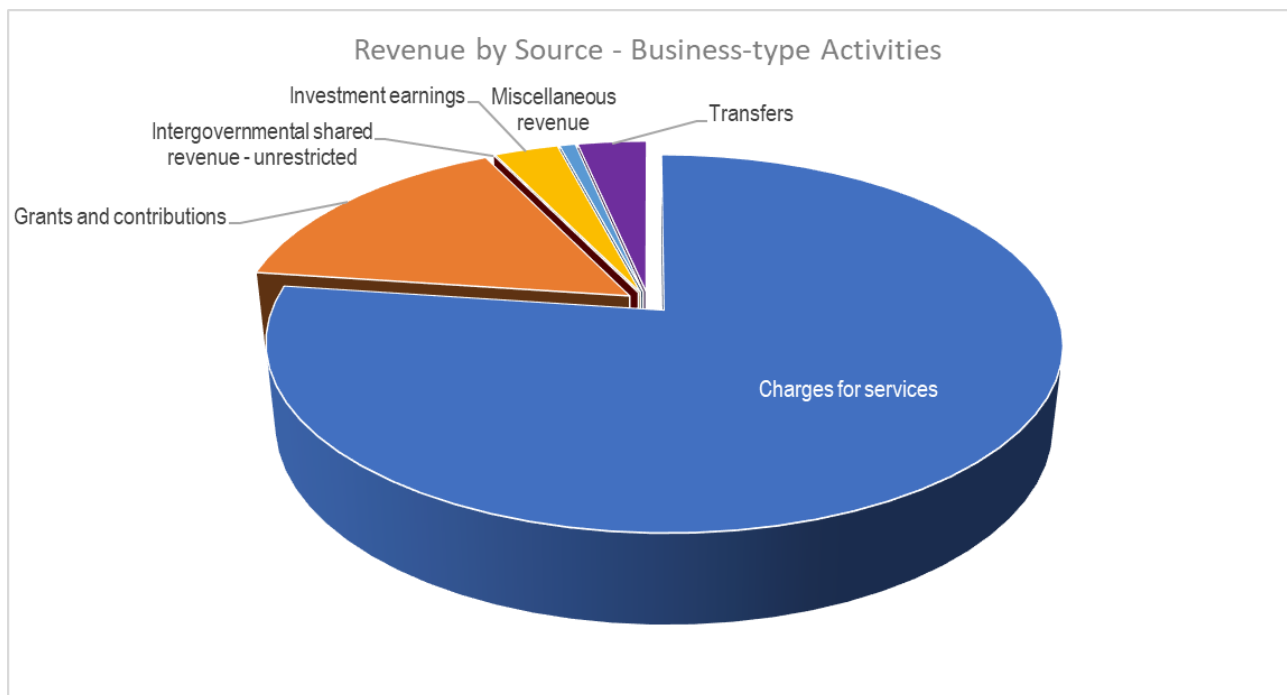
| Functions/Programs | Expenses | % of Total | Program Revenues | % of Total | Net (Expenses) Revenue |
|-----------------------|----------------------|-------------|----------------------|-------------|------------------------|
| Water / Sewer Utility | \$ 23,077,760 | 64.7% | \$ 31,129,461 | 70.6% | \$ 8,051,701 |
| Solid Waste System | 7,438,928 | 20.9% | 5,987,841 | 13.6% | (1,451,087) |
| Municipal Marina | 1,609,150 | 4.5% | 1,556,248 | 3.5% | (52,902) |
| Stormwater Management | 3,521,233 | 9.9% | 5,449,600 | 12.4% | 1,928,367 |
| | <u>\$ 35,647,071</u> | <u>100%</u> | <u>\$ 44,123,150</u> | <u>100%</u> | <u>\$ 8,476,079</u> |



Management's Discussion and Analysis

Revenue by Source - Business-type Activities

| | | | |
|--|----|-------------------|---------------|
| Revenue | | | |
| Charges for services | \$ | 36,434,853 | 78.4% |
| Grants and contributions | | 7,688,297 | 16.5% |
| Intergovernmental shared revenue -unrestricted | | - | -% |
| Investment earnings | | 1,759,507 | 3.8% |
| Miscellaneous revenue | | 181,903 | 0.4% |
| Transfers | | 412,132 | 0.9% |
| | \$ | <u>46,476,692</u> | <u>100.0%</u> |



Management's Discussion and Analysis

Financial Analysis of the City's Funds

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

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

As of the end of fiscal year 2023, the City's governmental funds reported combined ending fund balances of \$26.5 million, which is an increase of \$3.0 million when compared to the prior year. Intergovernmental revenue increased by \$2.4 million and taxes increased by \$2.1 million, with the total expenditures increased by \$4.2 million. Unassigned fund balance is \$10.0 million and is available for spending, subject to regulatory, statutory, and budgetary restrictions. The remainder of the fund balances is \$1.6 million for nonspendable inventories and prepaid items, \$6.3 million is restricted, \$7.7 million is committed and \$0.9 million is assigned.

The General Fund is the chief operating fund of the City. At the end of fiscal year 2023, unassigned fund balance of the General Fund was \$10.0 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 21.4% of the total fund expenditures, which is a decrease of (2.9)% from fiscal year 2022. The fund balance of the City's General Fund increased by \$2.3 million during the current fiscal year due to increases in revenues of \$4.8 million, \$743,111 from Intergovernmental revenues, \$228,363 from building type revenues and the balance from increases across all revenue accounts) and increases of expenses of \$4.1 million, which are outlined in the General Fund budgetary highlights beginning on page 25 of this report.

The Community Redevelopment Agency (CRA) Fund is a major Governmental fund used to account for monies from the incremental increase in property tax revenue collected within the designated redevelopment area. Consistent with State law, revenues are utilized and expended in accordance with the Community Redevelopment Plan.

The Titusville Community Redevelopment Agency Fund has a total fund balance at year-end of \$1.6 million, an increase of \$388,018 over the prior year. The increase is due primarily to unrealized investment gains and a decrease in expenditures.

The American Rescue Plan Act (ARPA) Fund is a major Governmental fund used to account for monies received from the enactment of the American Rescue Plan Act of 2021 Stimulus Bill passed by the U.S. Congress in response to both health and economic impacts of the COVID-19 Pandemic.

The American Rescue Plan Act Fund has no fund balance at year-end. Unearned revenue totaling \$4.8 million will be recognized as revenue only when monies are spent for approved programs.

Proprietary funds. The City's proprietary funds include the business-type activities enterprise funds and the governmental activities internal service funds. They provide the same type of information found in the government-wide financial statements, but in more detail.

Management's Discussion and Analysis

The City has four enterprise funds, of which the Water/Sewer Utility, Solid Waste System and Stormwater Utility are the major funds. Unrestricted net position of the enterprise funds at the end of the year was \$16.4 million or 14.6% of total net position. The total unrestricted net position decreased by \$(2.5) million partly as a result of an overall increase of \$13.3 million in net investment in capital assets. The Solid Waste Fund reported an operating loss of \$(1.4) million for the fiscal year of 2023 due to operating expenses exceeding operating revenue. The Municipal Marina reported operating losses of \$(76,352) as a result of increased capital outlay expenses. The Stormwater Utility reported a net position increase of \$2.9 million for fiscal year 2023 due to a \$2.5 million increase in capital contributions. Stormwater Utility reported an operating loss of \$(0.8) million in 2023 versus operating income of \$(0.6) in 2022. Water/Sewer utility income before non-operating revenue and expenses, capital contributions and transfers was \$3.3 million in 2023 versus \$3.7 million in 2022. This change does not represent a significant change in the Water/Sewer utility fund.

General Fund Budgetary Highlights

The General Fund expenditure budget totals \$53.0 million, representing an increase of \$7.6 million from fiscal year 2022. The budget continues existing City services while taking measures to ensure fiscal stability. Some of the significant changes in programs funded in this year's budget include:

- Investing in employees through pay adjustments, restoring work hours and reinstating adequate staffing levels.
- Preserving and enhancing municipal revenues.
- Investing in the City's infrastructure including road resurfacing, utilities, heavy equipment and other rolling stock and technology.
- Investment in the long-term vision of the City through increased efforts in natural resource and economic development activities.
- Continuing process improvement efforts City-wide by LEAN principles, additional emphasis on performance measurement and cross training.

Revenues were more than budgeted amounts by \$4.0 million. The City realized revenues in utility and franchise taxes, as well as licenses and permits.

General Fund departments met their total bottom line budget at the major department level. Total General Fund expenses were less than budget by \$6.0 million because of salary savings and timing of capital purchases.

Any differences between the Original and Final Budgets were approved by City Council in accordance with our Budget Policies. The most significant changes occurred because of department reorganizations, reassignments, and capital outlay purchases associated with these changes.

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital assets. At September 30, 2023, the City had \$184.0 million invested in various capital assets, net of accumulated depreciation, for all activities as reflected on the following schedule. This represents a net increase (including additions and deductions) of \$12.0 million over the prior year. The increase in the City's investment in capital assets resulted from more construction in progress projects throughout the City and the retirement and/or sale of assets, net of depreciation. See Footnote 4E for further details on capital assets.

City of Titusville's Capital Assets (net of depreciation) (in whole dollars)

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------------|-------------------------|---------------|--------------------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land | \$ 29,679,024 | \$ 29,679,024 | \$ 4,492,146 | \$ 4,479,538 | \$ 34,171,170 | \$ 34,158,562 |
| Buildings | 1,129,498 | 1,213,451 | 140,801 | 145,049 | 1,270,299 | 1,358,500 |
| Easements | 199,220 | 199,220 | 99,761 | 99,761 | 298,981 | 298,981 |
| Improvements other than buildings | 31,386,825 | 30,362,500 | 21,374,025 | 21,540,020 | 52,760,850 | 51,902,520 |
| Machinery and equipment | 5,956,004 | 5,244,699 | 6,903,489 | 5,736,983 | 12,859,493 | 10,981,682 |
| Utility plant | - | - | 68,476,080 | 55,726,772 | 68,476,080 | 55,726,772 |
| Construction in progress | 1,694,503 | 2,285,555 | 10,870,761 | 13,713,808 | 12,565,264 | 15,999,363 |
| Total | \$ 70,045,074 | \$ 68,984,449 | \$ 112,357,063 | \$ 101,441,931 | \$ 182,402,137 | \$ 170,426,380 |

Major events include the following:

- Continuation of Road Resurfacing program totaling \$1.1 million.
- General construction totaling \$0.6 million.
- Outlay of \$9.7 million to improve and maintain the infrastructure in the Water & Sewer Utility.
- Completed \$1.6 million in Stormwater Capital Projects.

Long-term bonded debt. Additional information on the City's long-term debt and other non-current liabilities can be found in Note 4F of the notes to the financial statements on pages 68-75 of this report

City of Titusville's Long-term Bonded Debt (in whole dollars)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|--------------|--------------------------|---------------|---------------|---------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| General Obligation Bonds, Series 2015 | \$ 1,331,000 | \$ 1,977,000 | \$ - | \$ - | \$ 1,331,000 | \$ 1,977,000 |
| Public Improvement Revenue Note Series 2009 | 716,000 | 803,000 | - | - | 716,000 | 803,000 |
| Capital Improvement Revenue Bond Series 2017 | 3,450,000 | 4,095,000 | - | - | 3,450,000 | 4,095,000 |
| State Revolving Fund Loan | - | - | 7,415,859 | 4,940,747 | 7,415,859 | 4,940,747 |
| 2020 Water/Sewer Refunding Bond | - | - | 7,095,000 | 10,545,000 | 7,095,000 | 10,545,000 |
| Total | \$ 5,497,000 | \$ 6,875,000 | \$ 14,510,859 | \$ 15,485,747 | \$ 20,007,859 | \$ 22,360,747 |

Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

Fiscal Year 2023 saw continued economic growth in many facets of the City. The City continued to realize an increase in its property tax roll thus building on the foundation of growth from the prior year. Likewise, the City continues to realize growth in other revenue sources, such as building and development fees, which are viewed as strong economic indicators.

Continued efforts in economic development has generated both new industry and expansion of long-established businesses during fiscal year 2023. Through collaborating with the North Brevard Economic Development Zone and Brevard County, the City has been able to generate multi-million dollar investments in projects to create jobs and improve amenities in the local area. Growth in highly technical, recreational and service industries provides a catalyst as the City furthers its revitalization efforts. Increased marketing efforts are expected to improve the City's visibility and in turn impact long-term fiscal sustainability.

As the City benefits from steady economic growth, further emphasis continues to be on the overall improvement of the quality of life for its citizens. Projects such as Lean Six Sigma improve operational efficiencies when providing essential City services; the redevelopment of the mall and other vacant properties provide opportunities for revitalization of blighted areas with economic benefits; and the continual commitment to maintaining infrastructure ensures the City's thoroughfares and facilities can support the ever increasing demands. This is an exciting time as the City continues to grow and define itself. With the continued support of Mayor and Council, we will continue to improve upon the high levels of service needed to further the long-term goals of the City.

All of these factors were considered in preparing the City's budget for fiscal year 2024.

Requests for Information

This financial report is designed to provide a general overview of the City of Titusville's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Titusville, P.O. Box 2806, Titusville, Florida 32781-2806.

City of Titusville, Florida

**Statement of Net Position
September 30, 2023**

| | Governmental Type Activities | Business Type Activities | Total |
|---|---|-------------------------------------|--------------------|
| ASSETS | | | |
| Equity in pooled cash and investments | \$ 33,495,941 | \$ 30,289,368 | \$ 63,785,309 |
| Receivables, net | 4,016,477 | 7,680,519 | 11,696,996 |
| Internal balances | 323,876 | (323,876) | - |
| Inventories | 105,400 | 1,221,572 | 1,326,972 |
| Prepaid items | 1,628,560 | - | 1,628,560 |
| Restricted: | | | |
| Cash | 100,000 | 79,729 | 179,729 |
| Investment in TIFA, LLC | - | 4,209,898 | 4,209,898 |
| Capital assets not being depreciated: | | | |
| Land and land rights | 29,679,024 | 4,492,146 | 34,171,170 |
| Easements | 199,220 | 99,761 | 298,981 |
| Construction in progress | 1,694,503 | 10,870,761 | 12,565,264 |
| Capital assets, net of depreciation | | | |
| Buildings and improvements | 1,129,498 | 140,801 | 1,270,299 |
| Improvements other than buildings | 31,386,825 | 21,374,025 | 52,760,850 |
| Furniture and equipment | 5,956,004 | 6,903,489 | 12,859,493 |
| Utility plant | - | 68,476,080 | 68,476,080 |
| Total Assets | 109,715,328 | 155,514,273 | 265,229,601 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred loss on refunding | - | 141,631 | 141,631 |
| Deferred pension outflows | 8,742,231 | 1,356,365 | 10,098,596 |
| Deferred OPEB outflows | 1,793,448 | 797,181 | 2,590,629 |
| Total Deferred Outflows of Resources | 10,535,679 | 2,295,177 | 12,830,856 |

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

City of Titusville, Florida

**Statement of Net Position
September 30, 2023**

| | Governmental Type Activities | Business Type Activities | Total |
|--|---|-------------------------------------|-----------------------|
| LIABILITIES | | | |
| Accounts payable and other current liabilities | \$ 1,996,826 | \$ 3,692,023 | \$ 5,688,849 |
| Accrued interest payable | 63,084 | 86,867 | 149,951 |
| Payable from Restricted Assets: | | | |
| Deposits | - | 1,755,373 | 1,755,373 |
| Unearned Revenue | 5,588,035 | - | 5,588,035 |
| Noncurrent Liabilities: | | | |
| Due within one year: | | | |
| Claims payable | 1,957,000 | - | 1,957,000 |
| Compensated absences | 478,146 | 203,429 | 681,575 |
| Bonds payable | 1,407,000 | 4,232,988 | 5,639,988 |
| Financed purchases payable | 1,448,806 | 613,608 | 2,062,414 |
| Due in more than one year: | | | |
| Compensated Absences | 3,724,158 | 743,424 | 4,467,582 |
| Net OPEB liability | 28,936,908 | 12,862,341 | 41,799,249 |
| Net Pension Liability | 23,179,611 | 4,871,318 | 28,050,929 |
| Bonds Payable | 4,090,000 | 10,463,899 | 14,553,899 |
| Noncurrent financed purchases payable | 2,856,012 | 811,541 | 3,667,553 |
| Total Liabilities | 75,725,586 | 40,336,811 | 116,062,397 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows/pension | 80,070 | 4,996 | 85,066 |
| Deferred OPEB inflows | 10,819,750 | 4,809,336 | 15,629,086 |
| Total Deferred Inflows of Resources | 10,899,820 | 4,814,332 | 15,714,152 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 60,177,813 | 95,876,906 | 156,054,719 |
| Restricted | | | |
| Public safety | 249,017 | - | 249,017 |
| Community development | 2,484,806 | - | 2,484,806 |
| Water conservation | - | 340,992 | 340,992 |
| Debt service | 274,054 | - | 274,054 |
| Capital projects | 3,208,401 | - | 3,208,401 |
| Other Purposes | 9,042 | - | 9,042 |
| Unrestricted | (32,777,532) | 16,440,409 | (16,337,123) |
| Total Net Position | \$ 33,625,601 | \$ 112,658,307 | \$ 146,283,908 |

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

City of Titusville, Florida

Statement of Activities

For the Year Ended September 30, 2023

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business-type Activities | Total |
| Primary Government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| Legislative | \$ 76,627 | \$ - | \$ - | \$ - | \$ (76,627) | \$ - | \$ (76,627) |
| Executive | 1,120,194 | - | - | - | (1,120,194) | - | (1,120,194) |
| Legal counsel | 630,194 | - | - | - | (630,194) | - | (630,194) |
| Community development | 5,539,839 | 2,379,443 | 3,244,583 | 731,013 | 815,200 | - | 815,200 |
| Public works | 5,819,041 | - | 410,867 | 33,690 | (5,374,484) | - | (5,374,484) |
| Public safety | 32,231,682 | 1,237,544 | 978,154 | 221,426 | (29,794,558) | - | (29,794,558) |
| Support services | 6,442,850 | 771,449 | - | 2,437 | (5,668,964) | - | (5,668,964) |
| General administrative | 1,110,431 | - | 88,233 | - | (1,022,198) | - | (1,022,198) |
| Interest on long-term debt | 232,947 | - | - | - | (232,947) | - | (232,947) |
| Total Governmental Activities | 53,203,805 | 4,388,436 | 4,721,837 | 988,566 | (43,104,966) | - | (43,104,966) |
| Business-type Activities: | | | | | | | |
| Water / sewer utility | 23,077,760 | 26,216,413 | 2,093,991 | 2,819,057 | - | 8,051,701 | 8,051,701 |
| Solid waste system | 7,438,928 | 5,987,841 | - | - | - | (1,451,087) | (1,451,087) |
| Stormwater utility | 3,521,233 | 2,697,801 | - | 2,751,799 | - | 1,928,367 | 1,928,367 |
| Municipal marina | 1,609,150 | 1,532,798 | 23,450 | - | - | (52,902) | (52,902) |
| Total Business-type Activities | 35,647,071 | 36,434,853 | 2,117,441 | 5,570,856 | - | 8,476,079 | 8,476,079 |
| Total Primary Government | \$ 88,850,876 | \$ 40,823,289 | \$ 6,839,278 | \$ 6,559,422 | (43,104,966) | 8,476,079 | (34,628,887) |
| General Revenues: | | | | | | | |
| Property Taxes | | | | | 20,756,028 | - | 20,756,028 |
| Local Option Gas Tax | | | | | 1,117,877 | - | 1,117,877 |
| Utility and Franchise Taxes | | | | | 11,548,170 | - | 11,548,170 |
| Intergovernmental Shared Revenue - unrestricted | | | | | 6,597,127 | - | 6,597,127 |
| Investment Earnings | | | | | 826,128 | 1,759,507 | 2,585,635 |
| Miscellaneous revenues | | | | | 275,072 | 181,903 | 456,975 |
| Transfers | | | | | (412,132) | 412,132 | - |
| Total General Revenues and Transfers | | | | | 40,708,270 | 2,353,542 | 43,061,812 |
| Change in Net Position | | | | | (2,396,696) | 10,829,621 | 8,432,925 |
| Net Position - Beginning of year | | | | | 36,022,297 | 101,828,686 | 137,850,983 |
| Net Position - Ending of year | | | | | \$ 33,625,601 | \$ 112,658,307 | \$ 146,283,908 |

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

City of Titusville, Florida

Balance Sheet Governmental Funds September 30, 2023

| | Major Funds | | | | |
|---|----------------------|--|--------------------------------|------------------------------------|--------------------------------|
| | General Fund | Downtown Community Redevelopment Agency | American Rescue Plan Act | Non Major Governmental Funds | Total Governmental Funds |
| Assets | | | | | |
| Equity in pooled cash and investments | 16,087,912 | 1,593,999 | 4,809,359 | 5,194,521 | 27,685,791 |
| Receivables (net) | 3,779,925 | 1,578 | - | 231,574 | 4,013,077 |
| Due from other funds | 414,298 | - | - | - | 414,298 |
| Inventories | 5,542 | - | - | - | 5,542 |
| Prepaid items | 1,628,560 | - | - | - | 1,628,560 |
| Total assets | 21,916,237 | 1,595,577 | 4,809,359 | 5,426,095 | 33,747,268 |
| Liabilities | | | | | |
| Accounts payable and accrued liabilities | 1,407,188 | 25,208 | - | 169,092 | 1,601,488 |
| Due to other funds | - | - | - | 54,864 | 54,864 |
| Unearned revenue | 212,378 | - | 4,809,359 | 569,299 | 5,591,036 |
| Total liabilities | 1,619,566 | 25,208 | 4,809,359 | 793,255 | 7,247,388 |
| Fund balance | | | | | |
| Nonspendable: | | | | | |
| Prepaid items | 1,628,560 | - | - | - | 1,628,560 |
| Inventory | 5,542 | - | - | - | 5,542 |
| Restricted for: | | | | | |
| Public safety | 76,153 | - | - | 172,864 | 249,017 |
| Capital expansion | - | - | - | 506,519 | 506,519 |
| Community development | - | 1,570,369 | - | 914,437 | 2,484,806 |
| Debt service | - | - | - | 337,138 | 337,138 |
| Roadway improvements | - | - | - | 2,701,882 | 2,701,882 |
| Student advisory council | 2,205 | - | - | - | 2,205 |
| US Flag memorial services | 6,530 | - | - | - | 6,530 |
| US Flag replacement | 307 | - | - | - | 307 |
| Committed to: | | | | | |
| Stabilization/disaster fund | 7,013,410 | - | - | - | 7,013,410 |
| New landscape enhancement | 65,050 | - | - | - | 65,050 |
| Tree/landscape mitigation | 596,743 | - | - | - | 596,743 |
| Assigned to: | | | | | |
| Subsequent year's budget | 872,423 | - | - | - | 872,423 |
| Unassigned | 10,029,748 | - | - | - | 10,029,748 |
| Total fund balance | 20,296,671 | 1,570,369 | - | 4,632,840 | 26,499,880 |
| Total liabilities and fund balance | \$ 21,916,237 | \$ 1,595,577 | \$ 4,809,359 | \$ 5,426,095 | \$ 33,747,268 |

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

City of Titusville, Florida

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2023**

| | | |
|--|-----------|-------------------|
| Total governmental funds fund balance | \$ | 26,499,880 |
|--|-----------|-------------------|

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

| | | |
|-----------------------------------|----------------------|------------|
| Total governmental capital assets | 174,713,308 | |
| Less accumulated depreciation | <u>(105,534,515)</u> | 69,178,793 |

On the governmental fund statements, a net pension liability is not recorded until an amount is due and payable and the pension plan's fiduciary net position is not sufficient for payment of those benefits (no such liability exists at the end of the current fiscal year). On the statement of net position, the City's net pension liability of the defined benefit pension plans is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to pensions are also reported.

| | | |
|---------------------------------------|-----------------|--------------|
| Net pension liability | (22,454,061) | |
| Deferred outflows related to pensions | 8,540,209 | |
| Deferred inflows related to pensions | <u>(79,326)</u> | (13,993,178) |

On the governmental fund statements, a net OPEB liability is not recorded unless an amount is due and payable (no such liability exists at the end of the current fiscal year). On the Statement of Net Position, the City's net OPEB liability is reported as a noncurrent liability. Additionally, deferred outflows and deferred inflows related to OPEB are also reported.

| | | |
|-----------------------------------|---------------------|--------------|
| Net OPEB liability | (27,527,327) | |
| Deferred outflows related to OPEB | 1,706,085 | |
| Deferred inflows related to OPEB | <u>(10,292,696)</u> | (36,113,938) |

Internal service funds are used by management to charge the costs of data processing, insurance, fleet lease and maintenance, building maintenance, and internal loans to individual funds. These assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

1,853,709

Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities, deferred outflows, and other debt-related deferred charges consist of the following:

| | | |
|--------------------------|--------------------|--------------|
| Bonds and notes payable | (5,497,000) | |
| Leases payable | (4,202,962) | |
| Accrued interest payable | (63,011) | |
| Compensated absences | <u>(4,036,692)</u> | (13,799,665) |

| | | |
|---|-----------|--------------------------|
| Net position of governmental activities | \$ | <u>33,625,601</u> |
|---|-----------|--------------------------|

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

City of Titusville, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2023

| | Major Funds | | | | |
|--|-------------------|--|--------------------------------|------------------------------------|--------------------------------|
| | General Fund | Downtown Community Redevelopment Agency | American Rescue Plan Act | Non Major Governmental Funds | Total Governmental Funds |
| Revenues | | | | | |
| Taxes: | | | | | |
| Property taxes | \$ 19,041,735 | \$ 1,038,731 | \$ - | \$ 675,562 | \$ 20,756,028 |
| Local option gas tax | 1,117,877 | - | - | - | 1,117,877 |
| Utility and franchise taxes | 11,548,170 | - | - | - | 11,548,170 |
| Intergovernmental | 7,672,328 | - | 2,571,151 | 1,413,734 | 11,657,213 |
| Licenses and permits | 635,768 | - | - | 1,638,020 | 2,273,788 |
| Charges for services | 6,946,559 | - | - | - | 6,946,559 |
| Fines and forfeitures | 75,061 | - | - | 26,940 | 102,001 |
| Investment earnings (loss) | 475,304 | 46,134 | - | 127,617 | 649,055 |
| Impact fees | - | - | - | 199,363 | 199,363 |
| Miscellaneous | 361,394 | - | - | 214,850 | 576,244 |
| Total revenues | 47,874,196 | 1,084,865 | 2,571,151 | 4,296,086 | 55,826,298 |
| Expenditures | | | | | |
| Current: | | | | | |
| Legislative | 89,826 | - | - | - | 89,826 |
| Executive | 1,141,967 | - | - | - | 1,141,967 |
| Legal counsel | 630,232 | - | - | - | 630,232 |
| Community development | 2,119,158 | 548,242 | - | 2,361,672 | 5,029,072 |
| General administrative services | 5,531,146 | - | - | - | 5,531,146 |
| Public works | 4,912,910 | - | - | - | 4,912,910 |
| Public safety | 24,231,987 | - | - | 72,936 | 24,304,923 |
| Support Services | 4,140,056 | - | - | - | 4,140,056 |
| Debt Service | | | | | |
| Principal | 1,550,276 | - | - | 1,378,000 | 2,928,276 |
| Interest | 66,567 | - | - | 155,944 | 222,511 |
| Debt cost/administration fees | 27,500 | - | - | - | 27,500 |
| Capital Outlay/Improvements | 2,477,876 | 243,857 | - | 2,046,610 | 4,768,343 |
| Total expenditures | 46,919,501 | 792,099 | - | 6,015,162 | 53,726,762 |
| Excess (deficiency) of revenues over (under) expenditures | 954,695 | 292,766 | 2,571,151 | (1,719,076) | 2,099,536 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 1,907,817 | 216,202 | - | 2,273,106 | 4,397,125 |
| Transfers out | (1,722,868) | (120,950) | (2,571,151) | (205,510) | (4,620,479) |
| Issuance of debt proceeds | 1,172,453 | - | - | - | 1,172,453 |
| Total other financing sources (uses) | 1,357,402 | 95,252 | (2,571,151) | 2,067,596 | 949,099 |
| Net change in fund balances | 2,312,097 | 388,018 | - | 348,520 | 3,048,635 |
| Beginning fund balances | 17,984,574 | 1,182,351 | - | 4,284,320 | 23,451,245 |
| Ending fund balances | \$ 20,296,671 | \$ 1,570,369 | \$ - | \$ 4,632,840 | \$ 26,499,880 |

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

**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended September 30, 2023**

| | | |
|---|--------------------|------------------------------|
| Net change in fund balances - total governmental funds | | \$ 3,048,635 |
| Differences in amounts reported for governmental activities in the statement of activities are: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives. | | |
| Capital outlay expenditures | 4,768,343 | |
| Depreciation expense | <u>(3,715,247)</u> | 1,053,096 |
| Bond and loan proceeds are reported as financing sources in the governmental funds. However, the issuance of debt is reported as long-term debt payable in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment of debt principal reduces long-term liabilities in the statement of net position. These amounts are as follows: | | |
| Principal repayment of general long-term debt | 2,945,340 | |
| Issuance of governmental long-term debt | <u>(1,172,453)</u> | 1,772,887 |
| Governmental funds report contributions to defined benefit pension plans as expenditures. However, in the statement of activities, the amount contributed to defined benefit pension/OPEB plans reduces future net pension/OPEB liability. Also included in pension/OPEB expense in the statement of activities are amounts required to be amortized | | |
| Change in net pension liability and deferred inflows/outflows related to pensions | (8,718,252) | |
| Change in net OPEB liability and deferred inflows/outflows related to OPEB | <u>2,018,601</u> | (6,699,651) |
| Under the modified accrual basis of accounting used in the governmental funds, expenditure are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. These adjustments are as follows: | | |
| Change in accrued interest on long-term debt | - | |
| Change in compensated absences liability | <u>(668,990)</u> | (668,990) |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue/expense of internal service funds is reported within governmental activities. | | |
| | <u>(902,673)</u> | (902,673) |
| Change in net position of governmental activities | | <u>\$ (2,396,696)</u> |

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



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City of Titusville, Florida

Statement of Net Position Proprietary Funds September 30, 2023

| Business-Type Activities - Enterprise Funds | | | | | | |
|---|------------------------|-----------------------|-----------------------|---------------------|---------------------|---|
| | Major Funds | | | Non-Major Funds | | Governmental Activities Internal Service Funds |
| | Water/Sewer Utility | Solid Waste System | Stormwater Utility | Municipal Marina | Total | |
| Assets | | | | | | |
| Current assets: | | | | | | |
| Equity in pooled cash and investments | \$ 29,647,758 | \$ - | \$ 1 | \$ 641,609 | \$ 30,289,368 | \$ 5,810,150 |
| Cash | 79,729 | - | - | - | 79,729 | 100,000 |
| Receivables, net | 6,057,519 | 967,975 | 573,049 | 81,976 | 7,680,519 | 3,400 |
| Inventories | 1,176,603 | - | - | 44,969 | 1,221,572 | 99,858 |
| Restricted current assets: | | | | | | |
| Total current assets | 36,961,609 | 967,975 | 573,050 | 768,554 | 39,271,188 | 6,013,408 |
| Noncurrent assets: | | | | | | |
| Investment in TIFA, LLC | 4,209,898 | - | - | - | 4,209,898 | - |
| Capital assets: | | | | | | |
| Land and Land Rights | 3,504,646 | - | 987,500 | - | 4,492,146 | - |
| Easements | 90,692 | - | 9,069 | - | 99,761 | - |
| Buildings and Improvements | 3,987,624 | - | - | 216,754 | 4,204,378 | 104,206 |
| Improvements Other than Buildings | 23,496,325 | - | 19,517,977 | 4,831,526 | 47,845,828 | 214,742 |
| Furniture and Equipment | 12,020,477 | 9,928,899 | 2,785,537 | 217,030 | 24,951,943 | 3,809,381 |
| Utility Plant | 151,596,495 | - | 5,216,778 | - | 156,813,273 | - |
| Construction in Progress | 9,091,333 | - | 1,591,497 | 187,931 | 10,870,761 | - |
| Less Accumulated Depreciation | (118,746,337) | (7,025,768) | (8,114,267) | (3,034,655) | (136,921,027) | (3,262,048) |
| Total capital assets (net of accumulated depreciation) | 85,041,255 | 2,903,131 | 21,994,091 | 2,418,586 | 112,357,063 | 866,281 |
| Total noncurrent assets | 89,251,153 | 2,903,131 | 21,994,091 | 2,418,586 | 116,566,961 | 866,281 |
| Total assets | 126,212,762 | 3,871,106 | 22,567,141 | 3,187,140 | 155,838,149 | 6,879,689 |
| Deferred outflows of resources | | | | | | |
| Deferred Loss on Refunding | 141,631 | - | - | - | 141,631 | - |
| Deferred Pension Outflow | 930,042 | 289,765 | 136,558 | - | 1,356,365 | 202,022 |
| Deferred OPEB Outflow | 508,192 | 146,563 | 90,618 | 51,808 | 797,181 | 87,363 |
| Total deferred outflows of resources | \$ 1,579,865 | \$ 436,328 | \$ 227,176 | \$ 51,808 | \$ 2,295,177 | \$ 289,385 |

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

City of Titusville, Florida

Statement of Net Position (Continued)

Proprietary Funds

September 30, 2023

| Business-Type Activities - Enterprise Funds | | | | | | |
|--|------------------------|-----------------------|-----------------------|---------------------|-----------------------|---|
| | Major Funds | | | Non-Major Funds | | Governmental Activities Internal Service Funds |
| | Water/Sewer Utility | Solid Waste System | Stormwater Utility | Municipal Marina | Total | |
| Liabilities | | | | | | |
| Current liabilities: | | | | | | |
| Accounts Payable | 2,589,693 | 14,193 | 190,132 | 168,027 | 2,962,045 | 361,706 |
| Interest Payable from Restricted Assets | 78,108 | 2,049 | 6,710 | - | 86,867 | 73 |
| Accrued Payroll Liabilities | 155,342 | 39,312 | 18,072 | 17,500 | 230,226 | 30,414 |
| Contracts and Retainage Payable | 437,770 | - | 61,982 | - | 499,752 | 217 |
| Customer Deposits | 1,157,719 | 589,418 | - | 8,236 | 1,755,373 | - |
| Due to Other Funds | - | 151,026 | 172,850 | - | 323,876 | 35,558 |
| Self-Insured Claims Payable | - | - | - | - | - | 1,957,000 |
| Financed Purchases Payable | - | 433,583 | 180,025 | - | 613,608 | 40,438 |
| Compensated Absences | 114,553 | 35,849 | 53,027 | - | 203,429 | 29,354 |
| Current Revenue Bonds Payable/Restricted Assets | 4,232,988 | - | - | - | 4,232,988 | - |
| Total current liabilities | 8,766,173 | 1,265,430 | 682,798 | 193,763 | 10,908,164 | 2,454,760 |
| Noncurrent liabilities: | | | | | | |
| Noncurrent Compensated Absences | 627,529 | 104,906 | 10,989 | - | 743,424 | 136,258 |
| Net OPEB Liability | 8,199,572 | 2,364,780 | 1,462,088 | 835,901 | 12,862,341 | 1,409,581 |
| Long-Term Financed Purchases Payable | - | 586,416 | 225,125 | - | 811,541 | 61,418 |
| Long-Term Debt Payable | 10,463,899 | - | - | - | 10,463,899 | - |
| Net Pension Liability | 3,340,198 | 1,040,678 | 490,442 | - | 4,871,318 | 725,550 |
| Total noncurrent liabilities | 22,631,198 | 4,096,780 | 2,188,644 | 835,901 | 29,752,523 | 2,332,807 |
| Total liabilities | 31,397,371 | 5,362,210 | 2,871,442 | 1,029,664 | 40,660,687 | 4,787,567 |
| Deferred inflows of resources | | | | | | |
| Deferred Pension Inflow | 3,426 | 1,067 | 503 | - | 4,996 | 744 |
| Deferred OPEB Inflow | 3,065,888 | 884,211 | 546,687 | 312,550 | 4,809,336 | 527,054 |
| Total deferred inflows of resources | 3,069,314 | 885,278 | 547,190 | 312,550 | 4,814,332 | 527,798 |
| Net Position | | | | | | |
| Net Investment in Capital Assets | 70,048,229 | 1,883,132 | 21,526,959 | 2,418,586 | 95,876,906 | 764,425 |
| Restricted: | | | | | | |
| Water Conservation | 340,992 | - | - | - | 340,992 | - |
| Unrestricted | 22,936,721 | (3,823,186) | (2,151,274) | (521,852) | 16,440,409 | 1,089,284 |
| Total net position | \$ 93,325,942 | \$ (1,940,054) | \$ 19,375,685 | \$ 1,896,734 | \$ 112,658,307 | \$ 1,853,709 |

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

City of Titusville, Florida

Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds For the Fiscal Year Ended September 30, 2023

| | Business-Type Activities - Enterprise Funds | | | | | | |
|--|---|-----------------------|-----------------------|---------------------|----------------|----|---|
| | Major Funds | | | Non-Major Funds | | | |
| | Water/Sewer Utility | Solid Waste System | Stormwater Utility | Municipal Marina | Total | | Governmental Activities Internal Service Funds |
| Operating revenues: | | | | | | | |
| Charges for sales and services | \$ 26,216,413 | \$ 5,987,841 | \$ 2,697,801 | \$ 1,532,798 | \$ 36,434,853 | \$ | 16,181,001 |
| Claims settlements | - | - | - | - | - | | 181,381 |
| Total operating revenues | 26,216,413 | 5,987,841 | 2,697,801 | 1,532,798 | 36,434,853 | | 16,362,382 |
| Operating expenses: | | | | | | | |
| Salaries and employee benefits | 7,955,662 | 2,654,047 | 1,125,560 | 34,630 | 11,769,899 | | 1,723,389 |
| Supplies and materials | 2,078,606 | 182,131 | 104,896 | 618,602 | 2,984,235 | | 3,635,051 |
| Contract services | 353,175 | 78,226 | 218,450 | 556,066 | 1,205,917 | | 909,429 |
| Other services and charges | 7,363,084 | 3,889,582 | 1,006,761 | 230,060 | 12,489,487 | | 10,813,476 |
| Depreciation | 5,182,707 | 622,763 | 1,053,537 | 169,792 | 7,028,799 | | 334,334 |
| Total operating expenses | 22,933,234 | 7,426,749 | 3,509,204 | 1,609,150 | 35,478,337 | | 17,415,679 |
| Operating income (loss) | 3,283,179 | (1,438,908) | (811,403) | (76,352) | 956,516 | | (1,053,297) |
| Nonoperating revenues (expenses): | | | | | | | |
| Investment earnings | 1,229,350 | 234,212 | 295,945 | - | 1,759,507 | | 177,073 |
| Miscellaneous | 87,185 | 13,466 | 6,648 | 2,306 | 109,605 | | 163,454 |
| Intergovernmental revenue | 2,093,991 | - | - | 23,450 | 2,117,441 | | - |
| Interest expense | (144,526) | (12,179) | (12,029) | - | (168,734) | | (1,125) |
| Gain (loss) on disposal of assets | 72,298 | - | - | - | 72,298 | | - |
| Total nonoperating revenues (expenses) | 3,338,298 | 235,499 | 290,564 | 25,756 | 3,890,117 | | 339,402 |
| Income/(loss) before transfers and capital contributions | 6,621,477 | (1,203,409) | (520,839) | (50,596) | 4,846,633 | | (713,895) |
| Capital contributions | 2,819,057 | - | 2,545,190 | - | 5,364,247 | | - |
| Capital grants | - | - | 206,609 | - | 206,609 | | - |
| Transfers in | 1,085,478 | 423,489 | 1,128,181 | - | 2,637,148 | | - |
| Transfers out | (1,766,527) | (35,000) | (423,489) | - | (2,225,016) | | (188,778) |
| Change in net position | 8,759,485 | (814,920) | 2,935,652 | (50,596) | 10,829,621 | | (902,673) |
| Total net position - beginning | 84,566,457 | (1,125,134) | 16,440,033 | 1,947,330 | 101,828,686 | | 2,756,382 |
| Total net position - ending | \$ 93,325,942 | \$ (1,940,054) | \$ 19,375,685 | \$ 1,896,734 | \$ 112,658,307 | \$ | 1,853,709 |

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



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City of Titusville, Florida

Statement of Cash Flows Proprietary Funds For the Fiscal Year Ended September 30, 2023

| | Business-type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds |
|--|---|-----------------------|-----------------------|---------------------|---------------|--|
| | Major Funds | | | Non-Major Fund | | |
| | Water/ Sewer Utility | Solid Waste System | Stormwater Utility | Municipal Marina | Total | |
| Cash flows from operating activities: | | | | | | |
| Receipts-customers and users | \$ 26,356,495 | \$ 6,099,069 | \$ 2,496,460 | \$ 1,454,399 | \$ 36,406,423 | \$ 16,402,835 |
| Payments-suppliers | (7,132,749) | (2,193,884) | (918,180) | (35,678) | (10,280,491) | (1,427,542) |
| Payments-employees | (9,415,738) | (3,698,094) | (1,127,895) | (1,274,970) | (15,516,697) | (15,908,325) |
| Other receipts | 87,185 | 13,466 | 6,648 | 2,306 | 109,605 | 163,454 |
| Net cash provided/(used) by operating activities | 9,895,193 | 220,557 | 457,033 | 146,057 | 10,718,840 | (769,578) |
| Cash flows from noncapital financing activities: | | | | | | |
| Transfers from other funds | 1,085,478 | 423,489 | 1,128,181 | - | 2,637,148 | - |
| Transfers to other funds | (1,766,527) | (35,000) | (423,489) | - | (2,225,016) | (188,778) |
| Intergovernmental grant proceeds | 2,093,991 | - | - | 23,450 | 2,117,441 | - |
| Interfund loans | - | 151,026 | 172,850 | - | 323,876 | 35,558 |
| Net cash provided/(used) by noncapital financing activities | 1,412,942 | 539,515 | 877,542 | 23,450 | 2,853,449 | (153,220) |
| Cash flows from capital and related financing activities: | | | | | | |
| Impact fees | 2,819,057 | - | - | - | 2,819,057 | - |
| Acquisition and construction of capital assets | (12,053,885) | (1,465,231) | (1,660,930) | (218,695) | (15,398,741) | (275,663) |
| Capital grants | - | - | 206,609 | - | 206,609 | - |
| Proceeds from sale of capital assets | 72,298 | - | - | - | 72,298 | (66,200) |
| Interest payments on debt | (298,628) | (18,177) | (13,783) | - | (330,588) | (1,155) |
| Principal paid on debt | (3,194,437) | (1,110,777) | (221,340) | - | (4,526,554) | (40,438) |
| Proceeds from debt issued | 2,219,550 | 623,880 | - | - | 2,843,430 | - |
| Net cash provided/(used) by capital and related financing activities | (10,436,045) | (1,970,305) | (1,689,444) | (218,695) | (14,314,489) | (383,456) |
| Cash flows from investing activities: | | | | | | |
| Interest received | 415,112 | 17,033 | 185,106 | - | 617,251 | 152,012 |
| Purchase of investment securities | (555,672) | (223,150) | - | - | (778,822) | 963,581 |
| Sale of investment securities | - | - | (6,080,190) | - | (6,080,190) | - |
| Net cash provided/(used) by investing activities | (140,560) | (206,117) | (5,895,084) | - | (6,241,761) | 1,115,593 |
| Net change in Cash and cash equivalents | 731,530 | (1,416,350) | (6,249,953) | (49,188) | (6,983,961) | (190,661) |
| Cash and cash equivalents, beginning of year | 123,492 | - | - | 690,797 | 814,289 | 150,716 |
| Cash and cash equivalents, end of year | \$ 855,022 | \$(1,416,350) | \$(6,249,953) | \$ 641,609 | \$(6,169,672) | \$(39,945) |
| Cash and cash equivalents classified as: | | | | | | |
| Unrestricted | 29,647,758 | - | 1 | 641,609 | 30,289,368 | 5,810,150 |
| Restricted | 79,729 | - | - | - | 79,729 | 100,000 |
| Total cash and cash equivalents | \$ 29,727,487 | \$ - | \$ 1 | \$ 641,609 | \$ 30,369,097 | \$ 5,910,150 |

City of Titusville, Florida

Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended September 30, 2023

| | Business-type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds |
|---|---|-----------------------|-----------------------|-------------------|----------------------|--|
| | Major Funds | | Non-Major Fund | | Total | |
| | Water/ Sewer Utility | Solid Waste System | Stormwater Utility | Municipal Marina | | |
| Reconciliation of operating income (loss) to net cash provided/(used) by operating activities: | | | | | | |
| Operating income (loss) | \$ 3,283,179 | \$(1,438,908) | \$(811,403) | \$(76,352) | \$ 956,516 | \$(1,053,297) |
| Adjustments to reconcile operating income (loss) to net cash provided/(used) by operating activities: | | | | | | |
| Depreciation | 5,182,707 | 622,763 | 1,053,537 | 169,792 | 7,028,799 | 334,334 |
| Nonoperating revenues (expenses) | 87,185 | 13,466 | 6,648 | 2,306 | 109,605 | 163,454 |
| Changes in assets and liabilities: | | | | | | |
| Accounts receivables, net | (1,672,830) | 111,900 | 6,387 | (72,527) | (1,627,070) | 40,453 |
| Due from other governments | 1,833,282 | - | (207,728) | 2,796 | 1,628,350 | - |
| Inventories | (338,895) | - | - | (1,261) | (340,156) | 4,848 |
| Prepaid items | - | 458,880 | - | - | 458,880 | - |
| Accounts payable and accrued liabilities | 718,022 | (7,035) | 202,212 | 131,019 | 1,044,218 | (32,748) |
| Customer deposits | (20,370) | (672) | - | (8,668) | (29,710) | - |
| Compensated absences | 126,556 | 26,597 | 5,918 | - | 159,071 | 42,205 |
| Claims payable | - | - | - | - | - | (522,469) |
| Net OPEB liability | (726,864) | (25,959) | (16,300) | (1,048) | (770,171) | (54,723) |
| Net pension liability | 1,423,221 | 459,525 | 217,762 | - | 2,100,508 | 308,365 |
| Total adjustments | 6,612,014 | 1,659,465 | 1,268,436 | 222,409 | 9,762,324 | 283,719 |
| Net cash provided/(used) by operating activities | \$ 9,895,193 | \$ 220,557 | \$ 457,033 | \$ 146,057 | \$ 10,718,840 | \$(769,578) |
| Noncash investing, capital and financing activities: | | | | | | |
| Transfer of assets to joint venture, net of proceeds | 110,296 | - | - | - | 110,296 | - |
| Change in fair value of investments | \$ 10,005,489 | \$ 220,557 | \$ 457,033 | \$ 146,057 | \$ 10,829,136 | \$(769,578) |

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

City of Titusville, Florida

**Statement of Net Position
Fiduciary Funds
September 30, 2023**

| | Pension (and Other Employee Benefit) | |
|---|---|------------------------|
| | Trust Funds | Custodial Funds |
| Assets | | |
| Cash and cash equivalents | \$ 2,432,045 | \$ 326,173 |
| Investments, at fair value: | | |
| Cash with fiscal agent | 46,797 | |
| Money Market | 6,284,337 | |
| Federal agency bonds/notes | 3,809,738 | |
| U.S. Treasury bonds/notes | 8,368,799 | |
| Municipal bonds/notes | 1,182,070 | |
| Corporate bonds | 4,858,946 | |
| Corporate stocks | 65,475,370 | |
| Mutual fund bonds | 6,433,338 | |
| Mutual fund equity | 21,637,515 | |
| Real estate | 14,459,023 | |
| Accounts receivable | 253,374 | |
| Total assets | 135,241,352 | 326,173 |
| Liabilities | | |
| Accounts payable | 171,865 | - |
| Total Liabilities | 171,865 | - |
| Net Position | | |
| Restricted for pensions | 131,360,481 | - |
| Restricted for other post employment benefits | <u>3,709,006</u> | - |
| Restricted for Custodial Funds | | 326,173 |
| Total Net Position | \$ 135,069,487 | \$ 326,173 |

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

City of Titusville, Florida

**Statement of Changes in Net Position
Fiduciary Funds
For the Fiscal Year Ended September 30, 2023**

| | Pension (and Other Employee Benefit) | |
|---|---|-----------------|
| | Trust Funds | Custodial Funds |
| Additions | | |
| Contributions: | \$ - | \$ - |
| Employer | 3,779,858 | - |
| Employee | 1,497,102 | - |
| State of Florida | 1,001,568 | - |
| Other additions | - | - |
| Total contributions | 6,278,528 | - |
| Investment earnings: | | - |
| Net change in fair value of investments | 10,609,941 | - |
| Total investment earnings | 10,609,941 | - |
| Interest & dividends | 3,199,964 | - |
| Less investment expense | (489,006) | - |
| Net investment earnings | 13,320,899 | - |
| Total additions | 19,599,427 | - |
| Deductions | | - |
| Pension and other employee benefits | 11,294,591 | - |
| Administrative expenses | 287,435 | - |
| Other deductions | | 38,666 |
| Total deductions | 11,582,026 | 38,666 |
| Change in net position | 8,017,401 | (38,666) |
| Net position - beginning | 127,052,086 | 364,839 |
| Net Position - ending | \$ 135,069,487 | \$ 326,173 |

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

Notes to the Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements present the financial position, results of operations, and cash flows of the applicable fund types governed by the City Council of the City of Titusville, Florida ("City") and are prepared in conformity with Generally Accepted Accounting Principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below:

A. Financial Reporting Entity

The City of Titusville was founded in 1867 and incorporated on July 13, 1887 as a political subdivision of the State of Florida and a municipal corporation with a five-member Council, including a Mayor and Vice-Mayor. The registered voters of the City of Titusville elect the Mayor and the City Council. The entire Council selects the Vice-Mayor. The Council appoints the City Manager, who in turn performs as the administrator of the everyday operations of the City. The City provides a full range of municipal services as directed by the City Charter including general government, public safety, public improvements, planning and zoning, water and sewer service, refuse collection, a recycling program, a stormwater utility program, and related general and administrative services to 49,423 residents.

The accompanying basic financial statements present the City of Titusville and its component unit, entities for which the City of Titusville is considered financially accountable in accordance with GASB Statement No. 61, *The Financial Reporting Entity*, as amended. Blended component units are, in substance, a part of the City's operations although they are legally separate entities. The blended component unit is reported as part of the major governmental funds.

Blended Component Unit. The Downtown Community Redevelopment Agency ("CRA") was created by Resolution 25-1982 pursuant to Florida Statutes Chapter 163.357. Membership consists of all five members of the Titusville City Council and two citizen members. The CRA has two units of revenue which are Ad Valorem Taxes paid by Brevard County, Florida and the Ad Valorem Taxes paid by the City of Titusville. The uses for these two sources of funding are the restoration/redevelopment and elimination/prevention of slum and blighted areas and may include clearance, rehabilitation, and /or conservation in the redevelopment area in accordance with their respective community redevelopment plans as authorized by the CRA Board. The former plan was created in 1985 and CRA is reported as a major fund of the City.

The Downtown Community Redevelopment Agency ("CRA") issues a separate annual financial statement. Questions concerning any of the information provided on the CRA's annual reports or request for additional financial information should be addressed to the Finance Director, City of Titusville, FL, P.O. Box 2806, Titusville, Florida 32781-2806.

Equity Interest in Joint Venture. On May 24, 2010, the City entered into a joint venture with Farmton Water Resources LLC (Farmton) for establishing a cooperative arrangement for the construction, installation and operation of a well field for the supply of water to the benefit of existing and future customers. The partnership created a limited liability company TIFA LLC (TIFA) for that purpose. The City and Farmton are required to contribute 50% each to the cost of constructing and maintaining the well field. A management committee manages the business operations and the affairs of TIFA. The management committee designated by the City and by Farmton, respectively, is made up of two members. Distribution of the amount equal to all cash receipts less all cash expenditures will be made, no less frequently than annually, based on membership interest at the time.

Notes to the Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

On dissolution, the members' capital of TIFA will be distributed based on the membership interest at the time. At September 30, 2023, the City's membership interest was 50%. The City's investment in TIFA as of December 31, 2022, TIFA's latest financial statements during the City's fiscal year, is reported as a business-type activity noncurrent asset in the statement of net position. TIFA's activities for the year ended December 31, 2022 are separately presented on the financial statements for TIFA and can be obtained at the City of Titusville, Mourning Dove Water Treatment Plant, 2386 Garden Street, Titusville, Florida 32796.

The Titusville City Council makes appointments to the membership of the following agencies and, in some cases, approves funding assistance on an annual basis. However, since these organizations are governed by a separate autonomous body and do not meet the criteria for inclusion as a component unit, the agencies listed below have been excluded as a part of the reporting entity.

Titusville Housing Authority consists of nine members appointed by the City's Mayor with approval required by City Council but otherwise has no substantive relationship with the City. The Housing Authority has the power to purchase property, lease property, construct or rehabilitate property, hire employees and, in general, transact their official affairs much like the City Council. The Authority has the responsibility to initiate housing programs that will lead to a safe, sanitary, and healthy dwelling unit for low-income families at rents that such persons can afford. The Housing Authority is partially funded by Brevard County and the Federal government and is responsible for preparing its own annual financial statements.

North Brevard Parks and Recreation Commission consists of nine members, four of which are appointed by the Titusville City Council, four appointed by the Brevard County Board of County Commissioners ("County"), and one appointed by the Brevard County Board of Public Instruction. The objective of this commission is to provide, administer, and maintain joint parks and recreational and cultural facilities for use by and benefit of the Brevard County Commission District I and participating municipalities. Although the City Council may approve funding assistance by means of a funding agreement and though the services are provided within the City's geographical area, the County is responsible for budget adoption, fiscal management, financial reporting, etc.

North Brevard Hospital District Board consists of nine members; three of which are appointed by the Titusville City Council, three appointed by the Brevard County Board of County Commissioners ("County"), and the remaining three are also appointed by the County but are subject to confirmation by the City. The hospital district is charged with the responsibility of establishing, constructing, equipping, operating, maintaining, repairing, and/or leasing a hospital(s). This board operates as an independent special district created by the Florida Legislature and is responsible for its own financial activities and ensuring that an annual independent audit be conducted.

North Brevard Library District Board consists of seven members; the Titusville City Council appoints five and the County appoints two. The Library board has no substantive relationship with the City; it is charged with the responsibility of operating the City and County libraries within the North Brevard District. This board operates as a dependent district of the County. The County funds the operations of this board; controls surplus funds, and is responsible for funding deficits and financial reporting.

Notes to the Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

North Brevard Economic Development Zone Board consists of nine members; the City of Titusville appoints three, the District 1 County Commissioner ("County") appoints three, and the Board of County Commissioners ("County") appoint three with the approval of the Titusville City Council. This board provides economic development assistance which are valuable tools available to the County, the City and their respective Economic Development agencies for attracting business to all parts of North Brevard County. All economic development activities, operations, services, acquisitions and functions performed by the Board are funded from the Tax Increment established, levied and collected in accordance with the Tax Increment Ordinance or other revenues or funds available to the Board.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. For the most part the effect of inter-fund 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 services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect expenses are included in the program expense reported for individual functions and segments. 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 as general revenues.

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

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

The government-wide, proprietary fund and trust fund financial statements use a flow of economic resources measurement focus to determine net income and financial position. Custodial funds use the economic resources measurement focus and assets and liabilities are measured on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year 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.

Notes to the Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

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

Property taxes are levied for governmental revenue when eligibility requirements are met. Franchise taxes, certain other tax revenues, licenses, charges for services, and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when the City receives cash.

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 for those required to be accounted for in another fund.
- The *Downtown Community Redevelopment Agency Fund, a special revenue fund*, is used to account for revenues provided by an incremental increase in Ad Valorem taxes levied each year and donations from private sources, which are restricted to the redevelopment of designated areas within the City's downtown area.
- *American Rescue Plan Act of 2021, a special revenue fund*, is a stimulus bill passed by the US Congress. The bill was a response to the COVID-19 Pandemic by addressing both the health and economic impacts of the pandemic. In states and local governments it help address losses in revenue during the pandemic. Much of the funding is now available to be spent on key projects in cities and towns across America.

The City reports the following major proprietary funds:

- The *Water and Sewer Utility Fund* is used to account for the activities of the City's water and wastewater systems, which are financed similar to private business enterprises, where the costs, including depreciation, of providing services to the general public on an ongoing basis are financed through user charges.
- The *Solid Waste System Fund* accounts for the activities of the City's refuse collection and recycling services.
- The *Stormwater Utility Fund* accounts for the activities of the City's stormwater management, conservation, protection, control, use and enhancement of stormwater.

Notes to the Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

Additionally, the City reports the following fund types as non-major and fiduciary funds:

- *Special Revenue Funds* account for specific revenue resources that are restricted by law or administrative action for specific purposes.
- *Debt Service Funds* account for the accumulation of resources for and the payment of principal and interest on certain long-term debt.
- *Capital Projects Funds* account for financial resources segregated for the acquisition or construction of capital facilities.
- *Municipal Marina Fund* accounts for the provision of a special recreation facility to the residents of the City and County.
- *Internal Service Funds* account for fleet management services, management information systems, and employees' group and self-insured loss activities (workers compensation and liability).
- *Fiduciary Trust Funds* account for the activities of the Police Officers' and Firefighters' Pension Trust, the General Employees' Pension Trust and the Other Post-Employment Benefits (OPEB) Trust, which accumulate resources for retirement and other post-employment benefit payments to qualified employees.
- *Custodial Funds* account for the collection and payments of Performance Bonds held by the City in escrow.

As a rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where amounts are reasonably equivalent in value to the inter-fund services provided and other charges between the government's enterprise funds 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 privilege provided,
2. Operating grants and contributions, and
3. Capital grants and contributions.

Internal, dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Notes to the Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Utility Fund, the Solid Waste System Fund, the Stormwater Utility Fund and the Municipal Marina Fund and of the City's Internal Service Funds are charges to customers for sales and services. The Water and Sewer Utility Fund also recognize as operating revenue the portion of tap connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for the Enterprise Fund and Internal Service Fund 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 non-operating revenues and expenses.

The preparation of the basic financial statements in conformity with the accounting principles generally accepted in the United States requires management to make use of estimates that affect reported amounts in the basic financial statements. Actual results could differ from estimates.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources before unrestricted resources.

D. Tax Abatements

Effective December 15, 2015, the City adopted the provisions of GASB Statement No. 77, *Tax Abatement Disclosures*. The City enters into property tax abatement agreements with local business under Florida Statue Chapter 196.1995 (Economic Development AD Valorem Tax Exemption Regulation of Titusville, Florida, Ordinance No. 3-1995). Under the Ordinance, localities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining business within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City.

For the fiscal year ending September 30, 2023, the City abated property taxes totaling \$34,119. Under this program, including the following tax abatement agreements that each exceeded the 10% of the total amount abated:

- 100% property tax abatement to an industrial business for increasing its size and employment = \$18,572.
- 60% property tax abatement to an industry business for increasing its size and employment=\$15,547

Notes to the Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

E. Assets, Liabilities, and Net Position

1. *Deposits and Investments*

The City's cash consists of cash on hand, demand deposits, and equity in pooled cash. The equity in pooled cash represents a fund's share of a cash pool maintained by the City for the use of all funds except the trust funds and funds that require separate bank accounts.

Florida Statutes and/or the respective investment policies authorize, limit and restrict the City's investments and the investments of the City's pension funds (General Employees' and the Police Officers' and Firefighters'). Investments are stated at fair value (based on quoted market price).

2. *Receivables and Payables*

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds". The current portion of the advances to/from other funds represents the amount of the receivable/payable that is due within one year, and the remaining outstanding balance is the non-current portion of these interfund loans. Accounts receivable balances are shown net of the allowance for uncollectibles. The allowances are determined based on management estimates of uncollectible amounts considering the customers' ability to pay and historical experience.

3. *Inventories*

Inventories are valued at the lower of cost or market, using the first-in/first-out ("FIFO") method or the weighted-average method. Inventories of supplies are reported at cost, whereas inventories held for resale are reported at lower of cost or market. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Payments made to vendors for services that will provide benefit beyond the current fiscal year are recorded as prepaid items.

4. *Donations*

Many assets are measured based on measurement attributes other than fair value. Donated capital assets, works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value, not fair value. Entry price measurement is more appropriate than an exit price because (a) the transaction represents the government acquiring the asset and (b) it would result in a similar measurement as if the government had purchased the asset.

5. *Restricted Assets*

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets in the government-wide financial statements and the enterprise fund statements because their use is limited by applicable legal indentures imposed by bond covenants. The restricted assets are used to report resources set aside to provide a reserve for debt service and for the acquisition of capital assets.

Notes to the Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

6. Capital Assets

In the government-wide and proprietary fund financial statements, property, infrastructure, plant and equipment purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value as of the date received. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of greater than one year. General infrastructure assets (such as roads, bridges, and similar items) are reported at actual cost or are reported at estimated historical cost using deflated replacement costs. The cost of normal maintenance and repairs to these assets that do not add materially to the value of the asset or materially extend the assets' useful lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Buildings and improvements, improvements other than buildings, and furniture and equipment (including assets depreciated under lease purchase contracts) are depreciated using the straight-line method over the following estimated useful lives:

| | Years |
|-----------------------------------|---------|
| Infrastructure | 10 - 40 |
| Buildings and improvements | 20 - 25 |
| Improvements other than buildings | 20 - 50 |
| Furniture and equipment | 4 - 15 |
| Utility plant | 20 - 50 |

In the governmental fund financial statements, capital assets acquired are accounted for as capital outlay expenditures and are not capitalized or depreciated.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows/inflows 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 expense or expenditure until then. The City currently has a deferred loss on refunding and a deferred net difference between projected and actual earnings on pension plan investments that meet this criterion.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial element, Deferred Inflows of Resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as revenue until then.

The deferred outflows/inflows related to pensions and OPEB are calculated in accordance with GASB Statement No. 68 and GASB Statement No. 75. The deferred outflows/inflows related to pension and OPEB will be recognized as a component of pension/OPEB expense in future reporting years. Details on the composition of deferred outflows/inflows related to pensions and OPEB are reported in subsequent notes.

Notes to the Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

8. *Compensated Absences*

The City records the vested portion of accumulated unused compensated absences at year-end based on each employee's earned, unused vacation and sick hours and current rate of pay, including the City's share of Social Security and Medicare taxes. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements as accrued liabilities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences in the enterprise fund types is liquidated in the enterprise fund in which the liability originally incurred. The estimated obligation recorded in the government-wide statements, for governmental activities, is to be funded from future financial resources from the general fund.

9. *Long-Term Obligations*

In the government-wide financial statements and the proprietary fund types fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which is not materially different than the interest method. Bonds payable are reported net of the applicable bond premium or discount.

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 the debt issued is reported as other financing sources. Payments on debt are recorded as expenditures. 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.

10. *Fund Equity and Net Position*

Fund Balance Stabilization Policy: The City's policy is to maintain a General Fund Stabilization Fund Balance to provide for severe economic downturns where more than 20% of revenues supporting critical basic operations are projected to decline for more than two years or permanently or when there are unreimbursed expenditures for major natural disasters affecting the safety of citizens (hurricanes, wildfires, tornadoes). The City Council has adopted a resolution establishing a minimum committed fund balance reserve of \$5,870,646 for the Stabilization Fund, which is equal to 60 days of annually budgeted operating expenditures.

Notes to the Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

In the Government-wide and Proprietary Fund Financial Statements, net positions are classified in the following categories:

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

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

Unrestricted Net Position – This category represents the net position of the City which is not restricted for any project or other purpose.

In the Fund Financial Statements, fund balances of governmental funds are classified in five separate categories. The five categories, and their general meanings, are as follows:

Nonspendable Fund Balance - includes that portion of fund equity that is not in a spendable form (such as inventories) or is required to be maintained intact (such as principal of an endowment fund).

Restricted Fund Balance - includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example grant providers), constitutionally, or through legislation (that is, legislation that creates a new revenue source and restricts its use). Restrictions may be changed or lifted only with the consent of the resource providers.

Committed Fund Balance - includes amounts that can be used only for the specific purposes determined by a formal action of the highest level of decision-making authority, which is generally adoption of a City ordinance but may also be through adoption of a City resolution in certain cases. The formal action needed to commit fund balance amounts could be a resolution or ordinance. The adoption of the resolution or ordinance occurs during formal City Council meetings, with the Council determining whichever is the highest authority required for the subject matter. The resolution or ordinance remains in effect until the City Council changes or revokes them. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned Fund Balance - comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. Assignments may be made only by City Council or, as provided by Resolution 29-2011, the Finance Director.

Notes to the Financial Statements
September 30, 2023

Note 1. Summary of Significant Accounting Policies (continued)

Unassigned Fund Balance - is the residual classification for the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund. The City considers unassigned amounts as spent when an expense is incurred.

Spending order of fund balance per Resolution 29-2011: The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use restricted fund balance, followed by committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

10. *Implementation of New Accounting Pronouncements*

The city implemented *GASB Statement No. 96, Subscription-Based Information Technology Arrangements*, in the current year and noted no agreements that met the criteria for recognition.

Notes to the Financial Statements
September 30, 2023

Note 2. Reconciliation of Government-wide and Fund Financial Statements

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position:

The Governmental Fund Balance Sheet includes a reconciliation between *fund balance - total governmental funds and net position - governmental activities* as reported in the Government-wide Statement of Net Position.

Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities:

The Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance includes a reconciliation between *net changes in fund balance - total governmental funds and changes in net position of governmental activities* as reported in the Government-wide Statement of Activities.

Notes to the Financial Statements
September 30, 2023

Note 3. Stewardship, Compliance and Accountability

A. Budgetary Information

The annual operating budgets are adopted by City Council using the following procedures:

- Annual budgets are adopted for all funds of the City except for the Pensions and OPEB Trust funds. These three funds are effectively monitored by governing agreements and by related City Ordinances. The annual operating budgets are prepared on a basis consistent with generally accepted accounting principles. Annual budget appropriations lapse at the end of each fiscal year, except for unexpended appropriations on open grant programs and capital projects, which are reappropriated in subsequent annual budgets.
- Encumbrance accounting is employed in governmental funds. Encumbrances represent open purchase orders and other commitments for goods/services that are not yet received and are recorded to reserve that portion of the applicable appropriation. Encumbrances are recognized as expenditures in the period in which the actual goods/services are received and a liability is incurred. Encumbrances outstanding at year-end are canceled and re-appropriated in the succeeding year's budget; such amounts, if material, are disclosed in the notes as commitments.
- Prior to the first day of August of each year, the City Manager prepares a recommended budget for the next succeeding fiscal year and submits it to the City Council. The recommended budget includes proposed expenditures and the source of receipts to finance them.
- City Council holds a series of special budget workshops in addition to a minimum of two public hearings on the proposed budget and adopts the official annual budget of the City, by ordinance, prior to September 30.
- The budget, as adopted, may only be amended through formal approval by City Council. Budgetary integration is established in the accounting records for control purposes at the object of expenditure level; however, the City Charter establishes the level at which expenditures may not legally exceed the budget at the major department level. Therefore, the City Manager may transfer budgeted amounts within a department of the City without formal approval by City Council.

B. Ad Valorem Property Taxes

Under Florida law, the assessment of all properties and the collections of all county, municipal, and school board property taxes are consolidated in the offices of the County Property Appraiser and the County Tax Collector. Florida Statutes regulating tax assessment are also designed to assure a consistent property valuation method statewide. State Statutes permit cities to levy property taxes at a rate of up to ten (10) mills. The millage rate in effect for the fiscal year ended September 30, 2023, was 6.9812 and the Series 2015 General Obligation Bond voted debt millage was 0.2542 for a total millage of 7.2354.

The tax levy of the City is established by the City Council prior to October 1 of each year and the Brevard County Property Appraiser incorporates the millage into the total tax levy, which includes the municipalities, independent districts and the County School Board tax requirements.

Notes to the Financial Statements
September 30, 2023

Note 3. Stewardship, Compliance and Accountability (continued)

Property taxes are levied in November and attached as a lien on property as of January 1 of each year. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% for payments received in the month of November, 3% for payments received in the month of December, 2% for payments received in the month of January and 1% for payments received in the month of February. The taxes paid in March are not subject to discount. Tax certificates on all property for which taxes are delinquent are sold on or about June 1 of each year.

C. Connection Fees and Impact Fees

Water and sewer connection fees represent reimbursement of the costs incurred to perform the connection of the respective utilities. These fees are recorded as operating revenue at the time of service. Impact fees, which are not considered connection fees since they substantially exceed the cost of connection, are recorded as non-operating revenue in the period earned in the appropriate enterprise fund.

D. Administrative Service Charges

Administrative services are provided by various departments within the general fund to other funds of the City. Charges for these services are based on a formal independent third-party cost allocation plan review that is based on work unit factors relative to the funds involved. The administrative service charges are recorded as revenues in the general fund and as operating expenses in the fund being charged.

E. Transportation Impact Fees

The City entered into an interlocal agreement with Brevard County, Florida to ensure that the transportation impact fees necessary for adequate provision of roadways are imposed upon and collected from new development in an equitable and fair manner, and are appropriated and expended in accordance with the applicable laws. All transportation impact fees collected by the County within the City are deposited by the County in a trust fund and may be used for eligible improvements within the City's corporate limits at the County's discretion. There were no appropriations of transportation impact fees this fiscal year by the County due to an approved moratorium on these fees in an effort to promote economic development.

Notes to the Financial Statements
September 30, 2023

Note 4. Detailed Notes on all Funds

A. Deposits

At September 30, 2023, the carrying amount of the City's bank deposits and petty cash for governmental and business-type activities was \$10,643,261 and the trust funds' carrying amount of bank deposits was \$34,859. The bank balance at September 30, 2023 was \$ 11,435,747, all of which is held by a bank that qualifies as a public depository, as required by Chapter 280 of the Florida Statutes. All of the deposits were covered by the FDIC or collateralized in accordance with the "Florida Security for Public Deposits Act". Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral having a market value equal to 50% of the average daily balance for each month that all public deposits are in excess of any applicable deposit insurance. If the public deposits exceed the total amount of the regulatory capital accounts of a bank or the regulatory net worth of a saving association, the required collateral shall have a market value equal to 125% of the deposits. Of the bank balance, no amount was uninsured and uncollateralized in banks not qualifying under the Act at September 30, 2023.

B. Investments

Government-wide

On January 24, 2023, the City Council approved Resolution 3-2023, updating the City's investment policy. Pursuant to Section 218.415, Florida Statutes, the City's investment policy establishes permitted investments, asset allocation limits and issuer limits, credit rating requirements and maturity limits to protect the City's cash and investment assets. The City maintains a cash and investment pool for the use of all funds except the pension & OPEB trust funds and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds.

The City's investment policy allows for the following investments: United States Treasury, Government National Mortgage Association (GNMA), Other United States Government Guaranteed (AID, GTC), Federal Agency and Government-Sponsored Enterprise, Supranationals where U.S. is a shareholder and voting member, Corporates, Municipals, Agency Mortgage-Backed Securities (MBS), Asset-Backed Securities (ABS), Non-Negotiable Collateralized Bank Deposits or Savings Accounts, Commercial Paper (CP), Repurchase Agreements (Repo or RP), Money Market Funds (MMFs), Intergovernmental Pools (LGIPs), and Florida Local Government Surplus Funds Trust Funds ("Florida Prime").

Interest Rate Risk

The City's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements and investments of current operating funds that will have maturities of no longer than twenty-four (24) months. Investments of bond reserves, construction funds, and other non-operating funds shall have a term appropriate to the need for funds and in accordance with debt covenants, but should not exceed five and one-half (5.5) years. Also, the maximum effective duration of the overall portfolios shall not exceed three (3) years.

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

As of September 30, 2023, the City's governmental and business-type activities had the following investments and effective duration presented in terms of years:

| Government-wide Investment Type | Investment Maturities (in Years) | | |
|--------------------------------------|----------------------------------|---------------------|----------------------|
| | Fair Value | Less Than 1 | 1-5 |
| Investments Subject to Rate Risk: | | | |
| Money Market Mutual Funds | \$ 1,008,261 | \$ 1,008,261 | - |
| Federal Agency Bonds/Notes | 5,702,484 | 283,142 | 5,419,342 |
| Supra-National Agency Bond Note | 504,290 | 504,290 | - |
| Asset-Backed Security/Collateralized | 9,756,479 | - | 9,756,479 |
| Municipal Bonds/Notes | 594,342 | 416,933 | 177,409 |
| U.S. Treasury Bonds/Notes | 22,823,492 | 3,060,303 | 19,763,189 |
| Corporate Debt | 12,039,567 | 2,829,323 | 9,210,244 |
| Total Investments | <u>\$ 52,428,915</u> | <u>\$ 8,102,252</u> | <u>\$ 44,326,663</u> |

Money market mutual funds are valued at amortized cost. All other investments are valued by fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Above investments measured at fair value are based on Level 2 inputs.

The City has the following recurring fair value measurements as of September 30, 2023:

- U.S. Treasury Bonds of \$ 22.8 million are valued using a matrix pricing model (Level 2 inputs)
- Corporate Debt of \$ 12.0 million are valued using a matrix pricing model (Level 2 inputs).
- Federal Agency Bond of \$ 5.7 million are valued using a matrix pricing model (Level 2 inputs)
- Municipal Bonds of \$ 0.6 million are valued using a matrix pricing model (Level 2 inputs)

Credit Risk

The City's investment policy permits investments, which are limited to credit quality ratings from nationally recognized rating agencies as follows:

Commercial Paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper). Corporate Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a minimum long term debt rating, at the time of purchase, of "Aa" by Moody's and "AA" by Standard & Poor's. Bankers' Acceptances issued by a domestic bank which, at the time of purchase, has an unsecured, uninsured and unguaranteed obligation rating of at least "Prime-1" by Moody's or "A-1" Standard & Poor's and is ranked in the top fifty (50) United States banks in terms of total assets by the American Banker's yearly report. State and/or local Government Taxable and/or Tax-Exempt Debt, general obligation and/or revenue bonds, rated at least "Aa" by Moody's and "AA" by Standard &

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

Poor's for long-term debt, or rated at least "MIG-2" by Moody's and "SP-2" by Standard & Poor's for short-term debt. Money market funds shall be rated "AAAm" by Standard & Poor's or the equivalent by another rating agency.

Intergovernmental Investment Pools shall be rated "AAA" by Standard & Poor's or the equivalent by another rating agency.

As of September 30, 2023, the City had the following credit exposure as a percentage of total investments:

| Security Type | Credit Rating | % of Portfolio Subject to Credit Risk |
|---------------------------------------|---------------|---|
| U.S. Treasury Bonds/Notes | Aaa | 44.40% |
| Federal Instrumentalities Bonds/Notes | Aaa | 11.10% |
| Supra-National Bond Note | Aaa | 1.00% |
| Municipal Bonds/Notes | Aa | 0.20% |
| Municipal Bonds/Notes | A | 0.20% |
| Municipal Bonds/Notes | NR | 0.70% |
| Corporate Debt | A | 18.50% |
| Corporate Debt | Aa | 4.90% |
| Asset-Backed Security | Aaa | 15.30% |
| Asset-Backed Security | NR | 3.70% |
| Total | | <u>100.00%</u> |

Custodial Credit Risk

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

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

Notes to the Financial Statements
September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

Concentration of Credit Risk

The City's investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the City's investment portfolio. At September 30, 2023, the City had no asset allocations or issuers in excess of these limits. The City had no investments in any one issuer that exceeded five percent or more of the total investments held by the City, other than those exempted under GASB Statement No. 40.

A maximum of 100% of available funds may be invested in United States Treasuries, 100% of available funds may be invested in Government National Mortgage Association with a 40% limit on individual issuers, 100% of available funds may be invested in United States Government Guaranteed investments with a 10% limit on individual issuers, 75% of available funds may be invested in United States Government Agencies (FNMA, FHLMC, FHLB, FFCB) with a 40% limit on individual issuers, 75% of available funds may be invested in United States Government Agencies other than those previously listed with a 10% limit on individual issuers, 25% of available funds may be directly invested in Supranationals with a 10% limit on individual issuers, 50% of available funds may be invested in Corporate Obligations with a 5% limit on individual issuers, 25% of available funds may be invested in State and/or Local Government Taxable and/or Tax-Exempt Debt with a limit of 5% on individual issuers, 25% of available funds may be invested in Agency Mortgage-Backed Securities with a 40% limit on individual issuers, 25% of available funds may be invested in Asset-Back Securities with a 5% limit on individual issuers, 50% of available funds may be invested in Non-Negotiable Collateralized Bank Deposits or Saving Accounts, 50% of available funds may be directly invested in Commercial Paper with a 5% limit on individual issuers, 25% of available funds may be invested in Repurchase Agreements with a 10% limit on individual issuers, 50% of available funds may be invested in Registered Investment Companies (Money Market Mutual Funds) with a 25% limit of individual issuers, 50% of available funds may be invested in Intergovernmental Investment Pools with a 25% limit on individual issuers, and 25% of available funds may be invested in Florida Local Government Surplus Funds Trust Funds.

Fiduciary Funds

Investments of the General Employees' and the Police Officers' & Firefighters' Pension Trust Funds (Pension Trust Funds) are limited by Florida Statutes, Chapters 112, 175 & 185 and by investment policies adopted by the Trusts' Board of Trustees. The allowable investment instruments include time deposits, savings and money market deposit accounts of a national bank, a state bank insured by the Bank Insurance Fund, a state or federal chartered credit union whose share accounts are insured by the National Credit Union Share Insurance Fund; obligations issued by the United States Government or obligations guaranteed as to principal and interest by the United States Government or by an agency of the United States Government; stocks, commingled funds, mutual funds and bonds or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or the District of Columbia; bonds issued by the State of Israel; foreign stocks traded on the official exchange as recognized by the government where the exchange is located or on any of the major equivalent electronic exchanges; real estate investments made through participation in diversified commingled funds of real properties; commercial paper; and bankers acceptances.

Notes to the Financial Statements
September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

The Other Post-Employment Benefits (OPEB) Trust's assets are invested in a manner consistent with the standards set forth in Chapters 112 & 518 of the Florida Statutes, City of Titusville Ordinances and/or the Trust's Investment Policy. The authorized investments include commingled and mutual funds that comply with the Investment Company Act of 1940's diversification requirement, cash equivalents, common stock, preferred stock, publicly traded Real Estate Investment Trusts and U.S. Treasury, Federal Agencies and U.S. Government guaranteed obligations, investment grade municipal or corporate issues including convertibles.

Interest Rate Risk

The Pension Trust Funds and the OPEB Trust Fund do not have formal investment policies that limit investment maturities as a means of managing exposure to fair market value losses arising from increased interest rates. Information about the sensitivity of the fair values of pension investments to market interest rate fluctuations is shown below. As of September 30, 2023, the Pension Trust Funds and the OPEB Trust Fund had the following investments and effective duration (based upon the fiscal year-end date) presented in terms of years:

| Fiduciary Funds Investment Type | Investment Maturities (in Years) | | | | |
|--------------------------------------|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Carrying Value | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| Investments Subject to Rate Risk: | | | | | |
| Cash with Fiscal Agent | \$ 2,443,983 | \$ 2,443,983 | \$ - | \$ - | - |
| Money Market Mutual Funds | 6,284,337 | 6,284,337 | - | - | - |
| Federal Agency Bonds/Notes | 3,809,737 | 492 | 59,595 | 42,125 | 3,707,525 |
| U.S. Treasury Bonds/Notes | 8,368,799 | - | 4,727,764 | 3,641,036 | - |
| Municipal Bonds/Notes | 1,182,070 | 333,011 | 493,549 | 355,511 | - |
| Corporate Debt | 4,858,946 | (1) | 2,831,063 | 2,027,883 | - |
| | <u>\$ 26,947,873</u> | <u>\$ 9,061,822</u> | <u>\$ 8,111,971</u> | <u>\$ 6,066,555</u> | <u>\$ 3,707,525</u> |
| Other Investments: | | | | | |
| Corporate Stock | 65,479,966 | | | | |
| Mutual Funds - Bonds | 6,433,337 | | | | |
| Mutual Funds - Equity | 21,637,514 | | | | |
| Real Estate Funds | 14,459,023 | | | | |
| Total Investments | <u>\$ 134,957,713</u> | | | | |

The carrying value of cash with fiscal agent and money market mutual funds is based on amortized cost. The City has the following recurring fair value measurements as of September 30, 2023:

- U.S. Treasury Bonds of \$8.3 million are valued using a matrix pricing model (Level 2 inputs)
- Corporate Debt of \$4.8 million are valued using a matrix pricing model (Level 2 inputs).
- Federal Agency Bond of \$3.8 million are valued using a matrix pricing model (Level 2 inputs)
- Municipal Bonds of \$1.18 million are valued using a matrix pricing model (Level 2 inputs)

Notes to the Financial Statements
September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

The Pension Trust Funds and OPEB Trust Fund include investments in mutual bond funds that are not rated by nationally recognized rating agencies. These investments maintain an average maturity of 1-10 years and represent 7.45% of the plan net position.

Credit Risk

As a means of limiting exposure to credit risk, the pension trust funds are diversified by security type and institution, and holdings are limited in any one type of investment with any one single issuer with various durations of maturities.

The following table discloses credit ratings of debt securities by investment type, as of September 30, 2023, as applicable:

| Security Type | Credit Rating | % of Portfolio Subject to Credit Risk |
|----------------------|----------------------|--|
| Agency MBS | AAA | 5.36% |
| Municipal Bonds | AAA | 0.46% |
| US Government Bonds | AAA | 9.04% |
| Corporate Notes | BBB | 5.66% |
| Corporate Notes | BBB+ | 8.16% |
| Agency MBS | AA+ | 17.71% |
| Federal Agency Bonds | AA+ | 0.04% |
| Municipal Bonds | AA+ | 0.56% |
| US Government Bonds | AA+ | 35.05% |
| Municipal Bonds | AA | 1.22% |
| Corporate Notes | AA- | 0.88% |
| Municipal Bonds | AA- | 1.06% |
| Corporate Bonds | A+ | 0.27% |
| Corporate Notes | A+ | 2.38% |
| Municipal Bonds | A+ | 1.06% |
| Corporate Notes | A | 1.77% |
| Municipal Bonds | A | 0.65% |
| Corporate Bonds | A- | 1.54% |
| Corporate Notes | A- | 7.14% |
| Total | | <u>100.00%</u> |

Custodial Credit Risk

As of September 30, 2023, the Pension Trust Funds and the OPEB Trust investments were uninsured, and held with a third-party custodian in the particular Trusts' names, as required by the respective investment policies.

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

Concentration of Credit Risk

The investment policies of the Pension Trust Funds and the OPEB Trust include limitations on the amount that can be invested in any one issuer, as well as maximum portfolio allocation percentages. At September 30, 2023, the fiduciary funds had no investments in excess of their respective policy limits. The City had no investments in any one issuer that exceeded five percent or more of the total investments held by the City, other than those exempted under GASB Statement No. 40.

C. Receivables

Receivables as of year-end, including the applicable allowances for uncollectibles accounts, are as follows:

| Governmental Funds | General Fund | Downtown CRA | ARPA | Non-major Funds | Total |
|------------------------------------|--------------|--------------|------|-----------------|--------------|
| Receivables: | | | | | |
| Accounts | \$ 3,607,160 | \$ 1,578 | \$ - | \$ 2,195 | \$ 3,610,933 |
| Special Assessments | - | - | - | 7,475 | 7,475 |
| Intergovernmental | 277,611 | - | - | 221,904 | 499,515 |
| Gross receivables | 3,884,771 | 1,578 | - | 231,574 | 4,117,923 |
| Less: allowance for uncollectibles | (104,846) | - | - | - | (104,846) |
| Net total receivables | \$ 3,779,925 | \$ 1,578 | \$ - | \$ 231,574 | \$ 4,013,077 |

| Business-Type Funds | Water and Sewer | Solid Waste | Stormwater | Marina | Internal Services | Total |
|------------------------------------|-----------------|--------------|------------|-----------|-------------------|--------------|
| Receivables: | | | | | | |
| Accounts | \$ 7,809,702 | \$ 1,270,867 | \$ 529,123 | \$ 80,114 | \$ 3,400 | \$ 9,693,206 |
| Intergovernmental | 136,598 | - | 207,728 | 1,862 | - | 346,188 |
| Gross receivables | 7,946,300 | 1,270,867 | 736,851 | 81,976 | 3,400 | 10,039,394 |
| Less: Allowance for uncollectibles | (1,888,781) | (302,892) | (163,802) | - | - | (2,355,475) |
| Net total receivables | \$ 6,057,519 | \$ 967,975 | \$ 573,049 | \$ 81,976 | \$ 3,400 | \$ 7,683,919 |

City of Titusville, Florida

Notes to the Financial Statements
September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

D. Transfers

| Transfers In: | | | | | | | | |
|----------------------------------|---------------|----------------------------------|-----------------------------|-----------------|-------------|--------------|------------------------|-----------|
| | General Funds | Downtown Community Redevelopment | Nonmajor Governmental Funds | Water and Sewer | Solid Waste | Stormwater | Internal Service Funds | Total |
| Transfers Out: | | | | | | | | |
| General Fund | \$ - | \$ - | \$ 1,722,868 | \$ - | \$ - | \$ - | \$ - | 1,722,868 |
| Downtown Community Redevelopment | - | - | 120,950 | - | - | - | - | 120,950 |
| Nonmajor Governmental Agency | - | - | 205,510 | - | - | - | - | 205,510 |
| ARPA | 141,290 | 216,202 | - | 1,085,478 | - | 1,128,181 | - | 2,571,151 |
| Water and Sewer | 1,766,527 | - | - | - | - | - | - | 1,766,527 |
| Solid Waste | - | - | 35,000 | - | - | - | - | 35,000 |
| Stormwater | - | - | - | - | 423,489 | - | - | 423,489 |
| Internal Service Funds | - | - | 188,778 | - | - | - | - | 188,778 |
| Total | \$ 1,907,817 | \$ 216,202 | \$ 2,273,106 | \$ 1,085,478 | \$ 423,489 | \$ 1,128,181 | \$ - | 7,034,273 |

The funds transferred to the General Fund are to finance various programs that the City must account for in accordance with budgetary authorizations such Administrative Costs. The transfer to Nonmajor Governmental Funds is related to funding the maintenance of streets & sidewalks. The transfer from Internal Service Funds is to fund construction of the Public Works Complex capital project. The transfer from Stormwater is for shared cost of the Street Sweepers. ARPA transfer is to cover the cost of various departmental grant projects.

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

E. Capital Assets

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

| Governmental activities: (includes Internal Service Funds) | Beginning Balance | Increases | Decreases | Ending Balance |
|--|-------------------|--------------|----------------|----------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 29,679,024 | \$ - | \$ - | 29,679,024 |
| Easements | 199,220 | - | - | 199,220 |
| Construction in progress | 2,285,555 | 2,871,669 | (3,462,721) | 1,694,503 |
| Total assets not being depreciated | 32,163,799 | 2,871,669 | (3,462,721) | 31,572,747 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 5,025,532 | 51,205 | - | 5,076,737 |
| Improvement other than buildings | 115,627,733 | 6,057,768 | (3,140,263) | 118,545,238 |
| Furniture and equipment | 21,346,914 | 4,960,786 | (2,661,380) | 23,646,320 |
| Total assets being depreciated | 142,000,179 | 11,069,759 | (5,801,643) | 147,268,295 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (3,812,081) | (135,158) | - | (3,947,239) |
| Improvement other than buildings | (85,265,233) | (1,927,500) | 34,320 | (87,158,413) |
| Furniture and equipment | (16,102,215) | (1,985,676) | 397,575 | (17,690,316) |
| Total accumulated depreciation | (105,179,529) | (4,048,334) | 431,895 | (108,795,968) |
| Total capital assets, being depreciated, net | 36,820,650 | 7,021,425 | (5,369,748) | 38,472,327 |
| Governmental activities capital assets, net | \$ 68,984,449 | \$ 9,893,094 | \$ (8,832,469) | \$ 70,045,074 |

| Business-type activities: | Beginning Balance | Increases | Decreases | Ending Balance |
|--|-------------------|---------------|-----------------|----------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 4,479,538 | \$ 12,608 | \$ - | 4,492,146 |
| Easements | 99,761 | - | - | 99,761 |
| Construction in progress | 13,713,808 | 14,293,777 | (17,136,824) | 10,870,761 |
| Total assets not being depreciated | 18,293,107 | 14,306,385 | (17,136,824) | 15,462,668 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 4,204,378 | - | - | 4,204,378 |
| Improvement other than buildings | 46,752,563 | 1,093,265 | - | 47,845,828 |
| Furniture and equipment | 22,838,631 | 3,736,761 | (1,623,449) | 24,951,943 |
| Utility Plant | 139,850,170 | 21,436,737 | (4,473,634) | 156,813,273 |
| Total assets being depreciated | 213,645,742 | 26,266,763 | (6,097,083) | 233,815,422 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (4,059,329) | (4,248) | - | (4,063,577) |
| Improvement other than buildings | (25,212,543) | (1,259,260) | - | (26,471,803) |
| Furniture and equipment | (17,101,648) | (1,551,496) | 604,690 | (18,048,454) |
| Utility Plant | (84,123,398) | (4,213,795) | - | (88,337,193) |
| Total accumulated depreciation | (130,496,918) | (7,028,799) | 604,690 | (136,921,027) |
| Total capital assets, being depreciated, net | 83,148,824 | 19,237,964 | (5,492,393) | 96,894,395 |
| Business-type activities capital assets, net | \$ 101,441,931 | \$ 33,544,349 | \$ (22,629,217) | \$ 112,357,063 |

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

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

Governmental activities:

| | | |
|---|----|------------------|
| Legislative | \$ | 7,795 |
| Executive | | 99,102 |
| Legal Counsel | | 54,692 |
| Community Development | | 183,903 |
| Public Works | | 426,348 |
| Public Safety | | 2,102,881 |
| Support Services | | 359,279 |
| General Administrative | | 480,000 |
| Capital Assets held by the government's internal service fund are charged to the various functions based on their usage of the assets | | 334,334 |
| Total depreciation expense - governmental activities | \$ | <u>4,048,334</u> |

Business-type activities:

| | | |
|---|----|------------------|
| Water Sewer Utility | \$ | 5,182,706 |
| Solid Waste System | | 622,763 |
| Stormwater System | | 1,053,537 |
| Municipal Marina | | 169,792 |
| Total depreciation expense - business-type activities | \$ | <u>7,028,798</u> |

Construction Commitments

The City has active construction commitments as of September 30, 2023. At fiscal year-end, the City's commitments with such contracts totaling more than \$300,000 are summarized by project as follows:

| Name of Project | <u>Spent to Date</u> | <u>Remaining Commitment</u> |
|--|----------------------|-----------------------------|
| Osprey WTF Nutrient Removal | \$(3,637,663) | \$ 6,740,645 |
| Mourning Dove WTP Solids Train Upgrade | \$(406,207) | \$ 4,471,605 |
| BH Trailer Mounted Screw Press & Appurtenances | \$(67,454) | \$ 406,746 |
| Lift Station Improvements Emergency Power Generators | \$(511,274) | \$ 323,989 |
| Total | <u>\$(4,624,598)</u> | <u>\$ 11,998,985</u> |

The above remaining commitment balances include accounts and retainages payable recorded in the City's financial statements as of September 30, 2023.

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

F. Long-term Liabilities

Changes in long-term liabilities for Governmental Activities for the fiscal year ended September 30, 2023 are as follows:

| | Balance 10/1/2022 | Additions | Deletions | Balance 9/30/2023 | Due Within One Year (Current) |
|--|----------------------|--------------|----------------|----------------------|-------------------------------------|
| <i>Governmental Activities</i> | | | | | |
| Bonds Payable: | | | | | |
| Capital Improvement Revenue Bond, Series 2017 | \$ 4,095,000 | \$ - | \$ (645,000) | \$ 3,450,000 | \$ 660,000 |
| General Obligation Bonds Series 2015 | 1,977,000 | - | (646,000) | 1,331,000 | 659,000 |
| Public Improvement Revenue Note Series 2009 | 803,000 | - | (87,000) | 716,000 | 88,000 |
| Total bonds payable | 6,875,000 | - | (1,378,000) | 5,497,000 | 1,407,000 |
| Compensated absences | 3,491,109 | 1,517,077 | (805,882) | 4,202,304 | 976,734 |
| Financed Purchases | 4,723,079 | 1,172,453 | (1,590,714) | 4,304,818 | 1,448,806 |
| Total governmental activities | \$ 15,089,188 | \$ 2,689,530 | \$ (3,774,596) | \$ 14,004,122 | \$ 3,832,540 |

Changes in long-term liabilities for Business-type Activities for the fiscal year ended September 30, 2023 are as follows:

| | Balance 10/1/2022 | Additions | Deletions | Balance 09/30/2023 | Due Within One Year (Current) |
|---------------------------------|----------------------|--------------|----------------|-----------------------|-------------------------------------|
| <i>Business-Type Activities</i> | | | | | |
| Bonds Payable: | | | | | |
| 2020 Water/Sewer Refunding | \$ 10,545,000 | \$ - | \$ (3,450,000) | \$ 7,095,000 | \$ 3,515,000 |
| State Revolving Fund Loans | 4,940,747 | 2,745,645 | (270,533) | 7,415,859 | 717,988 |
| Unamortized bond premiums | 372,057 | - | (186,029) | 186,028 | 186,028 |
| Total bonds payable | 15,857,804 | 2,745,645 | (3,906,562) | 14,696,887 | 4,419,016 |
| Compensated absences | 787,783 | 390,964 | (231,893) | 946,854 | 262,098 |
| Financed Purchases | 2,133,386 | - | (708,237) | 1,425,149 | 613,608 |
| Total business-type activities | \$ 18,778,973 | \$ 3,136,609 | \$ (4,846,692) | \$ 17,068,890 | \$ 5,294,722 |

Notes to the Financial Statements
September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

Governmental Activities Debt

During 2017, the City issued \$6,535,000 in Capital Improvement Revenue Bonds, Series 2017. The Bonds were issued to provide funds relating to the financing of public improvements for the Miracle City Mall Redevelopment Project (Titus Landing Project). The Bonds constitutes obligations of the City, with an Interlocal Agreement between the City of Titusville and The North Brevard Economic Development District (NBEDD). NBEDD is to provide for the transfer to the City, of a pledged portion of its tax increment for repayment of principal and interest of the Bond. The interest rate on the Series 2017 Bonds is a fixed rate of 2.28%. The amount payable is \$3,450,000 at September 30, 2023, with payments due annually in November for principal and semi-annual payments for interest due in November and May.

Upon Events Defaults of payments not made within five (5) days, failure to perform any provisions of the Bond, insolvency, bankruptcy, the Bondholder shall have the right to bring a mandamus action to require the City to perform its obligations to appropriate funds. Any amount not paid when due shall bear interest at the Default Rate for interest of the Bond plus two (2%) per annum, along with cost and expenses for collection and proceedings.

The City may prepay the Bond in whole any time after June 2020 with ten (10) days prior written notice to the Holder without penalty provided all accrued interest to date of prepayment is made.

During 2015, the City issued \$6,220,000 in General Obligation Bonds, Series 2015. The Bonds were issued to provide funds sufficient, together with other available monies to: (1) finance the purchase, acquisition and improvement of real property on the Indian River with the City for public use and, (2) pay certain costs and expenses resulting from the issuance of the Bonds. The Bonds constitute general obligations of the City, and the full faith, credit of the City and a special limited Ad Valorem tax levy at a rate not to exceed 0.5930 mills per annum (for a period not to exceed 20 years) on all taxable property therein to pay the principal and interest on the Bonds. The interest rate on the Series 2015 Bonds is a fixed rate of 1.82%. The amount payable is \$1,331,000 at September 30, 2023, with payment due annually in January for interest and July for principal and interest.

Upon Events of Default of failure to pay within five (5) days of due date, failure to perform or misrepresentation of any provision of the Bond, insolvency or bankruptcy, the Bondholder has the right to bring mandamus action against the City requiring the City to perform its obligation and for payment of any unpaid payments, cost and expenses resulting from the Default.

Prepayment without penalty is allowed within a ten (10) day notice prior to any principal payment date, along with payment of all principal and interest accrued to date. Any partial repayment shall be in multiples of \$1,000.

Notes to the Financial Statements
September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

On May 29, 2009, the City issued a \$2,535,000 Public Improvement Revenue Note (PIRN), Series 2009, maturing on October 1, 2029, bearing interest at a per annum rate equal to 4.47%, payable semi-annually on April 1 and October 1 commencing October 1, 2009. Principal is payable annually on October 1, commencing October 1, 2010. Proceeds from the Note are being used for downtown street, curb and parking lot improvements. The principal and interest on the 2009 Note shall be a special obligation of the City payable from and collateralize by non-ad valorem revenues budgeted and appropriated pursuant to the Note Purchase and Loan Agreement between the City and Branch Banking and Trust Company (BB&T). The non-Ad Valorem revenues to pay the PIRN Note are from a department transfer from Community Redevelopment Agency. On March 12, 2013 the City Council approved the amendment of the 2009 PIRN Note, to execute prepayment of \$830,000 and the 2% corresponding prepayment penalty, to reduce the debt service. A Sinking Fund is budgeted and appropriated in the amount required to be used for the principal and interest due under the 2009 Note. A name change in FY2014 for the Community Redevelopment Agency (CRA) and Bank Loan 2009 also known as Public Improvement Revenue Note, Series 2009 (PIRN) to Community Redevelopment Agency/Public Improvement Revenue Note, Series 2009 (CRA/PIRN2009) was made. The amount payable is \$716,000 at September 30, 2023.

Upon Events of Default for failure to pay, failure to perform or misrepresentation of the conditions of the Note, dissolution, or bankruptcy and it continues for a period of ten (10) days or more, the Lender shall have the right to declare the principal, together with interest thereon at the Default Rate of 12%, be immediately due from the date of default, along with cost to recover damages for the breach of the Agreement.

Prepayment may be made in whole on any date commencing after April 1, 2019 without penalty at par plus accrued interest to the payment date.

Business-Type Activities Debt

On January 9, 2020 the City issued the 2020 Water and Sewer Bonds in connection with the execution of a Forward Delivery Bond Purchase Agreement dated July 9, 2019, for the purpose of refunding all of the City's Water and Sewer System Revenue Refunding Bonds, Series 2010. The refunding of the 2010 Water and Sewer Bonds was undertaken by the City in order to realize significant interest cost savings of more than \$1.2 million dollars over the remaining life of the Bonds. The balance owed for the 2020 Water and Sewer Bonds is \$15,965,000 with the final payment being October 15, 2024. Principal payments on the 2020 Water and Sewer Bonds will be on October 15 of each calendar year and interest will be paid on October 15 and April 15 of each calendar year at a rate of 1.856%.. The amount payable is \$7,095,000 at September 30, 2023.

Upon Events of Default for failure to pay when due, failure to perform any of the applicable covenants contained in the Resolution, the Bond Owner may bring proceedings to enforce and compel the City to perform all required duties of the Agreement.

The City has a prepayment option, if at any time, the Issuer (City) pays the principal, interest, amortization installments and redemption premiums, with respect to all or any of the Bonds and all rebate payment required under the Tax Code, with respect to the Bonds to be defeased, then the pledge of and lien on the pledged funds and all other covenants and pledges in this Resolution in favor of the Owners of such Bonds shall no longer be in effect.

Notes to the Financial Statements
September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

State Revolving Fund Loans

On December 18, 2009, the City entered into a financing agreement for construction of approximately 75,000 linear feet of new 20-inch diameter transmission main that will convey raw water from the Area IV Well Field to the City's Mourning Dove Water Treatment Plant. The City received financing through the State Revolving Fund Loan for this project. As part of that program, the City would be obligated to only pay back 57% of the amount received; the remaining 43% is "forgiven".

On December 28, 2012, the City closed out the project and received the final amendment to the loan agreement with payments being made semi-annually on June 15 and December 15. Payments are based on an amortization schedule from The Florida Department of Environmental Protection (DW05200, DW050201 & DW050300).

On May 22, 2018, the City entered into a financial agreement for funding the design of the Mourning Dove Water Solids Upgrade Project (DW050330).

On March 22, 2022 the City closed out the project and received the final amendment to the loan agreement with payments being made semi-annually on January 15 and July 15. Payments are based on an amortization schedule from The Florida Department of Environmental Protection (DW050330).

On August 23, 2022, the City entered into a financial agreement for funding the Planning/Design of the Lime Street Lift Station and the Riverside Drive and Sission Road Force Main Improvements (WW050350). Payment will be made semi-annually on February 15th and August 15th based on an amortization schedule from The Florida Department of Environmental Protection.

On September 30, 2022, the City entered into a financial agreement for funding the Indian River Force Main Improvements (WW050340). Payments will be made semi-annually on February 15th and August 15th based on an amortization schedule from The Florida Department of Environmental Protection.

Each of the loans through the Florida Department of Environmental Protection, as described above, are federal and state grants and are recorded in the financial statements as current and noncurrent liabilities. The balance as of September 30, 2023 is \$ 5,449,664 for Drinking Water (DW) and \$1,966,194 for Waste Water (WW).

The City is required to maintain rates and charges for the services furnished by the Water and Sewer Systems which will be sufficient to provided pledged revenues equal to or exceeding 1.15 times the sum of the semi-annual loan payments due in each fiscal year. The City shall satisfy the coverage requirements of all senior and parity debt obligations. As of September 30, 2022, management believes the City complies with this covenant.

Upon Events of Default for failure to pay when due, failure to perform any of the applicable covenants contained in the Resolution, the Bond Owner may bring proceedings to enforce and compel the City to perform all required duties of the Agreement.

The City has a prepayment option, if at any time, the Issuer (City) pays the principal, interest, amortization installments and redemption premiums, with respect to all or any of the Bonds and all rebate payment required under the Tax Code, with respect to the Bonds to be defeased, then the pledge of and lien on the pledged funds and all other covenants and pledges in this Resolution in favor of the Owners of such Bonds shall no longer be in effect.

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

Debt Service Requirements on All Outstanding Debt

The annual requirements to pay principal and interest on all long-term debt outstanding at September 30, 2023, excluding interfund advances and compensated absences, to maturity are as follows:

| Year Ending | Governmental Activities | | Business-Type Activities | | Total |
|----------------|-------------------------|------------|--------------------------|------------|---------------|
| | Principal | Interest | Principal | Interest | |
| 2024 | 1,407,000 | 125,399 | 4,232,988 | 169,477 | 5,934,864 |
| 2025 | 1,442,000 | 94,096 | 4,747,420 | 125,561 | 6,409,077 |
| 2026 | 786,000 | 62,036 | 1,176,829 | 82,929 | 2,107,794 |
| 2027 | 808,000 | 41,685 | 1,186,421 | 73,337 | 2,109,443 |
| 2028 | 825,000 | 20,791 | 1,196,200 | 63,558 | 2,105,549 |
| 2029-2033 | 229,000 | 10,303 | 1,971,001 | 65,606 | 2,275,910 |
| Total | \$ 5,497,000 | \$ 354,310 | \$ 14,510,859 | \$ 580,468 | \$ 20,942,637 |

G. Leases

Financed Purchases

On May 14, 2019 the City entered into a lease-purchase agreement in the amount of \$1,838,335 with City National Capital Finance, Inc. (BciCapital Inc.) for the acquisition of 10 police vehicles, the buyout of 11 leased police vehicles, 1 fire vehicle, fire safety equipment, 4 public works vehicles, 1 solid waste frontloader, 1 excavator for stormwater. The agreement has a five year fixed term rate of 2.86% and calls for bi-annual payment of \$195,800. The cost of vehicles, equipment, and depreciation has been recorded in Governmental Activities, except for the solid waste frontloader and the stormwater excavator which will be recorded in the Business-Type Activities.

Upon Event of Default for failure to pay, failure to perform or misrepresent of the Agreement, insolvency or bankruptcy, the Lessor shall have the right without further notice to require the Rental Payments immediately due and payable. By written notice the Lender may request the return of the equipment, the cost and expenses incurred in securing and disposing of the equipment.

The City has the option of prepayment in whole on any Payment Date, with not less than a thirty (30) day notice prior to the Payment Date and the payment of \$1.00 to the Lender.

Event of Termination such as Non-Appropriation of funds, the City is required to notify the Lender in writing no later than thirty (30) days following and Event of Non-Appropriation. Return of the equipment within ten (10) days in good and proper working order, at the Lenders discretion. Payment of any other loss suffered by the Lender as a result of the City's failure to take actions as required.

Notes to the Financial Statements
September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

On May 26, 2020 the City entered into a lease-purchase agreement in the amount of \$2,286,000 with Truist Bank for the acquisition of 18 police vehicles and equipment, 4 fire vehicles, 5 public works vehicles, 1 customer service vehicle, 3 solid waste vehicles and 1 stormwater vehicle. The agreement has a five year fixed term rate of 1.870% and calls for bi-annual payments of \$238,676. The cost of the police, fire, public works, and customer service vehicles and depreciation has been recorded in Governmental Activities. The Solid Waste and Stormwater vehicles and depreciation has been recorded in Business-Type Activities.

Upon an Event of Default for failure to make payments, failure to perform or misrepresent any terms of the Agreement, insolvency or bankruptcy, the Lender may declare all unpaid principal and interest due immediately, avail itself of remedies under the Agreement and recovery any attorney fees or other expense.

Prepayment is allowed at any time by paying all outstanding principal and interest accrued and unpaid to the prepayment date.

Termination Events such as Non-Appropriation of funds requires that the Lender be notified within fifteen (15) days of the adoption of the annual budget and to surrender possession of the equipment on the date of such termination. Termination will be on the last day of the Fiscal Year for which appropriations were received.

On May 14, 2021 the City entered into a lease agreement in the amount of \$3,315,000 with Bank of America, for the acquisition of 14 police vehicles and equipment, 1 fire engine, 2 fire response vehicles and equipment, 1 public works vehicle, 6 roads and streets vehicles, 4 mowers and 1 bush hog tractor for roads and streets, 1 grapple, 1 sideloader, 1 front loader for solid waste and 1 slope mower for stormwater. The agreement has a five year fixed rate of 0.8736% with bi-annual payments based on the remaining balance and the fixed interest rate. The cost of the police, fire, public works, roads and streets vehicles and equipment, along with depreciation, has been recorded in the Governmental Activities. The cost of the Solid Waste and Stormwater vehicles and equipment along with depreciation, has been recorded in the Business-Type Activities.

Upon Events of Default such as failure to pay any required payments within ten (10) days of the date specified, maintain insurance as required, or failure to observe and perform any covenant, condition or agreement of the Lease shall constitute an Event of Default. Lessor may take whatever action at law or in equity as may appear necessary to enforce its rights under each Default.

Prepayment as specified in the Payment Schedule, upon not less than thirty (30) days prior written notice, and upon payment in full of all Rental Payments then due plus all other amounts owing.

On December 15, 2020, the City entered into a lease-purchase agreement in the amount of \$411,138 with Leasing 2, Inc for the acquisition of a Vactor vehicle. The agreement has a five year fixed rate of 2.94% with annual payments of \$72,332 with a payment in the final year of \$81,599. Cost and depreciation of the Vactor vehicle has been recorded in the Business-Type Activities.

Notes to the Financial Statements
September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

Upon an Event Default of failure to pay, unable to insure, failure to abide by conditions of the Agreement, insolvency or bankruptcy, all payments accrued and unpaid shall become immediately due, along with cost and expenses incurred by Lender for collection and enforcement .

The City shall have the options to prepay its obligations in whole for the applicable Prepayment Price and a Prepayment Fee.

Event of Termination such as Non-Appropriation of funds, requires notice of not less than ninety (90) days prior to the end of the Fiscal Year for which appropriations were made. All requirement shall be returned or payment of the Prepayment Price plus cost and expenses for collection, including attorney fees.

On October 5, 2021, the City entered into a lease-purchase agreement in the amount of \$458,880 with Bank of America for the acquisition of 2 Street Sweepers. The agreement has a five year fixed rate of 1.04% with bi-annual payments based on the remaining balance and the fixed interest rate. Cost and depreciation of the Street Sweepers has been recorded in the Business-Type Activities.

Upon Events of Default such as failure to pay any required payments within ten (10) days of the date specified, maintain insurance as required, or failure to observe and perform any covenant, condition or agreement of the Lease shall constitute an Event of Default. Lessor may take whatever action at law or in equity as may appear necessary to enforce it rights under each Default.

Prepayment as specified in the Payment Schedule, upon not less than thirty (30) days prior written notice, and upon payment in full of all Rental Payments then due plus all other amounts owing.

On February 9, 2022, the City entered into a lease-purchase agreement in the amount of \$2,159,296 with Bank of America for the acquisition of eleven (11) police vehicles and radios, a fire engine, an ambulance and one fire vehicle, one (1) bucket truck, one (1) backhoe, two (2) mowers, three (3) trailers for Public Works, one(1) Ford Escape, one (1) Ford Explorer and one (1) grapple. The agreement has a five year fix rate of 1.43% with bi-annual payments based on the remaining balance and the fixed interest rate. Cost and depreciation has been recorded in the Governmental Activities, except for the grapple which cost and depreciation has been recorded in the Business-Type Activities.

Upon Events of Default such as failure to pay any required payments within ten (10) days of the date specified, maintain insurance as required, or failure to observe and perform any covenant, condition or agreement of the Lease shall constitute an Event of Default. Lessor may take whatever action at law or in equity as may appear necessary to enforce it rights under each Default.

Prepayment as specified in the Payment Schedule, upon not less than thirty (30) days prior written notice, and upon payment in full of all Rental Payments then due plus all other amounts owing.

On April 20, 2023, the City entered into a Master Lease-Purchase Agreement (Line of Credit) in the amount of \$10,000,000 with JPMorgan Chase Bank, N.A. The Line of Credit will cover cost of all financed vehicles and equipment over the next three fiscal years. A Lease Schedule with interest will be established each time a reimbursement is requested. Payments will be bi-annual in accordance with each amortization schedule.

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 4. Detailed Notes on all Funds (continued)

Termination Events such as Non-Appropriation Event requires that the Lessee shall give Lessor immediate notice and provide written evidence of such failure by Lessee's governing body. Lessee shall return to Lessor all of the Equipment covered by the affected Lease.

Lessee shall not be permitted to prepay in whole or in part.

Upon Events of Default such as failure to pay, failure to perform or observe any other covenant, condition or agreement under the Lease(s), filing for bankruptcy, insolvency or similar law. If any Event of Default occurs, then the Lessor may, require Lessee to pay on demand all amounts due under all Leases with interest at the rate of twelve percent (12%) per annum from the date of Lessor's demand for payment.

The following is a schedule of future minimum lease payments:

| Year Ending September 30, | Governmental Activities-Principal | Governmental Activities-Interest | Business-Type Activities-Principal | Business-Type Activities-Interest |
|--|--------------------------------------|-------------------------------------|---------------------------------------|--------------------------------------|
| 2024 | 1,448,806 | 74,235 | 613,608 | 19,399 |
| 2025 | 1,322,879 | 53,273 | 464,613 | 10,335 |
| 2026 | 881,867 | 32,983 | 329,910 | 4,332 |
| 2027 | 448,755 | 16,823 | 17,018 | 122 |
| 2028 | 202,511 | 5,721 | - | - |
| Present value of minimum lease payments | \$ 4,304,818 | \$ 183,035 | \$ 1,425,149 | \$ 34,188 |

Assets acquired through financed purchases are as follows:

| | Governmental Activities | Business-Type Activities |
|--|----------------------------|-----------------------------|
| Assets: | | |
| Equipment | \$ 11,667,176 | \$ 3,831,982 |
| Less: Accumulated depreciation | (4,196,175) | (1,585,596) |
| Assets net of accumulated depreciation | \$ 7,471,001 | \$ 2,246,386 |

Arbitrage Rebate

Certain City long-term debt obligations are subject to Section 148 of the Internal Revenue Code that requires that interest earned on debt proceeds from tax-exempt debt be rebated to the federal government to the extent that those earnings exceed the interest cost on the related tax-exempt debt. The City has no arbitrage rebate liability at September 30, 2023.

Notes to the Financial Statements
September 30, 2023

Note 5. Other Matters

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. During fiscal year 2023:

- There were no significant reductions in insurance coverage from the previous year.
- No settlements in excess of insurance coverage in the three fiscal years ended September 30, 2023.

Liabilities of the funds (Loss Fund) are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR's) if such information is available. The result of the process to estimate the claims liability is not an exact amount as it depends on many factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent settlement trends and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other adjustment expenses regardless of whether allocated to specific claims. An estimated recovery, for example subrogation, is another component of the claims liability estimate. An excess coverage insurance policy covers liability exposures in excess of \$100,000 and workers compensation above \$350,000.

In 1998, the City established the Self-Insured Loss Fund covering workers compensation, and various lines of property and liability claims for the City. The program provides monetary coverage for losses in lieu of covering losses with traditional insurance policies that have a deductible. The Self-Insured Loss Fund is accounted for as an Internal Service Fund and is funded by the charges to other funds in amounts determined to finance the claims.

Charges under the Self-Insured Loss Fund for the years ended September 30, 2023 and 2022 are summarized as follows:

| | Self-Insured Loss Fund | |
|----------------------------------|------------------------|---------------------|
| | FY2023 | FY2022 |
| General Fund | \$ 713,132 | \$ 761,660 |
| Special Revenue Funds | 1,002 | 909 |
| Building Department | 21,914 | 38,904 |
| Enterprise Funds | 608,030 | 933,987 |
| Internal Service Funds | 42,621 | 87,980 |
| Trust Funds | - | - |
| Total Charges | 1,386,699 | 1,823,440 |
| Claims Settlements | 181,381 | 227,655 |
| Total Charges/Claims Settlements | <u>\$ 1,568,080</u> | <u>\$ 2,051,095</u> |

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 5. Other Matters (continued)

Changes in the balance of claims liability during the past three years based on actuarial analysis and discounted at a rate of 3.5% are as follows:

| | Self-Insured Loss Fund | |
|--------------------------------------|------------------------|---------------------|
| | FY2023 | FY2022 |
| Unpaid claims, beginning of the year | \$ 1,762,000 | \$ 1,369,000 |
| Incurred claims (including IBNR's) | 581,273 | 811,655 |
| Claim payments | (1,058,273) | (418,655) |
| Unpaid claims, end of year | <u>\$ 1,285,000</u> | <u>\$ 1,762,000</u> |

In October 2009, the City entered into an agreement with The Crowne Group, Care Here and Parrish Medical Center to establish an employer health center program with a shift to a Partially Self-Insured Health Fund cost arrangement, which provides medical insurance benefits to its employees and their eligible dependents. In accordance with Section 112.0801 of the Florida Statutes, the City is also required to provide retirees with the opportunity to participate in this plan. The Partially Self-Insured Health Fund is accounted for as an Internal Service Fund. Premiums are paid into the fund and are available to pay claims, claims reserves and administrative costs of the program.

| | Partially Self- Insured Health | |
|-----------------------------|--------------------------------|---------------------|
| | FY2023 | FY2022 |
| General Fund | \$ 3,382,590 | \$ 3,236,162 |
| Enterprise Funds | 1,973,177 | 1,887,761 |
| Internal Service Funds | 281,883 | 269,680 |
| Employees / Retirees | 827,313 | 895,457 |
| Total Charges | <u>6,464,963</u> | <u>6,289,060</u> |
| Miscellaneous | 132,440 | 271,019 |
| Total Charges/Miscellaneous | <u>\$ 6,597,403</u> | <u>\$ 6,560,079</u> |

City of Titusville, Florida

Notes to the Financial Statements
September 30, 2023

Note 5. Other Matters (continued)

The City purchased a Stop-Loss Policy to reduce the City's exposure to large losses on health insurance claims. This policy reimburses the City for expenses related to claims exceeding \$135,000. Settlements for Partially Self-Insured Health Insurance Fund have not exceeded coverage for each of the three fiscal years ended September 30, 2023. Changes in the balance during the past two year's based on an actuarial analysis are as follows:

| | Partially Self-Insured Health | |
|--------------------------------------|-------------------------------|-------------------|
| | FY2023 | FY2022 |
| Unpaid claims, beginning of the year | \$ 602,000 | \$ 602,000 |
| Incurred claims (including IBNR's) | 5,258,910 | 5,784,477 |
| Claim payments | (5,258,910) | (5,784,477) |
| Unpaid claims, end of year | <u>\$ 602,000</u> | <u>\$ 602,000</u> |

In addition, the City has a Self-Insured Dental Fund, also accounted for as an Internal Service Fund. Premiums are paid into the fund and are available to pay claims, claim reserves and administrative costs of the program. Resources accumulated in the Self-Insured Dental Fund are dedicated to pay future dental claims of employees.

| | Self-Insured Dental | |
|------------------------|---------------------|-------------------|
| | FY2023 | FY2022 |
| General Fund | \$ 206,779 | \$ 201,443 |
| Special Revenue Funds | 3,692 | 3,597 |
| Enterprise Funds | 118,160 | 115,110 |
| Internal Service Funds | 14,770 | 14,389 |
| Employees | 25,847 | 25,180 |
| Total Charges | <u>\$ 369,248</u> | <u>\$ 359,719</u> |

City Council approved a reserve of \$70,000 to be set aside for future dental claims. Changes in the balance of claims liability during the past two years are as follows:

| | Self-Insured Dental | |
|--------------------------------------|---------------------|-------------------|
| | FY2023 | FY2022 |
| Unpaid claims, beginning of the year | \$ 115,469 | \$ 115,469 |
| Incurred Claims (including IBNR's) | 71,844 | 25,838 |
| Claim Payments | (117,313) | (25,838) |
| Unpaid Claims, end of year | <u>\$ 70,000</u> | <u>\$ 115,469</u> |

Notes to the Financial Statements
September 30, 2023

Note 5. Other Matters (continued)

B. Other Post-Employment Benefits (OPEB)

Summary of Significant Accounting Policies

The financial statements of the City's Other Post-Employment Benefits (OPEB) Fiduciary Trust Fund are prepared on the accrual basis of accounting. Plan member and employer contributions are recognized as revenues in the period in which the contributions are due; benefits are recognized as expenses when they are payable. The City established a new OPEB Fiduciary Trust Fund (the Trust) under Ordinance No. 1-2009 on January 27, 2009 pursuant to the requirements of implementing GASB 43 and GASB 45 for fiscal year 2009 governed by Section 115 of Internal Revenue Code. The OPEB Trust Fund is accounted for as a separate fiduciary fund of the City and governed by a five-member board of trustees (the Board) solely responsible for the oversight of the assets of the Trust; the Board does not have any other expressed or implied authority regarding the OPEB Plan. The City Council is solely responsible for the OPEB Plan itself.

Plan Description

The City of Titusville's Retiree Health Care Plan (Plan) is a single-employer defined benefit post-employment health care plan that covers eligible retired employees. The Plan, which is administered by the City, allows employees who retire and meet retirement eligibility requirements under one of the City's retirement plans to continue medical and dental coverage as a participant in the City's plan.

Employees covered by benefit terms. At October 1, 2021, the following employees were covered by the benefit terms:

| | |
|---|-------------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 286 |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefits | - |
| Active Plan Members | <u>459</u> |
| | <u><u>745</u></u> |

Benefits Provided

The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All employees of the City of Titusville are eligible to receive post-employment health care benefits. Coverage for retirees and their spouses and dependents is provided for the life of the retiree. The Trust was established to advance fund benefits provided under the Plan.

Notes to the Financial Statements
September 30, 2023

Note 5. Other Matters (continued)

Contributions

The City of Titusville adopted health-related benefit changes during 2013 with effective dates varying by employee class (December 2013 for service workers represented by LIUNA, April 2014 for Fire and Non-represented employees, and June 2014 for Police employees).

For employees who were hired before 10/1/2003 and who retire after the effective dates listed above, the City of Titusville will contribute the greater of 50% of the active health premium or \$8/month for every year of service for retirees participating in the City's group health insurance plans. This benefit is capped at \$500 a month (i.e. Tier 3 benefits).

For retirees who were hired after 10/1/2003, the City provides a credit of \$8/month for every year of service, up to a maximum of \$200/month, toward the premium of the City's group health insurance plans. The retiree is responsible for 100% of the costs of dental coverage (i.e. Tier 4 benefits).

For all retirements prior to the effective dates listed above and who were hired prior to 10/1/2003, the City of Titusville will continue to contribute a portion (either 100% for Tier 1 employees or 75% for Tier 2 employees) of the active health and dental premiums for retirees participating in the City's group insurance plans. The City's subsidy is no longer capped for these retirees, per the City Council's decision to rescind the cap at its May 9, 2017 meeting.

For employees hired after 10/1/2017, the retiree is responsible for 100% of the costs of medical and dental coverage.

Retirees may purchase spouse coverage through the City's group insurance plans at their own expense.

An employer-provided implicit subsidy for the health plan will still exist even for those participants receiving a portion of the premium paid by the City.

In future years, contributions are assumed to increase at the same rate as premiums.

Projected premiums for the dental benefit are assumed to cover the entire cost of the program.

Note: Employees are eligible for the retiree health insurance benefit at the time of their separation from employment who retire in accordance with the early or normal retirement date provisions of the pension plan.

Net OPEB Liability

The measurement date for GASB 75 reporting is September 30, 2023.

The measurement period for the OPEB expense was October 1, 2022 to September 30, 2023.

The reporting period is October 1, 2022 through September 30, 2023.

The Sponsor's Net OPEB Liability was measured as of September 30, 2023. The Total OPEB Liability used to calculate the Net OPEB Liability was determined as of that date.

Notes to the Financial Statements
September 30, 2023

Note 5. Other Matters (continued)

Actuarial Assumptions

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

| | |
|---------------------------|-------------------|
| Inflation | 2.50% |
| Salary Increase Rates | Varies by Service |
| Discount Rate | 4.95% |
| Initial Trend Rate | 7.50% |
| Ultimate Trend Rate | 4.00% |
| Years to Ultimate | 52 |
| Investment Rate of Return | 7.00% |

Mortality Rates:

All mortality rates were based on the Pub-2010 mortality tables. All mortality rates are those outlined in the July 1, 2021 Florida Retirement System (FRS) actuarial valuation report with appropriate adjustments made based on plan demographics. All tables include fully generational adjustments for mortality improvements using gender-specific improvement scale MP-2018.

Mortality - Active Lives:

For female (non-special risk) lives, the headcount-weighted PubG-2010 female employee table was used. For female special risk lives, the headcount-weighted PubS-2010 female below-median income employee table, set forward one year, was used.

For male (non-special risk) lives, the headcount-weighted PubG-2010 male below-median income employee table, set back one year, was used. For male special risk lives, the headcount-weighted PubS-2010 male below-median income employee table, set forward one year, was used.

Mortality - Inactive Healthy Lives:

For female (non-special risk) lives, the headcount-weighted PubG-2010 female healthy retiree table was used. For female special risk lives, the headcount-weighted PubS-2010 female healthy retiree table, set forward one year, was used.

For male (non-special risk) lives, the headcount-weighted PubG-2010 male below-median income healthy retiree table, set back one year, was used. For male special risk lives, the headcount-weighted PubS-2010 male below-median income healthy retiree table, set forward one year, was used.

Mortality - Disabled Lives:

For female (non-special risk) lives, the headcount-weighted PubG-2010 female disabled retiree table, set forward 3 years, was used. For female special risk lives, an 80% headcount-weighted PubG-2010 female disabled retiree, 20% headcount-weighted PubS-2010 female disabled retiree blended table was used. For male (non-special risk) lives, the headcount-weighted PubG-2010 male disabled retiree table, set forward 3 years, was used. For male special risk lives, an 80% headcount-weighted PubG-2010 male disabled retiree, 20% headcount-weighted PubS-2010 male disabled retiree blended table was used.

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 5. Other Matters (continued)

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB Plan investments was determined using the OPEB Investment Policy approved by council on March 14, 2017.

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of September 30, 2023 are summarized in the following table:

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|----------------------|-------------------|--|
| Domestic Equity | 42% | 5.10% |
| International Equity | 23% | 4.80% |
| Fixed Income | 35% | 1.40% |
| Cash Equivalent | 0% | 0.00% |
| Total | <u>100.00%</u> | |

Target Asset Class allocations and long-term real rates of return were provided by the City. The assumed rate of inflation is 2.50% per year.

Please note that long term expected return of the total portfolio is greater than simply multiplying each of the above "Long Term Expected Real Rate of Returns" by their target allocation % and adding them together.

Not only is the time horizon longer for an actuarial valuation relative to the time horizon over which the above projected returns were generated, but also there is an additional correlation resulting from a diversified portfolio that will provide additional returns.

Discount Rate

The discount rate used to measure the Total OPEB Liability is 4.95%. The City contributes at least 50% of the actuarially determined contribution each year. The expected rate of return on trust investments is 7.00%. This rate is used to discount projected benefit payments for years that benefits were funded, however the trust is projected to become insolvent in year four. All projected benefit payments thereafter were discounted at a municipal bond rate. The high-quality municipal bond rate, 4.87%, was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices on the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

City of Titusville, Florida

Notes to the Financial Statements
September 30, 2023

Note 5. Other Matters (continued)

City of Titusville, Florida
Schedule of Changes in Net OPEB Liability
Other Post Employment Benefits Trust Fund
For fiscal year ended September 30, 2023

| | Total OPEB Liability | Net Plan Position | Net OPEB Liability |
|--|----------------------|-------------------|--------------------|
| Reporting Period Ending Sept. 30, 2022 | \$ 45,580,504 | \$ 3,252,792 | \$ 42,327,712 |
| Changes for the Year: | | | |
| Service Cost | 845,088 | - | 845,088 |
| Interest | 2,184,232 | - | 2,184,232 |
| Differences Between Expected and Actual Experience | - | - | - |
| Changes of Assumptions | (666,060) | - | (666,060) |
| Changes of Benefit Terms | - | - | - |
| Explicit Contributions - Employer | - | 1,497,412 | (1,497,412) |
| Implicit Contributions - Employer | - | 586,968 | (586,968) |
| Explicit Contributions - Retiree | - | 440,427 | (440,427) |
| Net Investment Income | - | 401,249 | (401,249) |
| Explicit Gross Benefit Payments | (1,848,540) | (1,848,540) | - |
| Implicit Net Benefit Payments | (586,968) | (586,968) | - |
| Administrative Expense | - | (34,334) | 34,334 |
| Other | - | - | - |
| Net Changes | (72,248) | 456,214 | (528,462) |
| Balance at September 30, 2023 | \$ 45,508,256 | \$ 3,709,006 | \$ 41,799,250 |

Changes of Assumptions reflect a change in the discount rate from 4.83% for the reporting period ended September 30, 2022 to 4.95% for the reporting period ended September 30, 2023.

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

The following presents the Net OPEB Liability of the CITY, as well as what the City's Net OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

| | 1% Decrease 3.95% | Current Discount Rate 4.95% | 1% Increase 5.95% |
|--------------------|----------------------|--------------------------------|----------------------|
| Net OPEB Liability | \$ 47,888,150 | \$ 41,799,250 | \$ 36,824,057 |

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 5. Other Matters (continued)

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

The following presents the Net OPEB Liability of the Sponsor, as well as what the City's Net OPEB Liability would be if it were calculated using a healthcare cost trend rates that is one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

| | 1% Decrease 3.00% - 6.50% | Healthcare Cost Trend Rates 4.00% - 7.50% | 1% Increase 5.00% - 8.50% |
|--------------------|------------------------------|---|------------------------------|
| Net OPEB Liability | \$ 36,665,160 | \$ 41,799,250 | \$ 47,829,868 |

For the year ended September 30, 2023, the City recognized OPEB Expense(Revenue) of \$(318,686). On September 30, 2023, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

| | Deferred outflows of resources | Deferred inflows of resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 1,047,488 | \$ - |
| Changes of assumptions | 1,262,410 | 15,629,086 |
| Net difference between projected and actual earnings on OPEB plan investments | - | - |
| OPEB Plan investments | 280,731 | - |
| Total | <u>\$ 2,590,629</u> | <u>\$ 15,629,086</u> |

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

| | |
|---------------------------|---------------|
| Year ending September 30, | |
| 2024 | \$(3,164,540) |
| 2025 | \$(5,242,304) |
| 2026 | \$(4,464,075) |
| 2027 | \$(167,538) |
| 2028 | \$ - |
| Thereafter | \$ - |

Money-Weighted Rate of Return

For the fiscal year ended September 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 12.42%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Notes to the Financial Statements
September 30, 2023

Note 5. Other Matters (continued)

C. Employee Retirement Pension Plans

The City maintains two contributory single-employer defined benefit pension plans, which are maintained as pension trust funds and are reported herein as components of the City's reporting entity. Separate stand-alone financial statements for the two plans are not prepared. Separate boards of trustees independently govern each system.

Assets may not be transferred from one plan to another or used for any purpose other than to benefit each system's participants as defined in their authorizing ordinances.

For the year ended September 30, 2023 the City of Titusville recognized pension expense of \$6,081,833 for the General Employees' Pension Plan and \$8,332,266 for the Police Officers' and Firefighters' Pension Plan for a total pension expense of \$14,414,099. OPEB expense is \$(318,686) for a total of \$14,095,413 expense for OPEB and pensions.

| General Employee Pension | Police & Fire Pension | Total Pension | OPEB | Total Pension & OPEB |
|--------------------------|-----------------------|---------------|--------------|----------------------|
| \$ 6,081,833 | \$ 8,332,266 | \$ 14,414,099 | \$ (318,686) | \$ 14,095,413 |

Summary of Significant Accounting Policies

Basis of accounting: The City's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative expenses and fees attributable to each plan are deducted from the plan assets.

Method used to value investments: Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 5. Other Matters (continued)

General Employees' Pension Plan

Plan Description

The Plan is a single-employer defined pension plan administered by a Board of Trustees comprised of: three full-time General Employees of the system elected by the membership, one General Employee appointed by the Board and confirmed by the City Manager, one citizen selected by the Board and appointed by the City Council as a ministerial duty.

Plan Membership as the Valuation Date October 1, 2022:

| | |
|---|------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 388 |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefits | 221 |
| Active Plan Members | 310 |
| | <u>919</u> |

The General Employees' Pension Plan covers all permanent, full-time City employees (excluding firefighters and sworn police officers). Civilians, clerical, and other non-combat employees of the police and fire departments are also included in the General Employees' Pension Plan. The City is required to contribute funds as necessary to maintain the plan actuarially.

The annual required contribution for the current year was determined as part of the October 1, 2022 updated to September 30, 2023 actuarial valuation report, which incorporated any changes to the pension plan provisions, using the entry age normal actuarial cost method with the initial unfunded actuarial accrued liability determined by the entry age actuarial cost method, and amortization of unfunded past service liability over a 30 year period. The actuarial assumptions included: (a) 7.25% investment rate of return (net of administrative expenses), (b) projected salary increase based on service, and (c) 2.50% annual inflation. The assumptions did not include post-retirement benefit increases.

Benefits Provided

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

Normal Retirement:

For the frozen accrued benefit for all Members and for all benefits for Members with at least 10 Years of Service as of August 26, 2013:

Date: First of the month coinciding with or following the earlier of: 1) age 58 and the completion of 7.5 years of Credited Service, or 2) the completion of 28 years of Credited Service, regardless of age.

Benefit: 2.482% of Average Final Compensation as of August 26, 2013 times Credited Service through August 26, 2013 (Members who are eligible for Normal Retirement as of August 26, 2013 continue to accrue benefits under the old benefit structure).

City of Titusville, Florida

Notes to the Financial Statements
September 30, 2023

Note 5. Other Matters (continued)

Form of Benefit: Life Annuity (options available).

For the benefits accrued on and after August 26, 2013:

Date: First of the month coinciding with or following the earlier of: 1) age 58 and the completion of 7.5 years of Credited Service, or 2) the completion of 28 years of Credited Service, regardless of age.

Benefit: 2.25% of Average Final Compensation times Credited Service on and after August 26, 2013.

Form of Benefit: Life Annuity (options available).

For the benefits accrued on and after August 26, 2013 for Members with less than 10 Years of Service as of that date:

Date: First of the month coinciding with or following the earlier of: 1) age 62 and the completion of 10 years of Credited Service, or 2) the completion of 30 years of Credited Service, regardless of age.

Early Retirement:

For the frozen accrued benefit for all Members and for all benefits for Members with at least 10 Years of Service as of August 26, 2013:

Date: Later of age 48 and the completion of 7.5 years of Credited Service.

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

For benefits accrued on and after August 26, 2013 for Members with less than 10 Years of service as of that date:

Date: Later of age 52 and the completion of 10 years of Credited Service.

Benefit: Same as for Normal Retirement but actuarially reduced for Early Retirement.

Deferred Retirement Option Program

Effective November 26, 2019, a subsequent program "DROP II" is available to participants. Participation in the plan cannot be more than 72 months. Rate of return: The Account is credited with the actual net rate of investment return minus 2% after each fiscal year end and is subject to a minimum of 0% and a maximum equal to the current valuation investment return assumption as adopted by the Board.

The DROP II balance s of September 30, 2023 is \$1,192,877.

City of Titusville, Florida

Notes to the Financial Statements
September 30, 2023

Note 5. Other Matters (continued)

Vesting:

Schedule: 0% for less than 10 years, 100% after 10 years. Members are 100% vested in their frozen accrued benefit as of August 26, 2013.

Benefit: Vested accrued benefit (determined as for Normal Retirement) paid beginning at the otherwise Normal Retirement Date.

Disability:

Eligibility: Total and permanent (as determined by the Board) after completion of 10 years of Credited Service.

Benefit: Accrued Benefit (determined as for Normal Retirement).

Maximum: Total of Plan, Workers Compensation, and Social Security benefits shall not exceed 100% of Average Final Compensation.

Death Benefits:

Vested: Beneficiary receives a monthly benefit which is the actuarial equivalent of 50% of the Member's accrued benefit at the date of death.

Prior to Vesting: None.

Contributions

Members: 3.0% of Salary

City: Remaining amount necessary to pay the Normal Cost and fund the accrued, past service liability over 30 years.

Net Pension Liability

The measurement date is September 30, 2023.

The measurement period for the pension expense was October 1, 2022 to September 30, 2023.

The reporting period is October 1, 2022 through September 30, 2023.

The Sponsor's Net Pension Liability was measured as of September 30, 2023.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 5. Other Matters (continued)

Actuarial Assumptions

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

| | |
|---------------------------|---------------|
| Inflation | 2.50% |
| Salary Increases | Service Based |
| Discount Rate | 7.25% |
| Investment Rate of Return | 7.25% |

Mortality Rate Healthy Active Lives:

Female: PubG.H-2010 for Employees.

Male: PubG.H-2010 (Below Median) for Employees, set back one year.

Mortality Rate Healthy Retiree Lives:

Female: PubG.H-2010 for Healthy Retirees.

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

Mortality Rate Beneficiary Lives:

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

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions is dated August 20, 2018.

Investments:

Investment Policy

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2023 are summarized in the following table:

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 5. Other Matters (continued)

| Asset Class | Target Allocation | Long Term Expected Real Rate of Return |
|---------------------------|-------------------|--|
| All Cap Value Equity | 27.50% | 7.50% |
| Broad Growth Equity | 27.50% | 7.50% |
| Broad Market Fixed Income | 20.00% | 2.50% |
| Foreign Equity Securities | 10.00% | 8.50% |
| Global Fixed Income | 5.00% | 3.50% |
| Real Estate | 10.00% | 4.50% |
| Total | <u>100.00%</u> | |

Discount Rate:

The single equivalent Discount Rate was 7.25 percent.

The projection of cash flows used to determine the Discount Rate assumed that the Plan Member contributions are made at the current contribution rate and Sponsor contributions are 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.

City of Titusville, Florida

Notes to the Financial Statements
September 30, 2023

Note 5. Other Matters (continued)

City of Titusville, Florida
Schedule of Changes in Net Pension Liability (Asset)
General Employees' Retirement Trust Fund
For fiscal year ended September 30, 2023

| | Total Pension Liability | Net Plan Position | Net Pension Liability (Asset) |
|--|-------------------------|-------------------|----------------------------------|
| Reporting Period Ending September 30, 2022 | \$ 72,312,863 | \$ 60,434,844 | \$ 11,878,019 |
| Changes for the year | 2,046,361 | - | 2,046,361 |
| Service Cost | 1,307,668 | - | 1,307,668 |
| Interest | 5,165,189 | - | 5,165,189 |
| Difference Expected/Actual Experience | (17,511) | - | (17,511) |
| Changes of assumptions | - | - | - |
| Contributions - Employer | - | 1,473,702 | (1,473,702) |
| Contributions - Employee | - | 406,303 | (406,303) |
| Net Investment Income | - | 7,259,901 | (7,259,901) |
| Contributin - Buy Back | 33,372 | 33,372 | - |
| Benefit Payments/Refunds | (4,753,085) | (4,753,085) | - |
| Administrative Exp | - | (143,174) | 143,174 |
| Net Changes | 3,781,994 | 4,277,019 | (495,025) |
| Balance at September 30, 2023 | \$ 76,094,857 | \$ 64,711,863 | \$ 11,382,994 |

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 5. Other Matters (continued)

Sensitivity of the Net Pension Liability (Asset) to the Changes in Discount Rate

| | 1% Decrease 6.25% | Current Discount Rate 7.25% | 1% Increase 8.25% |
|----------------------------------|----------------------|--------------------------------|----------------------|
| Net Pension Liability (Asset) \$ | \$ 19,162,360 | \$ 11,382,994 | \$ 4,808,830 |

For the year ended September 30, 2023 the City recognized pension expense of \$6,081,833 for the General Employees' Pension Plan. On September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the General Employees Pension Plan from the following sources:

| | Deferred outflows of resources | Deferred inflows of resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 33,856 | \$ 11,674 |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | 3,135,613 | - |
| Total | <u>\$ 3,169,469</u> | <u>\$ 11,674</u> |

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

| | |
|---------------------------|--------------|
| Year ending September 30, | |
| 2024 | \$ 974,763 |
| 2025 | \$ 425,106 |
| 2026 | \$ 2,355,227 |
| 2027 | \$(597,301) |
| 2028 | \$ - |
| Thereafter | \$ - |

Money-Weighted Rate of Return:

For the fiscal year ended September 30, 2023, the annual money-weighted rate of return on Pension Plan investments was 12.29%.

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 5. Other Matters (continued)

Police Officers' and Firefighters' Pension Plan

Plan Description

Board of Trustees:

The Plan is administered by a Board of Trustees comprised of: Police Chief, Fire Chief, employee appointed by Police Chief, Division Chief designated by Fire Chief, two elected members from each department, one citizen selected by a majority of other members and appointed by the City Council as a ministerial duty.

Plan Membership as of Valuation Date October 1, 2023:

| | |
|---|------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 139 |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefits | 52 |
| Active Plan Members | 145 |
| | <u>336</u> |

The Police Officers' and Firefighters' Pension Plan covers all permanent, full-time employees classified as combat firefighters and sworn police officers and became a contributory plan on December 22, 1986. The plan requires participating employees to contribute 7% of gross earnings to the Police Officers' and Firefighters' Pension Fund by its members. The payments are deducted from the employees' wages and remitted by the City to the fund bi-weekly. If a police officer or firefighter terminates prior to vesting, he/she is entitled to withdraw their portion of the contributions plus normal interest. The State of Florida also contributes payments to the Police Officers' and Firefighters' Plan as provided in Chapters 175 and 185 of the Florida Statutes. This contribution by the State of Florida is first recognized as revenue in the General Fund before being transferred to the Pension Fund. The City contributes the amount necessary to pay the normal cost and fund the actuarial-accrued liability over not more than a 30 year period.

Benefits Provided

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

Normal Retirement:

Benefit for Service Prior to June 1, 2013:

Date: First of the month coinciding with or following the earlier of age 55 and the completion of ten (10) years of Credited Service or the completion of twenty-five (25) years of Credited Service regardless of age..

Benefit: 3.0% of Average Final Compensation (Before June 1, 2013) times Credited Service.

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 5. Other Matters (continued)

Benefit Accrued for Service After June 1, 2013:

Date: Remains the same for those with at least ten (10) years of service as of this date. Otherwise, first of the month coinciding with or following the earlier of age 55 and the completion of ten (10) years of Credited Service or the completion of twenty-five (25) years of Credited Service regardless of age.

Benefit: 2.75% of Average Final Compensation times Credited Service.

Members eligible for retirement prior to June 1, 2013 will continue to follow the same structure as before these amendments were adopted.

Early Retirement:

Eligibility: With at least ten (10) years of Credited Service, age 50.

Benefit: Same as for Normal Retirement but reduced by 3% per year prior to age 55 to reflect early payment.

Deferred Retirement Option Program

Effective December 10, 2019, a subsequent program "DROP II" is available to participants. Participation cannot be more than 72 months. Rate of return: The Account is credited with the actual net rate of investment return minus 2% after each fiscal year end. The annual return is subject to a minimum of 0% and a maximum equal to the current valuation investment return assumption as adopted by the Board.

The DROP II balance as of September 30, 2023 is \$499,481.

Vesting:

Schedule: Before June 1, 2013: 0% for first seven (7) years, 100% after eight (8) years.

After June 1, 2013: 100% for ten (10) years (All members are 100% vested in their frozen accrued benefit as of June 1, 2013).

Benefit: Before June 1, 2013: Frozen vested accrued benefit as of June 1, 2013 paid beginning at age 55.

After June 1, 2013: Vested accrued benefit based on service earned after June 1, 2013.

Terminated vested members may elect a refund of contributions or a monthly annuity payable upon reaching age 55. Non-vested members receive a refund of contributions.

Disability:

Eligibility: Total and permanent (as determined by the Board). Members covered from date of hire (Service incurred) or after completion of ten (10) years of Credited Service (Non-service incurred).

Benefit: Accrued benefit (determined as for Normal Retirement). Benefit shall not be less than 50% of Average Final Compensation for service incurred disability.

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 5. Other Matters (continued)

Maximum: Total of Plan and Workers Compensation benefits shall not exceed 100% of Average Monthly Wage.

Death Benefits:

Service Incurred: Coverage from date of employment; beneficiary receives greater of accrued benefit or 50% of Average Final Compensation for life, with a maximum payment period of twenty-five (25) years for non-spouse beneficiaries only.

Non-Service Incurred: Coverage after eight (8) years of service; same benefit as Service Incurred.

Cost of Living Adjustment:

Eligibility: Normal and Early Retirees (and Disability Retirees who otherwise meet the requirements for Normal or Early Retirement at the time of Disability Retirement) hired before June 1, 2013.

Benefit: 1.277% automatic lifetime COLA, beginning the first October 1 following one full year of retirement. For members not eligible for Normal Retirement as of June 1, 2013 shall only apply to credited service earned prior to June 1, 2013.

Contributions

Members: 7.0% of salary.

State: Tax on premiums for fire and casualty insurance issued to residents of the City as provided in Chapter 175 and 185, Florida Statutes.

City: Remaining amount necessary to pay the normal cost and fund the accrued past service liability over 30 years.

Net Pension Liability

The measurement date is September 30, 2023.

The measurement period for the pension expense was October 1, 2022 to September 30, 2023.

The reporting period is October 1, 2022 through September 30, 2023.

The Sponsor's Net Pension Liability was measured as of September 30, 2023.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 5. Other Matters (continued)

Actuarial Assumptions

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2022 updated to September 30, 2023 using the following actuarial assumptions applied to all measurement periods.

| | |
|---------------------------|---------------|
| Inflation | 2.50% |
| Salary Increases | Service Based |
| Discount Rate | 7.25% |
| Investment Rate of Return | 7.25% |

Mortality Rate Healthy Active Lives:

Female: PubS.H-2010 (Below Median) for Employees, set forward one year.

Male: PubS.H-2010 (Below Median) for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:

Female: PubS.H-2010 for Healthy Retirees, set forward one year.

Male: PubS.H-2010 (Below Median) for Healthy Retirees, set forward one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 (Above Median) for Healthy Retirees.

Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

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

All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2018.
We feel this assumption sufficiently accommodates future mortality improvements.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2021 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

The most recent actuarial experience study used to review the other significant assumptions was dated August 17, 2018.

Investments:

Investment Policy

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 table:

City of Titusville, Florida

Notes to the Financial Statements
September 30, 2023

Note 5. Other Matters (continued)

| Asset Class | Target Allocations | Long Term Expected Real Rate of Return |
|---------------------------|--------------------|--|
| All Cap Value Equity | 27.50% | 7.50% |
| Broad Growth Equity | 27.50% | 7.50% |
| Foreign Equity Securities | 10.00% | 8.50% |
| Broad Market Fixed Income | 20.00% | 2.50% |
| Global Fixed Income | 5.00% | 3.50% |
| Real Estate | 10.00% | 4.50% |
| Total | 100.00% | |

Discount Rate:

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions are made at the current contribution rate and Sponsor contributions are 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.

City of Titusville, Florida
Schedule of Changes in Net Pension Liability (Asset)
Police Officers' and Firefighters' Retirement Trust Fund
For fiscal year ended September 30, 2023

| | Total Pension Liability | Net Plan Position | Net Pension Liability (Asset) |
|--|-------------------------|-------------------|----------------------------------|
| Reporting Period Ending September 30, 2022 | \$ 77,576,289 | \$ 63,341,560 | \$ 14,234,729 |
| Changes for the year | | | |
| Service Cost | 1,119,339 | - | 1,119,339 |
| Interest | 5,532,474 | - | 5,532,474 |
| Share Plan Allocation | 500,784 | - | 500,784 |
| Changes in Benefit Terms | 3,410,371 | - | 3,410,371 |
| Difference Expected/Actual Experience | (97,856) | - | (97,856) |
| Changes of Assumptions | - | - | - |
| Contributions - Employer | - | 811,700 | 811,700 |
| Contributions - State | - | 1,001,568 | 1,001,568 |
| Contributions - Employee | - | 621,062 | 621,062 |
| Net Investment Income | - | 5,751,921 | 5,751,921 |
| Benefit Payments/Refunds | (4,771,294) | (4,771,294) | - |
| Administrative Exp | - | (154,344) | (154,344) |
| Net Changes | 5,693,818 | 3,260,613 | 2,433,205 |
| Balance at September 30, 2023 | \$ 83,270,107 | \$ 66,602,173 | \$ 16,667,934 |

City of Titusville, Florida

Notes to the Financial Statements September 30, 2023

Note 5. Other Matters (continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

| | 1% Decreases 6.25% | Current Discount Rate 7.25% | 1% Increase 8.25% |
|-------------------------------|-----------------------|--------------------------------|----------------------|
| Net Pension Liability (Asset) | \$ 26,056,999 | \$ 16,667,934 | \$ 8,824,444 |

For the year ended September 30, 2023, the City of Titusville recognized pension expense of \$8,332,266 for the Police Officers' and Firefighters' Pension Plan. On September 30, 2023, the City reported Deferred Outflows of Resources and Deferred Inflows of Resources related to the Police Officers' and Firefighters' Pension Plan from the following sources:

| | Deferred outflows of resources | Deferred inflows of resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 738,015 | \$ 73,392 |
| Changes of assumptions | 835,568 | - |
| Net difference between projected and actual earnings on pension plan investments | 5,355,544 | - |
| Total | \$ 6,929,127 | \$ 73,392 |

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

| | |
|---------------------------|--------------|
| Year ending September 30: | |
| 2024 | \$ 2,106,892 |
| 2025 | \$ 1,719,236 |
| 2026 | \$ 3,279,601 |
| 2027 | \$(249,994) |
| 2028 | \$ - |
| Thereafter | \$ - |

Money-Weighted Rate of Return:

For the fiscal year ended September 30, 2023, the annual money-weighted rate of return on Pension Plan investments was 9.30%.

City of Titusville, Florida

Notes to the Financial Statements
September 30, 2023

Note 5. Other Matters (continued)

City of Titusville, Florida
Combining Statement of Fiduciary Net Position
Pensions and Other Post-Employment Benefits Trust Funds
for the fiscal year ended September 30, 2023

| | General Employees' Retirement Trust | Police Officers' and Firefighters' Retirement Trust | Other Post Employment Benefits Trust | Total |
|--|---|---|--|----------------|
| Assets | | | | |
| Cash | \$ - | \$ 2,397,186 | \$ 34,859 | \$ 2,432,045 |
| Accounts Receivable / Accruals | 1,185 | 252,189 | - | 253,374 |
| Investments earnings (loss) | | | | |
| Cash with fiscal agent | - | - | 46,797 | 46,797 |
| Money market | 2,894,328 | 3,390,009 | - | 6,284,337 |
| Federal agency bonds/notes | 2,636,441 | 1,173,297 | - | 3,809,738 |
| U.S. Treasury bond/notes | 3,666,719 | 4,702,080 | - | 8,368,799 |
| Municipal bonds/notes | 201,440 | 980,630 | - | 1,182,070 |
| Corporate bonds | 2,094,884 | 2,764,062 | - | 4,858,946 |
| Corporate stock | 36,619,811 | 28,855,559 | - | 65,475,370 |
| Mutual fund - bonds | 1,291,981 | 3,914,608 | 1,226,749 | 6,433,338 |
| Mutual fund - equity | 7,902,245 | 11,299,810 | 2,435,460 | 21,637,515 |
| Real estate | 7,398,574 | 7,060,449 | - | 14,459,023 |
| Total investments earnings (loss) | 64,706,423 | 64,140,504 | 3,709,006 | 135,241,352 |
| Total assets | 64,707,608 | 66,789,879 | 3,743,865 | 135,241,352 |
| Liabilities | | | | |
| Accounts payable | 1,213 | 135,793 | 34,859 | 171,865 |
| Total liabilities | 1,213 | 135,793 | 34,859 | 171,865 |
| Net Position | | | | |
| Restricted for pension & other post-employment | \$ 64,706,395 | \$ 66,654,086 | \$ 3,709,006 | \$ 135,069,487 |

City of Titusville, Florida

Notes to the Financial Statements
September 30, 2023

Note 5. Other Matters (continued)

City of Titusville, Florida
Combining Statement of Changes in Fiduciary Net Position
Pensions and Other Post-Employment Benefits Trust Funds
For fiscal year ending September 30, 2023

| | General Employees' Retirement Trust | Police Officers' and Firefighters' Retirement Trust | Other Post- Employment Benefits Trust | Total |
|---|---|---|---|-------------------|
| Additions | | | | |
| Contributions: | | | | |
| Employer | \$ 1,473,691 | \$ 808,755 | \$ 1,497,412 | \$ 3,779,858 |
| Employee | 421,229 | 635,446 | 440,427 | 1,497,102 |
| State of Florida | - | 1,001,568 | - | 1,001,568 |
| Total contributions | 1,894,920 | 2,445,769 | 1,937,839 | 6,278,528 |
| Investment earnings (loss) | | | | |
| Net change in the fair value of investments | 6,359,907 | 3,948,798 | 301,236 | 10,609,941 |
| Interest & dividends | 1,090,866 | 2,009,085 | 100,013 | 3,199,964 |
| Total invest income | 7,450,773 | 5,957,883 | 401,249 | 13,809,905 |
| Less investment-related expense | (215,316) | (273,690) | - | (489,006) |
| Total | 9,130,377 | 8,129,962 | 2,339,088 | 19,599,427 |
| Deductions | | | | |
| Pension and other employee benefits | 4,733,840 | 4,712,211 | 1,848,540 | 11,294,591 |
| Administrative expenses | 128,649 | 124,452 | 34,334 | 287,435 |
| Total | 4,862,489 | 4,836,663 | 1,882,874 | 11,582,026 |
| Change in net position | 4,267,888 | 3,293,299 | 456,214 | 8,017,401 |
| Net position - beginning of year | 60,438,507 | 63,360,787 | 3,252,792 | 127,052,086 |
| Net position - end of year | \$ 64,706,395 | \$ 66,654,086 | \$ 3,709,006 | \$ 135,069,487 |

Notes to the Financial Statements
September 30, 2023

Note 5. Other Matters (continued)

D. Deferred Compensation Plans

The City offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Section 457; i.e., International City Managers' Association (ICMA) or Nationwide Retirement Solutions (PEBSCO). The plans are available to all City employees and permit employees to defer a portion of their salary until future years. Participation in either of the plans is optional. Deferred compensation withdrawals are not available to employees until termination, retirement, death or an unforeseeable emergency.

In accordance with current professional pronouncements, the City has not included such funds in its financial statements.

On June 11, 2013, the City approved Resolution 18-2013 adopting a Money Purchase Defined Contribution Plan that is qualified under Section 401 (a) of the Internal Revenue Code, to eligible employees who participate in the City's 457(b) Deferred Compensation Plan. Effective for plan years beginning June 30, 2013 for Police and Firefighters and August 26, 2013 for General Employees, the City has made matching contributions to the City's 401(a) Money Purchase Defined Contribution Plan on a dollar for dollar basis, up to four percent of the employee base pay that the employee contributes to the City's 457(b) plan.

The Plan will provide for immediate vesting of the employee contributions and earnings on employee contributions to the 457(b) plan, however, employer contributions and earnings on employer contributions to the 401(a) defined contribution plan is vested after one year of participation in the DC Plan.

E. Equity Interest in Joint Venture

On May 24, 2010, the City entered into a joint venture with Farmton Water Resources LLC (Farmton) for the purpose of establishing a cooperative arrangement for the construction, installation and operation of a well field for the supply of water to the benefit of existing and future customers. TIFA LLC (TIFA), a limited liability company, was created for that purpose. The City and Farmton are required to contribute 50% each to the cost of constructing and maintaining the well field. Business and affairs of TIFA are managed by a management committee that is made up of two members, designated by the City and Farmton, respectively. Distributions of the amount equal to all cash receipts less all cash expenditures will be made, no less frequently than annually, based on membership interest at the time. On dissolution, the net assets of TIFA will be distributed based on membership interest at the time. If the reader should require further information, such as the financial statements of the joint venture, please contact: Sean Stauffer, 555 S. Washington Avenue, Titusville, Florida 32781.

F. Contingent Liabilities

Amounts received or receivables from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor, cannot be determined at this time although the City expects such amounts, if any to be immaterial.

City of Titusville, Florida

Notes to the Financial Statements
September 30, 2023

Note 5. Other Matters (continued)

The City is a defendant in various lawsuits. Although the outcomes of these lawsuits are not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Notes to the Financial Statements
September 30, 2023

Note 6. New Accounting Pronouncements

- a. GASB issued Statement No. 99, *Omnibus 2022*, in April 2022. *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative Instrument or a hedging derivative instrument. The requirements related to financial guarantees and the classification and reporting of derivative Instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.
- b. GASB issued Statement No. 100, *Accounting Changes and Error Corrections-An Amendment of GASB Statement No.62*, in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.
- c. GASB issued Statement No. 101, *Compensated Absences* in June 2022. 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. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.
- d. GASB issued Statement No. 102, *Certain Risk Disclosures* in December of 2023. This Statement requires a government to assess 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. Additionally, this Statement requires a government to assess 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. GASB Statement No. 102 is effective starting for fiscal years beginning after June 15, 2024.

Notes to the Financial Statements
September 30, 2023

Note 7. Deficit Fund Balance and Net Position

- a. The Proprietary Fund, *Solid Waste System*, has a deficit net position of \$1.94 million. This is the result of operating expenses exceeding operating revenues.
- b. The Internal Service Fund, *Fleet*, has a deficit net position of \$1.12 million. This represents a decrease in the deficit from the prior year and is the result of long-term other post-employments benefit (OPEB) liabilities. These liabilities do not impact cash flows and will not affect the ability to provide services.
- c. The Internal Service Fund, *Fully Insured Health*, has a deficit net position of \$35,558. This is the result of unanticipated, unrealized investment losses.

Note 8. Subsequent Event

In December 2023, the City issued a new Water and Sewer Revenue Bond, Series 2023 for \$5,046,000 to fund improvements to the City's Water and Sewer System and to pay related costs of issuance of \$46,000. Improvements are for the Blue Heron Water Reclamation Facility, Clarifier Improvements in the amount of \$1,150,000 and improvements to the Mourning Dove Water Treatment Plant, Filter Improvements in the amount of \$3,850,000. Through the Request for Proposal process, it was determined that Cogent Bank provided the best combination of interest rate and terms most favorable to the City with a fixed interest rate of 4.66% for a term of ten years, maturing on October 15, 2033, with bi-annual interest only payments beginning on April 15, 2024, and principal and interest payments on October 15, 2024.



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City of Titusville, Florida

Required Supplementary Information
September 30, 2023

Schedule of Changes in Net OPEB Liability and Related Ratios
Other Post-Employment Benefits Trust Fund
Last 10 Fiscal Years*

| | 9/30/2023 | 9/30/2022 | 9/20/2021 | 9/30/2020 |
|---|---------------|---------------|---------------|---------------|
| Total Pension Liability | | | | |
| Service Cost | \$ 845,088 | \$ 1,687,635 | \$ 1,739,148 | \$ 980,693 |
| Interest | 2,184,232 | 1,692,738 | 1,515,092 | 2,248,081 |
| Changes of benefit terms | | - | - | (13,012) |
| Differences between expected and actual experience | | 335,520 | - | 4,230,879 |
| Changes of assumptions | (666,060) | (22,826,857) | (3,500,313) | 6,312,050 |
| Explicit Gross Benefit Payments | (1,848,540) | (1,904,121) | (1,980,467) | (1,987,481) |
| Explicit Contributions - Retiree | (586,968) | 454,036 | 490,321 | 531,523 |
| Implicit Net Benefit Payments | | (1,068,058) | (1,045,467) | (1,249,034) |
| Net Change in Total OPEB Liability | (72,248) | (21,629,107) | (2,781,686) | 11,053,699 |
| Total Pension Liability - Beginning | 45,580,504 | 67,209,611 | 69,991,297 | 58,937,598 |
| Total Pension Liability - Ending (a) | \$ 45,508,256 | \$ 45,580,504 | \$ 67,209,611 | \$ 69,991,297 |
| Plan Fiduciary Net Position | | | | |
| Explicit Contributions - Employer | \$ 1,497,412 | \$ 1,606,639 | \$ 1,593,078 | \$ 1,895,091 |
| Implicit Contributions - Employer | 586,968 | 1,068,058 | 1,045,467 | 1,249,034 |
| Explicit Contributions - Retiree | 440,427 | 454,036 | 490,321 | 531,523 |
| Net Investment Income | 401,249 | (734,029) | 616,888 | 340,793 |
| Explicit Gross Benefit Payments | (1,848,540) | (1,904,121) | (1,980,467) | (1,987,481) |
| Implicit Net Benefit Payments | (586,968) | (1,068,058) | (1,045,467) | (1,249,034) |
| Other | | - | (42,296) | - |
| Administrative Expense | (34,334) | (29,280) | (33,663) | (23,644) |
| Net Change in Plan Fiduciary Net Position | 456,214 | (606,755) | 643,861 | 756,282 |
| Plan Fiduciary Net Position - Beginning | 3,252,792 | 3,859,547 | 3,215,686 | 2,459,404 |
| Plan Fiduciary Net Position - Ending (b) | \$ 3,709,006 | \$ 3,252,792 | \$ 3,859,547 | \$ 3,215,686 |
| Net Pension Liability - Ending (a) - (b) | \$ 41,799,250 | \$ 42,327,712 | \$ 63,350,064 | \$ 66,775,611 |
| Plan Fiduciary Net Position as a percentage of the Total OPEB Liability | 8.15% | 7.14% | 5.74% | 4.59% |
| Covered Payroll* | \$ 24,964,272 | \$ 23,889,255 | \$ 22,258,309 | \$ 21,299,817 |
| Net Pension Liability as a Percentage of Covered Payroll | 167.44% | 177.18% | 284.61% | 313.50% |

*10 years of data will be presented as it becomes available.

City of Titusville, Florida

Required Supplementary Information
September 30, 2023

Schedule of Changes in Net OPEB Liability and Related Ratios
Other Post-Employment Benefits Trust Fund
Last 10 Fiscal Years* (Continued)

| | 9/30/2019 | 9/30/2018 | 9/30/2017 |
|------|---------------|---------------|---------------|
| \$ | 822,394 | \$ 990,753 | \$ 1,097,474 |
| | 2,230,251 | 2,217,837 | 2,062,341 |
| | - | - | - |
| | - | (1,608,563) | - |
| | 4,595,562 | (8,119,717) | (5,423,507) |
| | (1,973,978) | (2,009,347) | (1,884,080) |
| | 470,609 | 482,054 | - |
| | (958,432) | (1,003,129) | (566,062) |
| | 5,186,406 | (9,050,112) | (4,713,834) |
| | 53,751,192 | 62,801,304 | 67,515,138 |
| \$ | \$ 58,937,598 | \$ 53,751,192 | \$ 62,801,304 |
| | | | |
| \$ | 1,903,735 | \$ 1,527,293 | \$ 1,657,884 |
| | 958,432 | 1,003,129 | 566,062 |
| | 470,609 | 482,054 | 443,463 |
| | 93,542 | 204,104 | 263,882 |
| | (1,973,978) | (2,009,347) | (1,884,080) |
| | (958,432) | (1,003,129) | (566,062) |
| | - | (693,616) | - |
| | (29,677) | (42,143) | (23,689) |
| | 464,231 | (531,655) | 457,460 |
| | 1,995,173 | 2,526,828 | 2,069,368 |
| \$ | \$ 2,459,404 | \$ 1,995,173 | \$ 2,526,828 |
| \$ | \$ 56,478,194 | \$ 51,756,019 | \$ 60,274,476 |

| | | | |
|----|---------------|---------------|---------------|
| | 4.17% | 3.71% | 4.02% |
| \$ | \$ 19,879,378 | \$ 18,754,131 | \$ 18,754,131 |
| | 284.10% | 275.97% | 321.39% |

Schedule of Contributions
Other Post Employment Benefits Trust Fund
Last 10 Fiscal Years*

| Fiscal Year Ended | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contributions | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------------|-------------------------------------|---|----------------------------------|-----------------|--|
| 9/30/2023 \$ | 3,063,005 \$ | 1,497,412 \$ | 1,565,593 \$ | 24,964,272 | 6.00% |
| 9/30/2022 | 2,982,255 | 1,606,639 | 1,375,616 | 23,889,255 | 6.73% |
| 9/30/2021 | 3,232,025 | 1,593,078 | 1,638,947 | 22,258,309 | 7.16% |
| 9/30/2020 | 3,225,302 | 1,895,091 | 1,330,211 | 21,299,817 | 8.90% |
| 9/30/2019 | 3,170,359 | 1,903,735 | 1,266,624 | 19,879,378 | 9.58% |
| 9/30/2018 | 3,046,637 | 1,527,293 | 1,519,344 | 18,754,131 | 8.14% |
| 9/30/2017 | 3,297,320 | 1,657,884 | 1,639,436 | 16,889,001 | 9.82% |

*10 years of data will be presented as it becomes available.

Notes to Schedule:

Actuarially determined contribution rates shown above are calculated as of October 1 for the plan/fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates are the same as those found in Note 5. The only exception is that an investment return rate of 6.0% was used for funding valuation purposes.



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City of Titusville, Florida

Required Supplementary Information
September 30, 2023

General Employees' Pension Trust

Schedule of Changes in Net Pension Liability and Related Ratios
General Employees' Pension
Last 10 Fiscal Years

| | 9/30/2023 | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 |
|--|---------------|---------------|----------------|---------------|---------------|
| Total Pension Liability | | | | | |
| Service Cost | \$ 1,307,668 | \$ 1,236,856 | \$ 1,120,539 | \$ 1,055,101 | \$ 997,001 |
| Interest | 5,165,189 | 5,043,783 | 4,990,299 | 4,970,974 | 4,836,266 |
| Changes of benefit terms | 2,046,361 | - | - | - | - |
| Differences between expected and actual experience | (17,511) | 101,569 | (111,383) | 276,775 | 399,357 |
| Changes of assumptions | | - | 1,625,991 | 640,200 | - |
| Contributions - Buy Back | 33,372 | - | - | 21,909 | 24,202 |
| Benefit Payments, Including Refunds of Contributions | (4,753,085) | (4,803,821) | (4,615,504) | (4,653,848) | (4,499,667) |
| Net Change in Total Pension Liability | 3,781,994 | 1,578,387 | 3,009,942 | 2,311,111 | 1,757,159 |
| Total Pension Liability - Beginning | 72,312,863 | 70,734,476 | 67,724,534 | 65,413,423 | 63,656,264 |
| Total Pension Liability - Ending (a) | 76,094,857 | 72,312,863 | 70,734,476 | 67,724,534 | 65,413,423 |
| Plan Fiduciary Net Position | | | | | |
| Contributions – Employer | 1,473,702 | 1,391,895 | 1,678,995 | 2,295,879 | 2,628,066 |
| Contributions - | 406,303 | 375,005 | 348,573 | 344,340 | 323,634 |
| Contributions - Buy Back | 33,372 | - | - | 21,909 | 24,202 |
| Net Investment Income | 7,259,901 | (9,572,984) | 14,147,701 | 2,119,258 | 1,620,007 |
| Benefit Payments, Including Refunds of Contributions | (4,753,085) | (4,803,821) | (4,615,504) | (4,653,848) | (4,499,667) |
| Administrative Expense | (143,174) | (110,327) | (98,206) | (105,220) | (116,965) |
| Net Change in Plan Fiduciary Net Position | 4,277,019 | (12,720,232) | 11,461,559 | 22,318 | (20,723) |
| Plan Fiduciary Net Position - Beginning | 60,434,844 | 73,155,076 | 61,693,517 | 61,671,199 | 61,691,922 |
| Plan Fiduciary Net Position - Ending (b) | 64,711,863 | 60,434,844 | 73,155,076 | 61,693,517 | 61,671,199 |
| Net Pension Liability - Ending (a) - (b) | \$ 11,382,994 | \$ 11,878,019 | \$ (2,420,600) | \$ 6,031,017 | \$ 3,742,224 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 85.04% | 83.57% | 103.42% | 91.09% | 94.28% |
| Covered Payroll* | \$ 16,204,758 | \$ 15,000,174 | \$ 13,942,943 | \$ 13,785,792 | \$ 12,986,665 |
| Net Pension Liability as a Percentage of covered | 70.24% | 79.19% | (17.36)% | 43.75% | 28.82% |

City of Titusville, Florida

Required Supplementary Information
September 30, 2023

General Employees' Pension Trust (continued)

Schedule of Changes in Net Pension Liability and Related Ratios
General Employees' Pension
Last 10 Fiscal Years (continued)

| 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 | 9/30/2014 |
|---------------|---------------|---------------|--------------|--------------|
| \$ 989,921 | \$ 933,328 | \$ 821,468 | \$ 738,499 | \$ 751,425 |
| 4,831,550 | 4,718,214 | 4,552,082 | 4,573,039 | 4,541,119 |
| - | - | (88,592) | - | - |
| (355,627) | 411,551 | 5,321 | (870,999) | - |
| 1,044,973 | - | 1,589,756 | - | - |
| 28,879 | - | 11,869 | - | 4,201 |
| (4,575,782) | (4,830,173) | (5,201,251) | (4,192,511) | (5,577,127) |
| 1,963,914 | 1,232,920 | 1,690,653 | 248,028 | (280,382) |
| 61,692,350 | 60,459,430 | 58,768,777 | 58,520,749 | 58,801,131 |
| 63,656,264 | 61,692,350 | 60,459,430 | 58,768,777 | 58,520,749 |
| 2,358,577 | 2,293,318 | 2,659,078 | 3,260,781 | 3,318,730 |
| 312,111 | 296,609 | 274,825 | 234,781 | 217,529 |
| 28,879 | - | 11,869 | - | 4,201 |
| 5,338,971 | 7,364,236 | 5,382,430 | (10,393) | 6,042,957 |
| (4,575,782) | (4,830,173) | (5,201,251) | (4,192,511) | (5,577,127) |
| (89,003) | (86,989) | (64,283) | (66,386) | (63,273) |
| 3,373,753 | 5,037,001 | 3,062,668 | (773,728) | 3,943,017 |
| 58,318,169 | 53,281,168 | 50,218,500 | 50,992,228 | 47,049,211 |
| 61,691,922 | 58,318,169 | 53,281,168 | 50,218,500 | 50,992,228 |
| \$ 1,964,342 | \$ 3,374,181 | \$ 7,178,262 | \$ 8,550,277 | \$ 7,528,521 |
| 96.91% | 94.53% | 88.13% | 85.45% | 87.14% |
| \$ 12,485,720 | \$ 11,864,349 | \$ 10,993,097 | \$ 9,798,102 | \$ 8,701,160 |
| 15.73% | 28.44% | 65.30% | 87.26% | 86.52% |

City of Titusville, Florida

Required Supplementary Information September 30, 2023

General Employees' Pension Trust (continued)

Notes to Schedule:

Changes of assumptions:

For measurement date 09/30/2023, the investment rate of return 7.25% per year compounded annually, net of investment related expenses.

For measurement date 09/30/2020, 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, 2021 FRS valuation report for non-special-risk employees, with appropriate adjustments made based on plan demographics.

Plan Changes:

Effective October 1, 2023: 1) For all new hires and members actively employed on this date, excluding current participants in the DROP II, the monthly retirement benefit shall equal two and one-quarter (2.25%) of their Average Final Compensation for each year of Credited Service accrued on or after August 26, 2013. 2) Each member of the system actively employed as of this date shall be required to make regular contributions to the fund in the amount of three (3%) percent of their salary. 3) A "year" shall be calculated to include the corresponding number of applicable pay periods occurring during a twelve (12) consecutive month period. Bi-weekly (occurring every 2 weeks) payment schedule shall be comprised of 26 consecutive pay periods. 4) An increase in the maximum period for DROP II participation from 60 months to 72 months. 5) A member's final DROP II account value for distribution upon termination and separation of employee shall be the value of the account determined as of the September 30th immediately prior to the Member's DROP II exit date plus all monthly DROP II benefit allocations subsequent to that date until the final distribution. 6) Compliance with updated Internal Revenue Code provisions regarding minimum distribution of benefits.

Changes of benefit terms:

For measurement date 09/30/2016, amounts reported as changes of benefit terms resulted from presuming passage of a proposed ordinance which clarifies that the normal form of payment for the benefit accrued on and after August 23, 2013 is a life annuity instead of a life annuity with the first 120 payments guaranteed. An Impact Statement was submitted for this proposed clarification.

Schedule of Investment Returns General Employees' Pension Last 10 Fiscal Years

Annual Money-Weighted Rate of Return Net of Investment Expenses

| | |
|------|---------|
| 2023 | 12.29% |
| 2022 | -13.36% |
| 2021 | 23.39% |
| 2020 | 3.49% |
| 2019 | 2.66% |
| 2018 | 9.14% |
| 2017 | 14.08% |
| 2016 | 10.92% |
| 2015 | -0.02% |
| 2014 | 12.97% |

City of Titusville, Florida

Required Supplementary Information
September 30, 2023

General Employees' Pension Trust (continued)

Schedule of Investment Contributions
General Employees' Pension
Last 10 Fiscal Years

| Fiscal Year Ended | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contributions | Contribution Deficiency (Excess) | Covered Payroll (1) | Contributions as a Percentage of Covered Payroll |
|-------------------|-------------------------------------|---|----------------------------------|---------------------|--|
| 9/30/2023 | \$ 1,473,702 | \$ 1,473,702 | \$ - | \$ 16,204,758 | 9.09% |
| 9/30/2022 | 1,391,507 | 1,391,895 | (388) | 15,000,174 | 9.28% |
| 9/30/2021 | 1,678,737 | 1,678,995 | (258) | 13,942,943 | 12.04% |
| 9/30/2020 | 2,295,879 | 2,295,879 | - | 13,785,792 | 16.65% |
| 9/30/2019 | 2,628,056 | 2,628,066 | (10) | 12,986,665 | 20.24% |
| 9/30/2018 | 2,358,554 | 2,358,577 | (23) | 12,485,720 | 18.89% |
| 9/30/2017 | 2,293,207 | 2,293,318 | (111) | 11,864,349 | 19.33% |
| 9/30/2016 | 2,659,078 | 2,659,078 | - | 10,993,097 | 24.19% |
| 9/30/2015 | 3,260,781 | 3,260,781 | - | 9,798,102 | 33.28% |
| 9/30/2014 | 3,318,730 | 3,318,730 | - | 8,701,160 | 38.14% |

¹ The Covered Payroll numbers shown are in compliance with GASB 82, except for the 09/30/2015 measurement period which includes DROP payroll.

General Employees' Pension Trust Notes to Schedules

Valuation Date to calculate actuarially determined contributions: 10/01/2021

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

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------|---|
| Funding Method: | Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the City's funding requirement: Interest - a half year, based on the current 7.25% assumption. Salary - a full year based on the current 5.40% assumption. |
| Amortization Method: | New UAAL amortization bases are amortized over 15 years. |
| Asset Valuation Method: | Each year, the prior Actuarial Value of Assets is brought forward utilizing the historical geometric 4 year average Market Value return. It is possible that over time this technique will produce insignificant bias above or below Market Value. |
| Inflation: | 2.50% per year. |
| Salary Increases: | None. This is based on the experience study dated August 20, 2018. For members eligible for Normal Retirement as of August 26, 2013: Projected salary at retirement is increased 25% to account for non-regular compensation. For members not eligible for Normal Retirement as of August 26, 2013 with at least ten (10) years of service as of that date: The projected frozen benefit as of August 26, 2013 includes a 25% load for the final year included in the averaging period. For members with less than ten (10) years of service as of August 26, 2013: No load is assumed. |
| Interest Rates: | 7.25% per year compounded annually, net of investment related expenses. |
| Payroll Growth: | None, based on the experience study dated August 20, 2018. |
| Retirement Age: | Those with at least ten (10) years of service as of August 26, 2013: Earlier of: 1) age 58 and 7.5 years of service or 2) twenty-eight (28) years of service, regardless of age. Benefit: 2.482% of average final compensation as of August 26, 2013. Members who are eligible for normal retirement as of August 26, 2013 continue to accrue benefits under the old benefit structure. Benefit: After August 26, 2013. 2.25% of average final compensation times credited service. |
| Early Retirement: | Those with less than ten (10) years of service as of August 26, 2013: Earlier of: 1) age 52 and ten (10) years of service or 2) thirty (30) years of service, regardless of age. Benefit: Same as for normal retirement but reduced 3% for each year that early retirement proceeds normal retirement. |
| Mortality: | Florida Retirement System (FRS), Milliman's July 1, 2021 valuation report for non-special-risk employees. Disabled lives are set forward 3 years. |



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City of Titusville, Florida

Required Supplementary Information
September 30, 2023

Police Officers' and Firefighters' Pension Trust

Schedule of Changes in Net Pension Liability and Related Ratios
Police Officers' and Firefighters' Pension
Last 10 Fiscal Years**

| | 9/30/2023 | 9/30/2022 | 9/30/2021 | 9/30/2020 | 9/30/2019 |
|--|---------------|---------------|----------------|--------------|--------------|
| Total Pension Liability | | | | | |
| Service Cost | \$ 1,119,339 | \$ 1,050,399 | \$ 979,981 | \$ 954,126 | \$ 935,609 |
| Interest | 5,532,474 | 5,347,462 | 5,182,892 | 5,120,422 | 4,985,073 |
| Share Plan Allocation | 500,784 | 415,487 | 396,025 | 390,554 | - |
| Change in benefit terms | 3,410,371 | - | - | - | (16,714) |
| Differences between expected and actual experience | (97,856) | 414,487 | 827,101 | 792,420 | 265,852 |
| Changes of assumptions | | - | 1,906,206 | 365,429 | - |
| Contribution - Buy Back | | - | - | - | - |
| Benefit Payments, Including Refunds of Employee Contributions | (4,771,294) | (4,718,483) | (4,701,028) | (4,526,052) | (4,391,162) |
| Net Change in Total Pension Liability | 5,693,818 | 2,509,352 | 4,591,177 | 3,096,899 | 1,778,658 |
| Total Pension Liability - Beginning | 77,576,289 | 75,066,937 | 70,475,760 | 67,378,861 | 65,600,203 |
| Total Pension Liability - Ending (a) | 83,270,107 | 77,576,289 | 75,066,937 | 70,475,760 | 67,378,861 |
| Plan Fiduciary Net Position | | | | | |
| Contributions - Employer | 811,700 | 825,946 | 1,168,793 | 1,544,188 | 1,688,193 |
| Contributions - State | 1,001,568 | 830,974 | 792,050 | 781,108 | 753,963 |
| Contributions - Employee | 621,062 | 546,455 | 506,015 | 503,074 | 478,472 |
| Contributions - Buy Back | | - | - | - | - |
| Net Investment Income | 5,751,921 | (11,811,661) | 15,308,594 | 4,002,262 | 1,878,838 |
| Difference in Projected and Actual Earnings | - | | | | |
| Benefit Payments, Including Refunds of Employee Contributions | (4,771,294) | (4,718,483) | (4,701,028) | (4,526,052) | (4,391,162) |
| Administrative Expense | (154,344) | (120,463) | (97,821) | (106,805) | (112,786) |
| Net Change in Plan Fiduciary Net Position | 3,260,613 | (14,447,232) | 12,976,603 | 2,197,775 | 295,518 |
| Plan Fiduciary Net Position - Beginning | 63,341,560 | 77,788,792 | 64,812,189 | 62,614,414 | 62,318,896 |
| Plan Fiduciary Net Position - Ending (b) | 66,602,173 | 63,341,560 | 77,788,792 | 64,812,189 | 62,614,414 |
| Net Pension Liability - Ending (a) - (b) | \$ 16,667,934 | \$ 14,234,729 | \$ (2,721,855) | \$ 5,663,571 | \$ 4,764,447 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 79.98% | 81.65% | 103.63% | 91.96% | 92.93% |
| Covered Payroll* | \$ 9,463,814 | \$ 8,413,236 | \$ 7,778,316 | \$ 7,745,593 | \$ 7,319,880 |
| Net Pension Liability as a Percentage of Covered Payroll | 176.12% | 169.19% | (34.99)% | 73.12% | 65.09% |

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

City of Titusville, Florida

Required Supplementary Information
September 30, 2023

Police Officers' and Firefighters' Pension Trust (continued)

Schedule of Changes in Net Pension Liability and Related Ratios
Police Officers' and Firefighters' Pension
Last 10 Fiscal Years**(continued)

| | 9/30/2018 | 9/30/2017 | 9/30/2016 | 9/30/2015 | 9/30/2014 |
|--|--------------|--------------|--------------|---------------|--------------|
| Total Pension Liability | | | | | |
| Service Cost | \$ 996,049 | \$ 978,374 | \$ 937,776 | \$ 879,893 | \$ 844,189 |
| Interest | 4,948,098 | 4,845,726 | 4,597,357 | 4,548,755 | 4,489,894 |
| Change in excess state money | - | - | (214,112) | - | - |
| Change in benefit terms | - | - | (4,647) | - | - |
| Differences between expected and actual experience | (140,006) | 125,344 | 156,069 | (1,094,130) | - |
| Changes of assumptions | 1,178,390 | - | 1,822,308 | - | - |
| Contribution - Buy Back | - | - | - | 45,901 | 33,664 |
| Benefit Payments, Including Refunds of Employee Contributions | (4,474,998) | (4,899,952) | (3,999,048) | (3,653,202) | (5,682,176) |
| Net Change in Total Pension Liability | 2,507,533 | 1,049,492 | 3,295,703 | 727,217 | (314,429) |
| Total Pension Liability - Beginning | 63,092,670 | 62,043,178 | 58,747,475 | 58,020,258 | 58,334,687 |
| Total Pension Liability - Ending (a) | 65,600,203 | 63,092,670 | 62,043,178 | 58,747,475 | 58,020,258 |
| Plan Fiduciary Net Position | | | | | |
| Contributions - Employer | 1,681,919 | 1,662,032 | 1,925,864 | 2,320,434 | 2,445,395 |
| Contributions - State | 724,200 | 681,740 | 731,350 | 670,201 | 724,287 |
| Contributions - Employee | 463,439 | 475,109 | 513,866 | 495,762 | 451,474 |
| Contributions - Buy Back | - | - | - | 45,901 | 33,664 |
| Net Investment Income | 5,490,249 | 7,397,792 | 5,588,136 | (1,138,997) | 5,183,029 |
| Benefit Payments, Including Refunds of Employee Contributions | (4,474,998) | (4,899,952) | (3,999,048) | (3,653,202) | (5,682,176) |
| Prepaid Member Contribution | | | | | |
| Prepaid City Contribution | | | | | |
| Administrative Expense | (87,020) | (81,782) | (72,096) | (75,162) | (64,150) |
| Net Change in Plan Fiduciary Net Position | 3,797,789 | 5,234,939 | 4,688,072 | (1,335,063) | 3,091,523 |
| Plan Fiduciary Net Position - Beginning | 58,521,107 | 53,286,168 | 48,598,096 | 49,933,159 | 46,841,636 |
| Plan Fiduciary Net Position - Ending (b) | 62,318,896 | 58,521,107 | 53,286,168 | 48,598,096 | 49,933,159 |
| Net Pension Liability - Ending (a) - (b) | \$ 3,281,307 | \$ 4,571,563 | \$ 8,757,010 | \$ 10,149,379 | \$ 8,087,099 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 95.00% | 92.75% | 85.89% | 82.72% | 86.06% |
| Covered Payroll* | \$ 7,123,928 | \$ 6,666,701 | \$ 6,423,341 | \$ 6,514,768 | \$ 6,629,574 |
| Net Pension Liability as a Percentage of Covered Payroll | 46.06% | 68.57% | 136.33% | 155.79% | 121.99% |

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

Police Officers' and Firefighters' Pension Trust (continued)

Notes to Schedule:

Changes in benefit terms:

For measurement date 09/30/2023, the valuation reflects the following benefit changes: Effective October 1, 2023, 1) The normal retirement date for Members who retire, enter the DROP, or terminate employment with a right to a deferred vested pension benefit on or after this date shall be the first day of the month coincident with, or the next following, attainment of the earlier of either, age fifty-five (55) and the completion of ten (10) years of Credited Service, or the completion of twenty-five (25) years of Credited Service, regardless of age. 2) For all new hires and members actively employed on this date, excluding current DROP II participants, the monthly retirement benefit shall equal two and three-quarters (2.75%) percent of a Member's Average Final Compensation for each year of accrued credited service earned on or after June 30, 2013.

For measurement date 09/30/2016, amounts reported as change of benefit terms resulted from an Actuarial Impact Statement dated February 10, 2017

Changes of Plan:

The plan was amended by Ordinance 46-2023 to provide the following changes. The impact of these changes was set forth in the September 21, 2023 Actuarial Impact Statement with an effective date of October 1, 2023: 1) A "year" shall be calculated to include the corresponding number applicable pay periods occurring during a twelve (12) consecutive month period. A biweekly (occurring every 2 weeks) payment schedule shall be comprised of 26 consecutive pay periods. 2) The normal retirement date for Members who retire, enter the DROP, or terminate employment with a right to a deferred vested pension benefit on or after this date shall be the first day of the month coincident with, or the next following, attainment of the earlier of either, age fifty-five (55) and the completion of ten (10) years of Credited Service, or the completion of twenty-five (25) years of Credited Service, regardless of age. 3) For all new hires and members actively employed on this date, excluding current participants in the DROP II, the monthly retirement benefit shall equal two and three-quarters (2.75%) percent of a Member's Average Final Compensation for each year of accrued credited service earned on or after June 30, 2013. 4) Each Member of the System shall be required to make regular contributions to the Fund in the amount of seven (7%) percent of their Salary. 5) An increase in the maximum period for DROP II participation from 60 months to 72 months. 6) A Member's final DROP II account value for distribution upon termination from DROP II and separation of employment shall be the value of the account determined as of the September 30th immediately prior to the Member's DROP II exit date. 7) Compliance with updated Internal Revenue Code provisions regarding minimum distribution of benefits.

Changes of assumptions:

For measurement date 09/30/2023, the investment rate of return was 7.25% per year, net of investment related expenses.

For measurement date 09/30/2018, amounts reported as changes of assumptions resulted from the August 20, 2018 experience study.

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 rate of investment advisor was 2.50%.

City of Titusville, Florida

Required Supplementary Information
September 30, 2023

Police Officers' and Firefighters' Pension Trust (continued)

Schedule of Investment Returns
Police Officers' and Firefighters' Pension
Last 10 Fiscal Years*

| Annual Money-Weighted Rate of Return Net of Investment Expense | | |
|--|------|---------|
| | 2023 | 9.30% |
| | 2022 | -15.51% |
| | 2021 | 24.12% |
| | 2020 | 6.51% |
| | 2019 | 3.06% |
| | 2018 | 9.55% |
| | 2017 | 14.17% |
| | 2016 | 11.65% |
| | 2015 | -2.27% |
| | 2014 | 11.20% |

City of Titusville, Florida

Required Supplementary Information
September 30, 2023

Police Officers' and Firefighters' Pension Trust (continued)

Schedule of Investment Contributions
Police Officers' and Firefighters' Pension
Last 10 Fiscal Years*

| Fiscal Year Ended | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contributions | Contribution Deficiency (Excess) | Covered Payroll (1) | Contributions as a Percentage of Covered Payroll |
|-------------------|-------------------------------------|---|----------------------------------|---------------------|--|
| 9/30/2023 | \$ 1,241,496 | \$ 1,312,484 | \$ (70,988) | \$ 9,463,814 | 13.87% |
| 9/30/2022 | 1,216,337 | 1,241,433 | (25,096) | 8,413,236 | 14.76% |
| 9/30/2021 | 1,545,009 | 1,564,818 | (19,809) | 7,778,316 | 20.12% |
| 9/30/2020 | 2,064,227 | 1,934,742 | 129,485 | 7,745,593 | 24.98% |
| 9/30/2019 | 2,369,493 | 2,442,156 | (72,663) | 7,319,880 | 33.36% |
| 9/30/2018 | 2,413,269 | 2,406,119 | 7,150 | 7,123,928 | 33.78% |
| 9/30/2017 | 2,378,374 | 2,343,772 | 34,602 | 6,666,701 | 35.16% |
| 9/30/2016 | 2,544,678 | 2,657,214 | (112,536) | 6,423,341 | 41.37% |
| 9/30/2015 | 2,990,635 | 2,990,635 | - | 6,514,768 | 45.91% |
| 9/30/2014 | 3,169,682 | 3,169,682 | - | 6,629,574 | 47.81% |

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

Police Officers' and Firefighters' Pension Notes to Schedules

Valuation Date to calculate actuarially determined contributions: 10/01/2021

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

Methods and assumptions used to determine contribution rates:

| | |
|------------------------------|--|
| Funding Method: | Entry Age Normal Actuarial Cost Method. The following loads are applied for determination of the City's funding requirement: Interest - a half year, based on the current 7.25% assumption. Salary - a full year, based on the current 4.66% assumption. |
| Amortization Method: | New UAAL amortization bases are amortized over 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. |
| Remaining Amortization: | Bases established prior to the valuation date are adjusted proportionally to match the Expected Unfunded Actuarial Accrued Liability. |
| Asset Smoothing Methodology: | The Actuarial Value of Assets is brought forward using the four-year geometric average of Market Value Returns (net-of-fees). Over time, this may result in a immaterial bias that is above or below the Market Value of Assets. |
| Inflation: | 2.50% per year. |
| Salary Increases: | For members eligible for retirement as of June 1, 2013: Projected salary at retirement is increased 25% to account for non-regular compensation. For members not eligible for retirement on June 1, 2013 with at least 10 years of service as of that date: The projected frozen benefit as of June 1, 2013 includes a 25% load for the final year included in the averaging period. For members with less than 10 years of service: No final salary load is issued. |
| Interest Rates: | 7.25% per year compounded annually, net of related expenses. |
| Payroll Growth: | None |
| Normal Retirement | Benefits for service prior to June 1, 2013: First of the month coinciding with or following the earlier of age 55 and the completion of at least ten (10) years of service or the completion of 25 years of Credited Service regardless of age. Benefit: 3% of Average Final Compensation times Credited Service. Benefit accrued for service after June 1, 2013: Remains the same for those with at least ten (10) years of service as of this date. Otherwise, first of the month coinciding with or following the earlier of age 55 and the completion of ten (10) years of Credited Service or the completion of 25 years of Credited Service regardless of age. |
| Early Retirement: | Commencing at eligibility for Early Retirement (age 50 with 10 years of service). Benefit: Same as for Normal Retirement but reduced 3% per year prior to age 55. |
| Mortality: | PubS.H-2010 (below Median) for Active Employees and for Healthy Retirees, set forward one year. Beneficiary Lives: Female: PubG.H-2010 (Above Median) for Healthy Retirees. Male: PubG.H-2010 for Healthy Retirees, set back one year. Disabled Retirees: 80% PubG.H-2010&20% PubS.H-2010 for Disabled Retirees. |

City of Titusville, Florida

Required Supplementary Information
September 30, 2023

Termination and Disability Rate Tables:

| Service | Rate |
|---------|------|
| 0-1 | 14% |
| 2-3 | 11% |
| 4-9 | 6% |
| 10+ | 4% |

| Age | % Becoming Disabled During the Year |
|-----|-------------------------------------|
| 20 | 0.09% |
| 30 | 0.10% |
| 40 | 0.21% |
| 50 | 0.72% |
| 60 | 1.36% |

City of Titusville, Florida

Required Supplementary Information

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

General Fund

For the Fiscal Year Ended September 30, 2023

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance With Final Budget- Positive (Negative) |
|--|---------------------------------|------------------------------|----------------------|--|
| Revenues | | | | |
| Property taxes | \$ 18,725,460 | \$ 18,725,460 | \$ 19,041,735 | \$ 316,275 |
| Local option gas tax | 1,150,000 | 1,150,000 | 1,117,877 | (32,123) |
| Utility and franchise taxes | 9,387,309 | 9,387,309 | 11,548,170 | 2,160,861 |
| Intergovernmental | 6,105,506 | 7,349,317 | 7,672,328 | 323,011 |
| Licenses and permits | 310,000 | 310,000 | 635,768 | 325,768 |
| Charges for services | 6,441,733 | 6,620,768 | 6,946,559 | 325,791 |
| Fines and forfeitures | 152,077 | 152,077 | 75,061 | (77,016) |
| Investment earnings (loss) | 99,886 | 99,886 | 475,304 | 375,418 |
| Miscellaneous | 45,800 | 53,325 | 361,394 | 308,069 |
| Total revenues | 42,417,771 | 43,848,142 | 47,874,196 | 4,026,054 |
| Expenditures | | | | |
| Current: | | | | |
| Legislative | 92,956 | 92,956 | 89,826 | 3,130 |
| Executive | 1,156,934 | 1,167,506 | 1,141,967 | 25,539 |
| Legal counsel | 551,115 | 631,115 | 630,232 | 883 |
| Community development | 2,127,114 | 3,702,345 | 2,119,158 | 1,583,187 |
| Public works | 4,182,437 | 4,983,702 | 4,912,910 | 70,792 |
| Public Safety: | | | | |
| Law enforcement | 15,376,586 | 15,745,489 | 15,870,398 | (124,909) |
| Fire and emergency services | 8,115,608 | 8,531,079 | 8,361,589 | 169,490 |
| Support Services | 4,368,296 | 4,423,998 | 4,140,056 | 283,942 |
| General administrative services | 6,634,903 | 7,013,054 | 5,531,146 | 1,481,908 |
| Debt Service: | | | | |
| Principal | 1,793,613 | 1,770,828 | 1,550,276 | 220,552 |
| Interest | 106,237 | 106,237 | 66,567 | 39,670 |
| Debt cost/administration fees | 8,216 | 31,001 | 27,500 | 3,501 |
| Capital Outlay/Improvements | 3,121,746 | 4,755,239 | 2,477,876 | 2,277,363 |
| Total expenditures | 47,635,761 | 52,954,549 | 46,919,501 | 6,035,048 |
| Excess (deficiency) of revenues over (under) expenditures | (5,217,990) | (9,106,407) | 954,695 | 10,061,102 |
| Other financing sources (uses) | | | | |
| Transfers in | 1,956,027 | 3,333,268 | 1,907,817 | (1,425,451) |
| Transfers out | (2,789,733) | (2,798,601) | (1,722,868) | 1,075,733 |
| Issuance of debt proceeds | 3,071,000 | 3,071,000 | 1,172,453 | (1,898,547) |
| Total other financing sources (uses) | 2,237,294 | 3,605,667 | 1,357,402 | (2,248,265) |
| Net change in fund balance | \$ (2,980,696) | \$ (5,500,740) | 2,312,097 | \$ 7,812,837 |
| Beginning fund balances | | | 17,984,574 | |
| Ending fund balances | | | <u>\$ 20,296,671</u> | |

City of Titusville, Florida

Required Supplementary Information
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Downtown Community Redevelopment Agency Fund
For the Fiscal Year Ended September 30, 2023

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance With Final Budget- Positive (Negative) |
|--|---------------------------------|------------------------------|---------------------|--|
| Revenues | | | | |
| Property taxes | \$ 1,046,182 | \$ 1,046,182 | \$ 1,038,731 | \$ (7,451) |
| Investment earnings (loss) | - | - | 46,134 | 46,134 |
| Total revenues | <u>1,046,182</u> | <u>1,046,182</u> | <u>1,084,865</u> | <u>38,683</u> |
| Expenditures | | | | |
| Current: | | | | |
| Community development | 403,256 | 698,105 | 548,242 | 149,863 |
| Capital Outlay/Improvements | 521,976 | 1,699,017 | 243,857 | 1,455,160 |
| Total expenditures | <u>925,232</u> | <u>2,397,122</u> | <u>792,099</u> | <u>1,605,023</u> |
| Excess (deficiency) of revenues over (under) expenditures | 120,950 | (1,350,940) | 292,766 | 1,643,706 |
| Other financing sources (uses) | | | | |
| Transfers in | - | 244,429 | 216,202 | (28,227) |
| Transfers out | (120,950) | (120,950) | (120,950) | - |
| Total other financing sources (uses) | <u>(120,950)</u> | <u>123,479</u> | <u>95,252</u> | <u>(28,227)</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ (1,227,461)</u> | <u>388,018</u> | <u>\$ 1,615,479</u> |
| Beginning fund balances | | | 1,182,351 | |
| Ending fund balances | | | <u>\$ 1,570,369</u> | |

City of Titusville, Florida

Required Supplementary Information
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
American Rescue Plan Act
For the Fiscal Year Ended September 30, 2023

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance With Final Budget- Positive (Negative) |
|--|---------------------------------|------------------------------|----------------|--|
| Revenues | | | | |
| Intergovernmental | \$ - | \$ 9,044,163 | \$ 2,571,151 | \$ (6,473,012) |
| Total revenues | - | 9,044,163 | 2,571,151 | (6,473,012) |
| Expenditures | | | | |
| Community development | 50,000 | - | - | - |
| Total expenditures | 50,000 | - | - | - |
| Excess (deficiency) of revenues over (under) expenditures | (50,000) | 9,044,163 | 2,571,151 | (6,473,012) |
| Other financing sources (uses) | | | | |
| Transfers out | - | (9,044,163) | (2,571,151) | 6,473,012 |
| Total other financing sources (uses) | - | (9,044,163) | (2,571,151) | 6,473,012 |
| Net change in fund balances | <u>\$ (50,000)</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Beginning fund balances | | | - | |
| Ending fund balances | | | <u>\$ -</u> | |

City of Titusville, Florida

**Notes to Required Supplementary Information
Budgetary Reporting
For the Fiscal Year Ended September 30, 2023**

Note A. Budgetary Process

See Note 3A for an explanation of the budgetary process.

Note B. Basis of Budgeting

Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles ("GAAP") See Note 3A.

Note C. Reconciliation between Budget Basis and GAAP

None required

City of Titusville, Florida

Nonmajor Governmental Funds September 30, 2023

Special Revenue Funds are used to account for revenue derived from specific taxes or other earmarked revenue sources (other than for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

Impact Fee Fund – To account for impact fees assessed on all new development within the City, which are restricted to capital acquisitions – roads and streets, public safety and parks – as a result of new growth and development.

Forfeiture/Contraband Fund – To account for confiscated property/revenues. Funds may only be used in accordance with Florida Statutes 932.705.

Community Development Block Grant Fund (“CDBG”) – To account for grants received under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, which are restricted to finance the City’s community development program activities.

Brevard County Home Investment Partnership Program Fund (“HOME”) – To account for financial assistance received from the U.S. Department of Housing and Urban Development for production of affordable housing- as authorized by the National Affordable Housing Act of 1990 and implemented through an interlocal agreement (pursuant to Florida Statute 163.01) with Brevard County.

State Housing Initiative Partnership Program Fund (“SHIP”) – To account for State grants received under the William E. Sadowski Affordable Housing Act (Florida Statute 420.901 and Rule 91-37 of the Florida Administrative Code) which are used to increase the availability of affordable housing to eligible citizens of Titusville.

Building Inspections Fund - To account for revenue and expenditures generated through building inspections and permits.

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

General Obligation Bonds Series 2015 – To account for the pledged revenues and debt service on the Series 2015 General Obligation Bonds.

Capital Improvement Series 2017 Fund - To account for the revenue provided by debt for the production of the Titusville Landing project. The expenses will be reimbursed to the City by the North Brevard Economic Development Board.

CRA PIRN Loan 2009 – To account for the debt service on the Public Improvement Revenue Note, Series 2012.

Capital Projects Funds are established to account for resources used for the acquisition and construction of capital facilities by the City, except for those financed by proprietary funds.

General Construction Fund – To account for the financing and construction of major capital facilities and improvements other than streets, sidewalks and drainage systems.

Roads and Streets Fund - To account for construction of major capital facility and improvements to roads and streets.

City of Titusville, Florida

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

| | Special Revenue Funds | | | | | |
|--|-----------------------|---------------------------|------------|-----------|------------|-------------------------|
| | Impact Fee | Forfeiture/ Contraband | CDBG | HOME | SHIP | Building Inspections |
| Assets | | | | | | |
| Equity in pooled cash and investments | 506,519 | 177,372 | 77,873 | - | 985,067 | 343,540 |
| Receivables (net) | - | 222 | 146,354 | 75,422 | 1,973 | - |
| Total assets | 506,519 | 177,594 | 224,227 | 75,422 | 987,040 | 343,540 |
| Liabilities | | | | | | |
| Accounts payable and accrued liabilities | - | 4,730 | 49,673 | - | 506 | 41,450 |
| Due to other funds | - | - | - | 54,864 | - | - |
| Unearned revenue | - | - | - | - | 569,299 | - |
| Total liabilities | - | 4,730 | 49,673 | 54,864 | 569,805 | 41,450 |
| Fund balance | | | | | | |
| Restricted for: | | | | | | |
| Public safety | - | 172,864 | - | - | - | - |
| Capital expansion | 506,519 | - | - | - | - | - |
| Community development | - | - | 174,554 | 20,558 | 417,235 | 302,090 |
| Debt service | - | - | - | - | - | - |
| Roadway improvements | - | - | - | - | - | - |
| Total fund balance | 506,519 | 172,864 | 174,554 | 20,558 | 417,235 | 302,090 |
| Total liabilities and fund balances | \$ 506,519 | \$ 177,594 | \$ 224,227 | \$ 75,422 | \$ 987,040 | \$ 343,540 |

| Debt Service | | | Capital Projects | | Total Nonmajor Governmental Funds |
|---|-----------------------------|---------------|-------------------------|----------------------|--|
| General Obligation Bond Series 2015 | Capital Improv Bond 2017 | CRA PIRN 2009 | General Construction | Roads and Streets | |
| 334,293 | 5 | 2,711 | 765,408 | 2,001,733 | 5,194,521 |
| 129 | - | - | - | 7,474 | 231,574 |
| 334,422 | 5 | 2,711 | 765,408 | 2,009,207 | 5,426,095 |
| - | - | - | 39,716 | 33,017 | 169,092 |
| - | - | - | - | - | 54,864 |
| - | - | - | - | - | 569,299 |
| - | - | - | 39,716 | 33,017 | 793,255 |
| - | - | - | - | - | 172,864 |
| - | - | - | - | - | 506,519 |
| - | - | - | - | - | 914,437 |
| 334,422 | 5 | 2,711 | - | - | 337,138 |
| - | - | - | 725,692 | 1,976,190 | 2,701,882 |
| 334,422 | 5 | 2,711 | 725,692 | 1,976,190 | 4,632,840 |
| \$ 334,422 | \$ 5 | \$ 2,711 | \$ 765,408 | \$ 2,009,207 | \$ 5,426,095 |

City of Titusville, Florida

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Nonmajor Governmental Funds For the Fiscal Year Ended September 30, 2023

| | Special Revenue Funds | | | | | |
|--|-----------------------|---------------------------|----------------|----------------|----------------|-------------------------|
| | Impact Fee | Forfeiture/ Contraband | CDBG | HOME | SHIP | Building Inspections |
| Revenues | | | | | | |
| Taxes: | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | 361,224 | 110,469 | 211,028 | - |
| Licenses and permits | - | - | - | - | - | 1,638,020 |
| Fines and forfeitures | - | 26,940 | - | - | - | - |
| Investment earnings (loss) | 15,183 | 4,953 | - | - | 19,649 | - |
| Impact fees | 199,363 | - | - | - | - | - |
| Miscellaneous | - | - | 104,584 | - | 99,480 | - |
| Total revenues | 214,546 | 31,893 | 465,808 | 110,469 | 330,157 | 1,638,020 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Community development | - | - | 395,339 | 110,619 | 211,028 | 1,556,703 |
| Public safety | - | 72,936 | - | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - |
| Capital Outlay/Improvements | - | 9,850 | - | - | - | - |
| Total expenditures | - | 82,786 | 395,339 | 110,619 | 211,028 | 1,556,703 |
| Excess (deficiency) of revenues over (under) expenditures | 214,546 | (50,893) | 70,469 | (150) | 119,129 | 81,317 |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | (137,510) | - | - | - | - | - |
| Total other financing sources (uses) | (137,510) | - | - | - | - | - |
| Net change in fund balances | 77,036 | (50,893) | 70,469 | (150) | 119,129 | 81,317 |
| Beginning fund balances | 429,483 | 223,757 | 104,085 | 20,708 | 298,106 | 220,773 |
| Ending fund balances | \$ 506,519 | \$ 172,864 | \$ 174,554 | \$ 20,558 | \$ 417,235 | \$ 302,090 |

| Debt Service | | | Capital Projects | | | Total Nonmajor Governmental Funds |
|---|-----------------------------|---------------|-------------------------|----------------------|--------------|--|
| General Obligation Bond Series 2015 | Capital Improv Bond 2017 | CRA PIRN 2009 | General Construction | Roads and Streets | | |
| \$ 675,562 | \$ - | \$ - | \$ - | \$ - | \$ 675,562 | |
| - | 731,013 | - | - | - | 1,413,734 | |
| - | - | - | - | - | 1,638,020 | |
| - | - | - | - | - | 26,940 | |
| 5,227 | - | - | 95 | 82,510 | 127,617 | |
| - | - | - | - | - | 199,363 | |
| - | - | - | - | 10,786 | 214,850 | |
| 680,789 | 731,013 | - | 95 | 93,296 | 4,296,086 | |
| | | | | | | |
| - | - | - | 87,983 | - | 2,361,672 | |
| - | - | - | - | - | 72,936 | |
| 646,000 | 645,000 | 87,000 | - | - | 1,378,000 | |
| 35,981 | 86,013 | 33,950 | - | - | 155,944 | |
| - | - | - | 553,699 | 1,483,061 | 2,046,610 | |
| 681,981 | 731,013 | 120,950 | 641,682 | 1,483,061 | 6,015,162 | |
| | | | | | | |
| (1,192) | - | (120,950) | (641,587) | (1,389,765) | (1,719,076) | |
| | | | | | | |
| - | - | 120,950 | 761,156 | 1,391,000 | 2,273,106 | |
| - | - | - | - | (68,000) | (205,510) | |
| | | | | | | |
| - | - | 120,950 | 761,156 | 1,323,000 | 2,067,596 | |
| (1,192) | - | - | 119,569 | (66,765) | 348,520 | |
| | | | | | | |
| 335,614 | 5 | 2,711 | 606,123 | 2,042,955 | 4,284,320 | |
| \$ 334,422 | \$ 5 | \$ 2,711 | \$ 725,692 | \$ 1,976,190 | \$ 4,632,840 | |

City of Titusville, Florida

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Impact Fee
Annually - Budgeted Nonmajor Special Revenue Funds
For the Fiscal Year Ended September 30, 2023**

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|---|---------------------------------|------------------------------|-------------------|--|
| Revenues | | | | |
| Investment earnings (loss) | \$ - | \$ - | \$ 15,183 | \$ 15,183 |
| Impact fees | 198,000 | 198,000 | 199,363 | 1,363 |
| Current: | | | | |
| Total revenues | <u>198,000</u> | <u>198,000</u> | <u>214,546</u> | <u>16,546</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers out | (198,000) | (335,510) | (137,510) | 198,000 |
| Total other financing sources (uses) | <u>(198,000)</u> | <u>(335,510)</u> | <u>(137,510)</u> | <u>198,000</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (137,510)</u> | <u>77,036</u> | <u>\$ 214,546</u> |
| Beginning fund balances | | | <u>429,483</u> | |
| Ending fund balances | | | <u>\$ 506,519</u> | |

City of Titusville, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Forfeiture Contraband
Annually - Budgeted Nonmajor Special Revenue Funds
For the Fiscal Year Ended September 30, 2023

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|-----------------------------------|---------------------------------|------------------------------|-------------------|--|
| Revenues | | | | |
| Fines and forfeitures | \$ 30,000 | \$ 30,000 | \$ 26,940 | \$ (3,060) |
| Investment earnings (loss) | - | - | 4,953 | 4,953 |
| Total revenues | <u>30,000</u> | <u>30,000</u> | <u>31,893</u> | <u>1,893</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 30,000 | 84,618 | 72,936 | 11,682 |
| Capital Outlay/Improvements | - | 17,782 | 9,850 | 7,932 |
| Total expenditures | <u>30,000</u> | <u>102,400</u> | <u>82,786</u> | <u>19,614</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (72,400)</u> | <u>(50,893)</u> | <u>\$ 21,507</u> |
| Beginning fund balances | | | <u>223,757</u> | |
| Ending fund balances | | | <u>\$ 172,864</u> | |

City of Titusville, Florida

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
CDBG
Annually - Budgeted Nonmajor Special Revenue Funds
For the Fiscal Year Ended September 30, 2023**

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|-----------------------------------|---------------------------------|------------------------------|-------------------|--|
| Revenues | | | | |
| Intergovernmental | \$ - | \$ 827,972 | \$ 361,224 | \$ (466,748) |
| Miscellaneous | - | 163,616 | 104,584 | (59,032) |
| Total revenues | - | 991,588 | 465,808 | (525,780) |
| Expenditures | | | | |
| Current: | | | | |
| Community development | - | 991,588 | 395,339 | 596,249 |
| Total expenditures | - | 991,588 | 395,339 | 596,249 |
| Net change in fund balance | \$ - | \$ - | 70,469 | \$ 70,469 |
| Beginning fund balances | | | 104,085 | |
| Ending fund balances | | | <u>\$ 174,554</u> | |

City of Titusville, Florida

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
HOME
Annually - Budgeted Nonmajor Special Revenue Funds
For the Fiscal Year Ended September 30, 2023**

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|-----------------------------------|---------------------------------|------------------------------|-------------------|--|
| Revenues | | | | |
| Intergovernmental | \$ - | \$ 801,329 | \$ 110,469 | \$ (690,860) |
| Total revenues | - | 801,329 | 110,469 | (690,860) |
| Expenditures | | | | |
| Current: | | | | |
| Community development | - | 801,329 | 110,619 | 690,710 |
| Total expenditures | - | 801,329 | 110,619 | 690,710 |
| Net change in fund balance | \$ - | \$ - | (150) | \$ (150) |
| Beginning fund balances | | | 20,708 | |
| Ending fund balances | | | <u>\$ 20,558</u> | |

City of Titusville, Florida

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
SHIP
Annually - Budgeted Nonmajor Special Revenue Funds
For the Fiscal Year Ended September 30, 2023**

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|-----------------------------------|---------------------------------|------------------------------|-------------------|--|
| Revenues | | | | |
| Intergovernmental | \$ - | \$ 815,283 | \$ 211,028 | \$ (604,255) |
| Investment earnings (loss) | - | 13,073 | 19,649 | 6,576 |
| Miscellaneous | - | 22,699 | 99,480 | 76,781 |
| Total revenues | - | 851,055 | 330,157 | (520,898) |
| Expenditures | | | | |
| Current: | | | | |
| Community development | - | 851,055 | 211,028 | 640,027 |
| Total expenditures | - | 851,055 | 211,028 | 640,027 |
| Net change in fund balance | \$ - | \$ - | 119,129 | \$ 119,129 |
| Beginning fund balances | | | 298,106 | |
| Ending fund balances | | | <u>\$ 417,235</u> | |

City of Titusville, Florida

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Building Inspections
Annually - Budgeted Nonmajor Special Revenue Funds
For the Fiscal Year Ended September 30, 2023**

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|---------------------------------|------------------------------|-------------------|--|
| Revenues | | | | |
| Licenses and permits | \$ 622,746 | \$ 622,746 | \$ 1,638,020 | \$ 1,015,274 |
| Total revenues | 622,746 | 622,746 | 1,638,020 | 1,015,274 |
| Expenditures | | | | |
| Community development | 1,698,479 | 1,698,859 | 1,556,703 | 142,156 |
| Total expenditures | 1,698,479 | 1,698,859 | 1,556,703 | 142,156 |
| Excess (deficiency) of revenues over (under) expenditures | (1,075,733) | (1,076,113) | 81,317 | 1,157,430 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | 1,075,733 | 1,075,733 | - | (1,075,733) |
| Total other financing sources (uses) | 1,075,733 | 1,075,733 | - | (1,075,733) |
| Net change in fund balance | \$ - | \$ (380) | 81,317 | \$ 81,697 |
| Beginning fund balances | | | 220,773 | |
| Ending fund balances | | | <u>\$ 302,090</u> | |

City of Titusville, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual General Obligation Bond Series 2015 Debt Service Annually - Budgeted Nonmajor Debt Service Funds For the Fiscal Year Ended September 30, 2023

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|---------------------------------|------------------------------|-------------------|---|
| Revenues | | | | |
| Property taxes | \$ 682,049 | \$ 682,049 | \$ 675,562 | \$ (6,487) |
| Investment earnings (loss) | - | - | 5,227 | 5,227 |
| Total revenues | <u>682,049</u> | <u>682,049</u> | <u>680,789</u> | <u>(1,260)</u> |
| Expenditures | | | | |
| General administrative services | 66 | 66 | - | 66 |
| Principal | 646,000 | 646,000 | 646,000 | - |
| Interest and fiscal charges | 35,983 | 35,983 | 35,981 | 2 |
| Total expenditures | <u>682,049</u> | <u>682,049</u> | <u>681,981</u> | <u>68</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>(1,192)</u> | <u>\$ (1,192)</u> |
| Beginning fund balances | | | 335,614 | |
| Ending fund balances | | | <u>\$ 334,422</u> | |

City of Titusville, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Capital Improv Bond 2017 Debt Service Annually - Budgeted Nonmajor Debt Service Funds For the Fiscal Year Ended September 30, 2023

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|---------------------------------|------------------------------|-------------------|---|
| Revenues | | | | |
| Intergovernmental | \$ 731,015 | \$ 731,015 | \$ 731,013 | \$ (2) |
| Total revenues | <u>731,015</u> | <u>731,015</u> | <u>731,013</u> | <u>(2)</u> |
| Expenditures | | | | |
| Principal | 645,000 | 645,000 | 645,000 | - |
| Interest and fiscal charges | 86,015 | 86,015 | 86,013 | 2 |
| Total expenditures | <u>731,015</u> | <u>731,015</u> | <u>731,013</u> | <u>2</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> |
| Beginning fund balances | | | 5 | |
| Ending fund balances | | | <u>\$ 5</u> | |

City of Titusville, Florida

**Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
CRA PIRN 2009 Debt Service
Annually - Budgeted Nonmajor Debt Service Funds
For the Fiscal Year Ended September 30, 2023**

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|---------------------------------|------------------------------|------------------------|---|
| Expenditures | | | | |
| Principal | \$ 87,000 | \$ 87,000 | \$ 87,000 | \$ - |
| Interest and fiscal charges | 33,950 | 33,950 | 33,950 | - |
| Total expenditures | 120,950 | 120,950 | 120,950 | - |
| Excess (deficiency) of revenues over expenditures | (120,950) | (120,950) | (120,950) | - |
| Other financing sources (uses) | | | | |
| Transfers in | 120,950 | 120,950 | 120,950 | - |
| Total other financing sources | 120,950 | 120,950 | 120,950 | - |
| Net change in fund balances | \$ - | \$ - | - | \$ - |
| Beginning fund balances | | | 2,711 | |
| Ending fund balances | | | <u><u>\$ 2,711</u></u> | |

City of Titusville, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual General Construction Capital Projects Fund Annually - Budgeted Nonmajor Capital Projects Funds For the Fiscal Year Ended September 30, 2023

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|---------------------------------|------------------------------|-------------------|--|
| Revenues | | | | |
| Investment earnings (loss) | \$ - | \$ - | \$ 95 | \$ 95 |
| Miscellaneous | - | 185,000 | - | (185,000) |
| Total revenues | - | 185,000 | 95 | (184,905) |
| Expenditures | | | | |
| Current: | | | | |
| Community development | - | 185,000 | 87,983 | 97,017 |
| Capital Outlay/Improvements | 546,778 | 1,318,087 | 553,699 | 764,388 |
| Total expenditures | 546,778 | 1,503,087 | 641,682 | 861,405 |
| Excess (deficiency) of revenues over (under) expenditures | (546,778) | (1,318,087) | (641,587) | 676,500 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 546,778 | 761,156 | 761,156 | - |
| Total other financing sources (uses): | 546,778 | 761,156 | 761,156 | - |
| Net change in fund balance | \$ - | \$ (556,931) | 119,569 | \$ 676,500 |
| Beginning fund balances | | | 606,123 | |
| Ending fund balances | | | <u>\$ 725,692</u> | |

City of Titusville, Florida

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Roads and Streets Capital Projects Fund Annually - Budgeted Nonmajor Capital Projects Funds For the Fiscal Year Ended September 30, 2023

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|---------------------------------|------------------------------|---------------------|--|
| Revenues | | | | |
| Investment earnings (loss) | \$ - | \$ - | \$ 82,510 | \$ 82,510 |
| Miscellaneous | - | - | 10,786 | 10,786 |
| Total revenues | - | - | 93,296 | 93,296 |
| Expenditures | | | | |
| Current: | | | | |
| Debt Service: | | | | |
| Capital Outlay/Improvements | 1,391,000 | 3,137,177 | 1,483,061 | 1,654,116 |
| Total expenditures | 1,391,000 | 3,137,177 | 1,483,061 | 1,654,116 |
| Excess (deficiency) of revenues over (under) expenditures | (1,391,000) | (3,137,177) | (1,389,765) | 1,747,412 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 1,391,000 | 1,391,000 | 1,391,000 | - |
| Transfers out | - | (68,000) | (68,000) | - |
| Total other financing sources (uses): | 1,391,000 | 1,323,000 | 1,323,000 | - |
| Net change in fund balance | \$ - | \$ (1,814,177) | (66,765) | \$ 1,747,412 |
| Beginning fund balances | | | 2,042,955 | |
| Ending fund balances | | | <u>\$ 1,976,190</u> | |

City of Titusville, Florida

Internal Service Funds September 30, 2023

Internal Service Funds are used to account for the financing of centralized services to City departments on a cost-reimbursement basis (including depreciation).

Fleet - To account for the cost of operating a maintenance facility for automotive equipment used by other City departments/divisions.

Information Technology - To account for data processing operations and the cost of computer services used by other City departments/divisions.

Self-Insured Dental - To account for the accumulation of resources to be used for group dental coverage for City employees and their dependents.

Self-Insured Loss Fund - To account for various lines of property and liability coverage.

Fully Insured Health - To account for health benefits as provided by Connecticut General Life Insurance Co. ("CIGNA").

Partially Self-Insured Health – To account for the accumulation of resources to be used for group health coverage for City employees and their dependents as a cost savings measure.

Health Clinic – To account for cost savings measures to reduce the health program costs for the City by providing an operational health clinic those employees can visit during working hours.

City of Titusville, Florida

**Combining Statement of Net Position
Internal Service Funds
September 30, 2023**

| | Fleet | Information Technology | Self-Insured Dental | Self-Insured Loss Fund |
|---|-----------------------|-----------------------------------|--------------------------------|-----------------------------------|
| Assets | | | | |
| Current assets: | | | | |
| Equity in pooled cash and investments | \$ 707,586 | \$ 215,557 | \$ 419,707 | \$ 1,778,565 |
| Restricted cash | - | - | - | 100,000 |
| Receivables, net | - | - | - | 3,400 |
| Inventories | 99,858 | - | - | - |
| Total current assets | 807,444 | 215,557 | 419,707 | 1,881,965 |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Buildings and Improvements | 104,206 | - | - | - |
| Improvements Other than Buildings | 214,742 | - | - | - |
| Furniture and Equipment | 255,193 | 3,554,188 | - | - |
| Less Accumulated Depreciation | (447,768) | (2,814,280) | - | - |
| Total capital assets (net of accumulated depreciation) | 126,373 | 739,908 | - | - |
| Total noncurrent assets | 126,373 | 739,908 | - | - |
| Total assets | 933,817 | 955,465 | 419,707 | 1,881,965 |
| Deferred outflows of resources | | | | |
| Deferred Pension Outflow | 87,185 | 114,837 | - | - |
| Deferred OPEB Outflow | 71,195 | 16,168 | - | - |
| Total deferred outflows of resources | 158,380 | 131,005 | - | - |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts Payable | 218,156 | 70,046 | 28,193 | 30 |
| Interest Payable from Restricted Assets | - | 73 | - | - |
| Accrued Payroll Liabilities | 11,778 | 18,636 | - | - |
| Contracts and Retainage Payable | 216 | - | - | 1 |
| Due to Other Funds | - | - | - | - |
| Self-Insured Claims Payable | - | - | 70,000 | 1,285,000 |
| Financed Purchases Payable | - | 40,438 | - | - |
| Compensated Absences | 5,079 | 24,275 | - | - |
| Total current liabilities | 235,229 | 153,468 | 98,193 | 1,285,031 |
| Noncurrent liabilities: | | | | |
| Noncurrent Compensated Absences | 80,957 | 55,301 | - | - |
| Net OPEB Liability | 1,148,712 | 260,869 | - | - |
| Long-Term Financed Purchases Payable | - | 61,418 | - | - |
| Total noncurrent liabilities | 1,229,669 | 377,588 | - | - |
| Net Pension Liability | 313,121 | 412,429 | - | - |
| Total liabilities | 1,778,019 | 943,485 | 98,193 | 1,285,031 |
| Deferred inflows of resources | | | | |
| Deferred Pension Inflow | 321 | 423 | - | - |
| Deferred OPEB Inflow | 429,513 | 97,541 | - | - |
| Total deferred inflows of resources | 429,834 | 97,964 | - | - |
| Net Position | | | | |
| Net Investment in Capital Assets | 126,373 | 638,052 | - | - |
| Unrestricted | (1,242,029) | (593,031) | 321,514 | 596,934 |
| Total net position | \$ (1,115,656) | \$ 45,021 | \$ 321,514 | \$ 596,934 |

| Fully Insured Health | Partially Self-Insured Health | Health Clinic | Total |
|-------------------------|-------------------------------------|---------------|--------------|
| \$ - | \$ 2,622,737 | \$ 65,998 | \$ 5,810,150 |
| - | - | - | 100,000 |
| - | - | - | 3,400 |
| - | - | - | 99,858 |
| - | 2,622,737 | 65,998 | 6,013,408 |
| - | - | - | 104,206 |
| - | - | - | 214,742 |
| - | - | - | 3,809,381 |
| - | - | - | (3,262,048) |
| - | - | - | 866,281 |
| - | - | - | 866,281 |
| - | 2,622,737 | 65,998 | 6,879,689 |
| - | - | - | 202,022 |
| - | - | - | 87,363 |
| - | - | - | 289,385 |
| - | - | 45,281 | 361,706 |
| - | - | - | 73 |
| - | - | - | 30,414 |
| - | - | - | 217 |
| 35,558 | - | - | 35,558 |
| - | 602,000 | - | 1,957,000 |
| - | - | - | 40,438 |
| - | - | - | 29,354 |
| 35,558 | 602,000 | 45,281 | 2,454,760 |
| - | - | - | 136,258 |
| - | - | - | 1,409,581 |
| - | - | - | 61,418 |
| - | - | - | 1,607,257 |
| - | - | - | 725,550 |
| 35,558 | 602,000 | 45,281 | 4,787,567 |
| - | - | - | 744 |
| - | - | - | 527,054 |
| - | - | - | 527,798 |
| - | - | - | 764,425 |
| (35,558) | 2,020,737 | 20,717 | 1,089,284 |
| \$ (35,558) | \$ 2,020,737 | \$ 20,717 | \$ 1,853,709 |

City of Titusville, Florida

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended September 30, 2023**

| | Fleet | Information Technology | Self-Insured Dental | Self-Insured Loss Fund |
|---|------------------|-----------------------------------|--------------------------------|-----------------------------------|
| Operating revenues: | | | | |
| Charges for sales and services | \$ 5,018,646 | \$ 1,434,078 | \$ 358,875 | \$ 1,386,698 |
| Claims settlements | - | - | - | 181,381 |
| Total operating revenue | 5,018,646 | 1,434,078 | 358,875 | 1,568,079 |
| Operating expenses: | | | | |
| Salaries and employee benefits | 820,350 | 903,039 | - | - |
| Supplies and materials | 3,569,545 | 65,506 | - | - |
| Contract services | - | 41,709 | 45,994 | 94,241 |
| Other services and charges | 540,154 | 1,282,598 | 279,774 | 1,512,492 |
| Depreciation | 13,471 | 320,863 | - | - |
| Total operating expenses | 4,943,520 | 2,613,715 | 325,768 | 1,606,733 |
| Operating income (loss) | 75,126 | (1,179,637) | 33,107 | (38,654) |
| Nonoperating revenues (expenses): | | | | |
| Investment earnings | 13,160 | 6,285 | 4,710 | 42,054 |
| Miscellaneous | 13,160 | 5,844 | 10,374 | - |
| Interest expense | - | (1,125) | - | - |
| Total nonoperating revenues (expenses) | 26,320 | 11,004 | 15,084 | 42,054 |
| Transfers and Contributions: | | | | |
| Transfers out | (188,778) | - | - | - |
| Total transfers and contributions | (188,778) | - | - | - |
| Change in net position | (87,332) | (1,168,633) | 48,191 | 3,400 |
| Total net position - beginning | (1,028,324) | 1,213,654 | 273,323 | 593,534 |
| Total net position - end | \$ (1,115,656) | \$ 45,021 | \$ 321,514 | \$ 596,934 |

| Fully Insured Health | | Partially Self-Insured Health | | Health Clinic | Total |
|----------------------|-----------|-------------------------------|-----------|---------------|---------------|
| \$ | 974,168 | \$ | 6,465,163 | \$ 543,373 | \$ 16,181,001 |
| | - | | - | - | 181,381 |
| | 974,168 | | 6,465,163 | 543,373 | 16,362,382 |
| | - | | - | - | 1,723,389 |
| | - | | - | - | 3,635,051 |
| | - | | 184,110 | 543,375 | 909,429 |
| | 1,004,494 | | 6,193,964 | - | 10,813,476 |
| | - | | - | - | 334,334 |
| | 1,004,494 | | 6,378,074 | 543,375 | 17,415,679 |
| | (30,326) | | 87,089 | (2) | (1,053,297) |
| | 1,566 | | 102,532 | 6,766 | 177,073 |
| | 1,636 | | 132,440 | - | 163,454 |
| | - | | - | - | (1,125) |
| | 3,202 | | 234,972 | 6,766 | 339,402 |
| | - | | - | - | (188,778) |
| | - | | - | - | (188,778) |
| | (27,124) | | 322,061 | 6,764 | (902,673) |
| | (8,434) | | 1,698,676 | 13,953 | 2,756,382 |
| \$ | (35,558) | \$ | 2,020,737 | \$ 20,717 | \$ 1,853,709 |

City of Titusville, Florida

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2023

| | Fleet | Information Technology | Self-Insured Dental | Self-Insured Loss Fund |
|--|-------------------|-----------------------------------|--------------------------------|-----------------------------------|
| Cash flows from Operating Activities | | | | |
| Cash received from customers | \$ 5,018,699 | \$ 1,434,080 | \$ 359,570 | \$ 1,607,782 |
| Cash paid to employees | (695,541) | (732,001) | - | - |
| Cash paid to suppliers | (4,081,430) | (1,322,890) | (365,822) | (2,083,702) |
| Other receipts | 13,160 | 5,844 | 10,374 | - |
| Net cash provided by (used in) operating activities | 254,888 | (614,967) | 4,122 | (475,920) |
| Cash flows from Noncapital Financing Activities | | | | |
| Interfund loans | - | - | - | - |
| Transfers to other funds | (188,778) | - | - | - |
| Net cash provided by (used in) noncapital financing activities | (188,778) | - | - | - |
| Cash flows from Capital and related Financing Activities | | | | |
| Acquisition and construction of capital assets | - | (275,663) | - | - |
| Principal payments of long-term debt | - | (40,438) | - | - |
| Proceeds from issuance of long-term debt | (66,200) | - | - | - |
| Interest paid | - | (1,155) | - | - |
| Net cash provided by (used in) capital and related financing activities | (66,200) | (317,256) | - | - |
| Cash flows from investing activities | | | | |
| Interest received | 13,160 | 6,285 | 4,710 | 16,993 |
| Purchase of investment | 236,840 | 913,715 | 245,290 | 813,006 |
| Net cash provided by (used in) investing activities | 250,000 | 920,000 | 250,000 | 829,999 |
| Net Increase(decrease) in cash and cash equivalents | 249,910 | (12,223) | 254,122 | 354,079 |
| Cash and cash equivalents, beginning of year | 15,462 | 16,604 | 7,282 | 111,368 |
| Cash and cash equivalents, end of year | <u>\$ 265,372</u> | <u>\$ 4,381</u> | <u>\$ 261,404</u> | <u>\$ 465,447</u> |
| Cash and cash equivalents classified as: | | | | |
| Unrestricted | 707,586 | 215,557 | 419,707 | 1,778,565 |
| Restricted | - | - | - | 100,000 |
| Total cash and cash equivalents | <u>\$ 707,586</u> | <u>\$ 215,557</u> | <u>\$ 419,707</u> | <u>\$ 1,878,565</u> |
| Reconciliation of operating (loss) income to net cash provided by (used in) operating activities: | | | | |
| Operating income(loss) | \$ 75,126 | \$(1,179,637) | \$ 33,107 | \$(38,654) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Depreciation | 13,471 | 320,863 | - | - |
| Nonoperating revenues (expenses) | 13,160 | 5,844 | 10,374 | - |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | 53 | 2 | 695 | 39,703 |
| Inventories | 4,848 | - | - | - |
| Accounts payable and accrued liabilities | 23,421 | 66,923 | 5,415 | 31 |
| Compensated absences | 27,447 | 14,758 | - | - |
| Claims payable | - | - | (45,469) | (477,000) |
| Net Pension liability | 137,288 | 171,077 | - | - |
| Net OPEB liability | (39,926) | (14,797) | - | - |
| Total Adjustments | 179,762 | 564,670 | (28,985) | (437,266) |
| Net cash provided by (used in) operating activities | <u>254,888</u> | <u>(614,967)</u> | <u>4,122</u> | <u>(475,920)</u> |
| Noncash investing, capital and financing activities: | | | | |
| Change in fair value of investments | \$ 254,888 | \$(614,967) | \$ 4,122 | \$(475,920) |

| Fully Insured Health | Partially Self-Insured Health | Health Clinic | Total |
|----------------------|-------------------------------|---------------|---------------|
| \$ 974,168 | \$ 6,465,163 | \$ 543,373 | \$ 16,402,835 |
| - | - | - | (1,427,542) |
| (1,004,494) | (6,509,762) | (540,225) | (15,908,325) |
| 1,636 | 132,440 | - | 163,454 |
| (28,690) | 87,841 | 3,148 | (769,578) |
| 35,558 | - | - | 35,558 |
| - | - | - | (188,778) |
| 35,558 | - | - | (153,220) |
| - | - | - | (275,663) |
| - | - | - | (40,438) |
| - | - | - | (66,200) |
| - | - | - | (1,155) |
| - | - | - | (383,456) |
| 1,566 | 102,532 | 6,766 | 152,012 |
| (61,059) | (1,012,933) | (171,278) | 963,581 |
| (59,493) | (910,401) | (164,512) | 1,115,593 |
| (52,625) | (822,560) | (161,364) | (190,661) |
| - | - | - | 150,716 |
| \$(52,625) | \$(822,560) | \$(161,364) | \$(39,945) |
| - | 2,622,737 | 65,998 | 5,810,150 |
| - | - | - | 100,000 |
| - | 2,622,737 | 65,998 | \$ 5,910,150 |
| (30,326) | 87,089 | (2) | (1,053,297) |
| - | - | - | 334,334 |
| 1,636 | 132,440 | - | 163,454 |
| - | - | - | 40,453 |
| - | - | - | 4,848 |
| - | (131,688) | 3,150 | (32,748) |
| - | - | - | 42,205 |
| - | - | - | (522,469) |
| - | - | - | 308,365 |
| - | - | - | (54,723) |
| 1,636 | 752 | 3,150 | 283,719 |
| (28,690) | 87,841 | 3,148 | (769,578) |
| \$(28,690) | \$ 87,841 | \$ 3,148 | \$(769,578) |



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Statistical Section

This part of the City of Titusville, Florida's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

| <u>Contents</u> | <u>Pages</u> |
|--|---------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 153-157 |
| Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax, and the municipal sales tax. | 158-162 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | 163-167 |
| Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place. | 168-169 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 170-174 |
| Secondary Market Disclosure The City of Titusville is required to provide ongoing disclosure for its holders of Water and Sewer Revenue Bonds, Series 2010. Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission Annual Financial Report for the fiscal year September 30, 2023. | 175-178 |

Sources:

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant fiscal year. Schedules presenting government-wide information include information beginning in that fiscal year.



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City of Titusville, Florida
Schedule 1 - Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017* | 2016 | 2015** | 2014 |
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | | | | | | | | | | |
| Restricted | \$ 60,177,813 | \$ 57,332,471 | \$ 55,416,196 | \$ 54,987,825 | \$ 54,435,616 | \$ 51,637,754 | \$ 50,852,623 | \$ 54,951,652 | \$ 51,072,498 | \$ 49,475,070 |
| Unrestricted | 6,225,320 | 5,473,785 | 5,719,901 | 4,626,485 | 4,497,731 | 3,671,117 | 5,538,066 | 5,660,781 | 5,758,186 | 6,566,912 |
| | (32,777,532) | (26,783,959) | (28,313,188) | (33,568,913) | (35,188,687) | (40,271,546) | (46,561,152) | (10,200,449) | (9,257,410) | 5,798,714 |
| Total Governmental Activities Net Position | \$ 33,625,601 | \$ 36,022,297 | \$ 32,822,909 | \$ 26,045,397 | \$ 23,744,660 | \$ 15,037,325 | \$ 9,829,537 | \$ 50,411,984 | \$ 47,573,274 | \$ 61,840,696 |
| Business-Type Activities | | | | | | | | | | |
| Net Investment in Capital Assets | | | | | | | | | | |
| Restricted | \$ 95,876,906 | \$ 82,598,194 | \$ 72,756,736 | \$ 63,396,871 | \$ 59,138,117 | \$ 55,083,599 | \$ 51,973,123 | \$ 50,397,886 | \$ 48,047,333 | \$ 43,639,537 |
| Unrestricted | 340,992 | 314,009 | 289,678 | 254,231 | 267,802 | 284,046 | 302,986 | 317,727 | 338,038 | 2,452,850 |
| | 16,440,409 | 18,916,483 | 22,669,563 | 22,003,752 | 19,332,034 | 16,421,187 | 14,760,301 | 30,866,489 | 29,212,802 | 31,675,735 |
| Total Business-Type Activities Net Position | \$ 112,658,307 | \$ 101,828,686 | \$ 95,715,977 | \$ 85,654,854 | \$ 78,737,953 | \$ 71,788,832 | \$ 67,036,410 | \$ 81,582,102 | \$ 77,598,173 | \$ 77,768,122 |
| Total | | | | | | | | | | |
| Net Investment in Capital Assets | | | | | | | | | | |
| Restricted | \$ 156,054,719 | \$ 139,930,665 | \$ 128,172,932 | \$ 118,384,696 | \$ 113,573,733 | \$ 106,721,353 | \$ 102,825,746 | \$ 105,349,538 | \$ 99,119,831 | \$ 93,114,607 |
| Unrestricted | 6,566,312 | 5,787,794 | 6,009,579 | 4,880,716 | 4,765,533 | 3,955,163 | 5,841,052 | 5,978,508 | 6,096,224 | 9,019,762 |
| | (16,337,123) | (7,867,476) | (5,643,625) | (11,565,161) | (15,856,653) | (23,850,359) | (31,800,851) | 20,666,040 | 19,955,392 | 37,474,449 |
| Total Net Position | \$ 146,283,908 | \$ 137,850,983 | \$ 128,538,886 | \$ 111,700,251 | \$ 102,482,613 | \$ 86,826,157 | \$ 76,865,947 | \$ 131,994,086 | \$ 125,171,447 | \$ 139,608,818 |

*Note the decrease in Net Position is due to implementation of GASB 75 and City's policy changes for retiree health care.

**Note the decrease in Net Position is due to implementation of GASB 68 and the City's changes for pensions.

City of Titusville Florida
Schedule 2 - Changes in Net Position
Last Ten Fiscal Years
(accural basis of accounting)

| | Fiscal Year | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Administrative | \$ - | \$ - | \$ - | \$ - | \$ 537,094 | \$ - | \$ 2,372,680 | \$ 3,588,417 | \$ 3,956,986 | \$ 3,497,639 |
| Public Safety | 1,237,544 | 1,118,252 | 1,013,884 | 991,839 | 1,016,316 | 997,183 | 684,559 | 776,506 | 588,621 | 527,916 |
| Public Works | - | - | - | 48,918 | 110,642 | 94,898 | - | - | - | 175 |
| Support Services | 771,449 | 1,213,055 | 1,058,863 | 572,015 | 1,391 | 437,481 | 210,094 | 286,799 | 137,057 | 113,746 |
| Community Development | 2,379,443 | 2,204,658 | 1,833,057 | 1,576,960 | 1,788,006 | 1,447,903 | 1,739,291 | 1,327,699 | 1,177,099 | 1,033,275 |
| Operating Grants and Contributions | 4,721,837 | 2,385,596 | 1,288,161 | 1,184,552 | 1,451,448 | 1,592,945 | 1,463,814 | 989,072 | 1,005,587 | 1,237,489 |
| Capital Grants and Contributions | 988,566 | 1,194,468 | 1,295,346 | 1,406,321 | 2,030,003 | 373,716 | 652,698 | 3,194,258 | 591,307 | 1,675,702 |
| Total Governmental Activities Program Revenues | \$ 10,098,839 | \$ 8,116,029 | \$ 6,489,311 | \$ 5,780,605 | \$ 6,934,900 | \$ 4,944,126 | \$ 7,123,136 | \$ 10,162,751 | \$ 7,456,657 | \$ 8,085,942 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Water/Sewer Utility | \$ 26,216,413 | \$ 25,241,730 | \$ 24,804,382 | \$ 23,705,357 | \$ 23,058,725 | \$ 22,939,943 | \$ 22,022,657 | \$ 21,451,871 | \$ 20,728,148 | \$ 20,166,475 |
| Solid Waste System | 5,987,841 | 5,394,980 | 5,367,180 | 5,049,458 | 4,846,476 | 4,677,036 | 4,472,488 | 4,223,943 | 4,275,839 | 4,320,466 |
| Municipal Marina | 1,532,798 | 1,581,198 | 1,328,233 | 1,249,887 | 1,319,937 | 1,201,864 | 1,157,687 | 911,231 | 894,958 | 1,059,994 |
| Stormwater Utility | 2,697,801 | 2,613,050 | 3,006,735 | 2,670,201 | 2,550,893 | 2,722,494 | 2,528,604 | 2,461,608 | 2,413,480 | 2,379,810 |
| Grants and Contributions | 2,117,441 | 5,561,323 | 3,033,586 | 709,772 | 1,680,402 | 1,087,087 | - | - | - | - |
| Capital Grants and Contributions | 5,570,856 | 1,486,885 | 3,738,346 | 1,121,048 | 705,947 | 831,266 | 704,285 | 2,221,174 | 429,306 | 376,472 |
| Total Business-Type Activities Program Revenues | \$ 44,123,150 | \$ 41,879,166 | \$ 41,278,462 | \$ 34,505,723 | \$ 34,162,380 | \$ 33,459,690 | \$ 30,885,721 | \$ 31,269,827 | \$ 28,741,731 | \$ 28,303,217 |
| Total Government Program Revenues | \$ 54,221,989 | \$ 49,995,195 | \$ 47,767,773 | \$ 40,286,328 | \$ 41,097,280 | \$ 38,403,816 | \$ 38,008,857 | \$ 41,432,578 | \$ 36,198,388 | \$ 36,389,159 |
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Legislative | \$ 76,627 | \$ 62,987 | \$ 74,427 | \$ 80,467 | \$ 60,968 | \$ 55,138 | \$ 77,155 | \$ 68,246 | \$ 69,301 | \$ 62,698 |
| Executive | 1,120,194 | 1,079,642 | 1,035,004 | 977,617 | 1,020,028 | 971,371 | 1,093,220 | 901,634 | 870,317 | 1,220,863 |
| Legal Counsel | 630,194 | 552,073 | 520,532 | 462,074 | 502,691 | 478,511 | 514,173 | 433,632 | 385,562 | 382,983 |
| Community Development | 5,539,839 | 4,893,014 | 4,147,106 | 3,985,580 | 3,762,343 | 3,712,123 | 3,738,409 | 4,089,732 | 3,385,671 | 3,103,216 |
| Public Works | 5,819,041 | 4,330,379 | 3,989,179 | 5,262,205 | 3,569,096 | 3,245,500 | 3,663,000 | 3,693,211 | 2,745,407 | 2,891,833 |
| Public Safety | 32,231,682 | 25,299,899 | 21,177,245 | 22,173,029 | 18,106,979 | 17,128,416 | 22,514,517 | 18,428,899 | 17,027,210 | 17,286,390 |
| Support Services | 6,442,850 | 5,066,073 | 3,136,811 | 3,303,871 | 3,399,598 | 3,464,954 | 3,846,468 | 3,925,823 | 3,567,122 | 2,975,303 |
| General Administrative | 1,110,431 | 1,652,991 | 1,874,829 | 664,980 | 963,862 | 1,068,191 | 5,817,554 | 4,444,741 | 4,961,895 | 4,207,782 |
| Interest on long-term debt | 232,947 | 247,537 | 310,413 | 307,260 | 339,788 | 452,808 | 423,457 | 250,221 | 490,409 | 311,300 |
| Total Governmental Activities Expenses | \$ 53,203,805 | \$ 43,184,595 | \$ 36,265,546 | \$ 37,217,083 | \$ 31,725,353 | \$ 30,577,012 | \$ 41,687,953 | \$ 36,236,139 | \$ 33,502,894 | \$ 32,442,368 |
| Business-Type Activities: | | | | | | | | | | |
| Water/Sewer Utility | \$ 23,077,760 | \$ 21,759,276 | \$ 20,630,955 | \$ 19,322,361 | \$ 19,264,281 | \$ 19,932,981 | \$ 18,572,285 | \$ 18,501,812 | \$ 18,236,685 | \$ 18,012,973 |
| Solid Waste System | 7,438,928 | 6,663,258 | 5,625,524 | 5,274,737 | 4,633,032 | 5,264,382 | 4,905,446 | 4,713,042 | 4,422,132 | 4,418,196 |
| Municipal Marina | 1,609,150 | 1,562,750 | 1,345,039 | 1,279,906 | 1,278,431 | 1,038,877 | 1,054,554 | 998,834 | 1,058,699 | 1,207,676 |
| Stormwater Utility | 3,521,233 | 3,208,143 | 2,938,436 | 2,641,371 | 2,290,323 | 2,020,340 | 2,262,651 | 2,035,386 | 1,891,378 | 1,801,318 |
| Total Business-Type Activities Expenses | \$ 35,647,071 | \$ 33,193,427 | \$ 30,539,954 | \$ 28,518,375 | \$ 27,466,067 | \$ 28,256,580 | \$ 26,794,936 | \$ 26,249,074 | \$ 25,608,894 | \$ 25,440,163 |
| Total Government Expenses | \$ 88,850,876 | \$ 76,378,022 | \$ 66,805,500 | \$ 65,735,458 | \$ 59,191,420 | \$ 58,833,592 | \$ 68,482,889 | \$ 62,485,213 | \$ 59,111,788 | \$ 57,882,531 |

City of Titusville, Florida
Schedule 2 - Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (43,104,966) | \$ (35,068,566) | \$ (29,760,051) | \$ (31,436,478) | \$ (24,790,453) | \$ (25,632,886) | \$ (34,564,817) | \$ (26,073,388) | \$ (26,046,237) | \$ (24,356,426) |
| Business-type Activities | 8,476,079 | 8,685,739 | 10,738,508 | 5,987,348 | 6,696,313 | 5,203,110 | 4,090,785 | 5,020,753 | 3,132,837 | 2,863,054 |
| Total Governmental Net Expenses | \$ (34,628,887) | \$ (26,382,827) | \$ (19,021,543) | \$ (25,449,130) | \$ (18,094,140) | \$ (20,429,776) | \$ (30,474,032) | \$ (21,052,635) | \$ (22,913,400) | \$ (21,493,372) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property taxes | \$ 20,756,028 | \$ 18,621,965 | \$ 17,356,664 | \$ 17,093,601 | \$ 16,059,562 | \$ 14,309,785 | \$ 12,999,764 | \$ 12,502,147 | \$ 11,719,825 | \$ 11,171,994 |
| Local option gas tax | 1,117,877 | 1,169,645 | 1,149,943 | 1,098,581 | 1,173,179 | 966,174 | 1,185,532 | 1,072,899 | 1,036,494 | 919,352 |
| Utility and franchise taxes | 11,548,170 | 10,347,849 | 9,459,904 | 9,069,408 | 9,147,941 | 9,360,451 | 8,785,489 | 8,640,128 | 8,766,066 | 8,539,831 |
| Intergovernmental shared revenue | 6,597,127 | 6,338,201 | 6,711,899 | 4,779,657 | 4,892,671 | 4,224,693 | 6,066,481 | 4,300,071 | 4,799,583 | 3,837,111 |
| Investment earnings | 826,128 | (429,666) | 45,586 | 186,195 | 78,381 | 126,327 | 114,824 | 136,352 | 241,867 | (44,612) |
| Miscellaneous | 275,072 | 701,704 | 263,863 | 211,132 | 163,954 | 171,239 | 117,284 | 682,420 | 1,390,810 | 537,388 |
| Transfers | (412,132) | 1,512,254 | 1,177,026 | 1,687,771 | 1,721,663 | 1,682,005 | 2,080,049 | 1,578,081 | 430,737 | 423,985 |
| Total Governmental Activities | \$ 40,708,270 | \$ 38,261,952 | \$ 36,164,885 | \$ 34,126,345 | \$ 33,237,351 | \$ 30,840,674 | \$ 31,349,423 | \$ 28,912,098 | \$ 28,385,382 | \$ 25,385,049 |
| Business-Type Activities: | | | | | | | | | | |
| Intergovernmental shared revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 365,125 | \$ 3,821 | \$ - | \$ - |
| Investment earnings | 1,759,507 | (1,406,114) | 376,203 | 1,933,555 | 1,889,197 | 887,567 | 646,178 | 372,001 | 457,664 | 178,680 |
| Miscellaneous | 181,903 | 345,338 | 123,438 | 683,769 | 85,278 | 343,746 | 344,540 | 165,435 | 140,564 | 68,649 |
| Special Item: Valuation adjustment | - | - | - | - | - | - | - | - | - | - |
| Transfers | 412,132 | (1,512,254) | (1,177,026) | (1,687,771) | (1,721,663) | (1,682,005) | (2,080,049) | (1,578,081) | (430,737) | (423,985) |
| Total Business-Type Activities | \$ 2,353,542 | \$ (2,573,030) | \$ (677,385) | \$ 929,553 | \$ 252,812 | \$ (450,692) | \$ (724,206) | \$ (1,036,824) | \$ 167,491 | \$ (176,656) |
| Total Government | \$ 43,061,812 | \$ 35,688,922 | \$ 35,487,500 | \$ 35,055,898 | \$ 33,490,163 | \$ 30,389,982 | \$ 30,625,217 | \$ 27,875,274 | \$ 28,552,873 | \$ 25,208,393 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ (2,396,696) | \$ 3,193,386 | \$ 6,388,650 | \$ 2,689,867 | \$ 8,445,898 | \$ 5,207,788 | \$ (3,215,394) | \$ 2,838,710 | \$ 2,339,145 | \$ 1,028,623 |
| Business-Type Activities | 10,829,621 | 6,112,709 | 10,061,123 | 6,916,901 | 6,949,125 | 4,752,419 | 3,199,222 | 3,983,929 | 3,300,328 | 2,686,398 |
| Total Government Change in Net Position | \$ 8,432,925 | \$ 9,306,095 | \$ 16,449,773 | \$ 9,606,768 | \$ 15,396,023 | \$ 9,960,207 | \$ (16,172) | \$ 6,822,639 | \$ 5,639,473 | \$ 3,715,021 |

City of Titusville, Florida
Schedule 3 - Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| General Fund | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Non-Spendable | 1,634,102 | 1,296,042 | 1,650,190 | 52,755 | 62,371 | 89,183 | 11,233 | 21,243 | 13,637 | 1,992 |
| Restricted | 85,195 | 89,497 | 130,663 | 121,048 | 269,908 | 192,589 | 233,673 | 216,116 | 188,115 | 155,054 |
| Committed | 7,675,203 | 6,510,449 | 6,515,248 | 6,273,931 | 6,213,575 | 5,810,774 | 4,951,732 | 4,931,532 | 5,312,635 | 5,060,285 |
| Assigned | 872,423 | 2,980,696 | 2,333,196 | 25,322 | 179,701 | 205,276 | 180,122 | 58,318 | 365,121 | 249,942 |
| Unassigned | 10,029,748 | 7,107,890 | 3,928,501 | 5,163,836 | 3,228,404 | 2,099,959 | 327,667 | 2,240,409 | 3,019,978 | 2,232,156 |
| Unreserved | - | - | - | - | - | - | - | - | - | - |
| Total General Fund | \$ 20,296,671 | \$ 17,984,574 | \$ 14,557,798 | \$ 11,636,892 | \$ 9,953,959 | \$ 8,397,781 | \$ 5,704,427 | \$ 7,467,618 | \$ 8,899,486 | \$ 7,699,429 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Non-Spendable | - | - | - | - | - | - | - | - | - | - |
| Restricted | 6,203,209 | 5,466,671 | 5,680,189 | 3,478,186 | 3,478,186 | 3,478,186 | 5,166,096 | 5,114,333 | 5,515,564 | 6,250,413 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | (161) | - | - | - | (15,603) | (31,876) |
| Total All Other Governmental Funds | \$ 6,203,209 | \$ 5,466,671 | \$ 5,680,189 | \$ 3,478,186 | \$ 3,478,025 | \$ 3,478,186 | \$ 5,166,096 | \$ 5,114,333 | \$ 5,499,961 | \$ 6,218,537 |
| Total Governmental Funds | \$ 26,499,880 | \$ 23,451,245 | \$ 20,237,987 | \$ 15,115,078 | \$ 13,431,984 | \$ 11,875,967 | \$ 10,870,523 | \$ 12,581,951 | \$ 14,399,447 | \$ 13,917,966 |

City of Titusville, Florida
Schedule 4 - Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Revenues | | | | | | | | | | |
| Property tax | \$ 20,756,028 | \$ 18,621,965 | \$ 17,356,664 | \$ 17,093,601 | \$ 16,059,562 | \$ 14,309,785 | \$ 11,487,418 | \$ 12,502,147 | \$ 11,719,825 | \$ 11,171,994 |
| Local option gas tax | 1,117,877 | 1,169,645 | 1,149,943 | 1,098,581 | 1,173,179 | 966,174 | 1,185,532 | 1,072,899 | 1,036,494 | 919,352 |
| Utility and franchise taxes | 11,548,170 | 10,347,849 | 9,459,904 | 9,069,408 | 9,147,941 | 9,360,451 | 8,785,489 | 8,640,128 | 8,766,066 | 8,539,831 |
| Intergovernmental | 11,657,213 | 9,257,400 | 7,472,921 | 7,055,181 | 8,168,917 | 6,599,320 | 4,924,838 | 8,021,746 | 6,374,195 | 6,514,880 |
| Licenses and permits | 2,273,788 | 2,109,815 | 1,599,473 | 1,551,763 | 1,917,929 | 1,567,410 | 1,705,748 | 1,281,937 | 1,141,829 | 1,006,678 |
| Charges for services | 6,946,559 | 6,782,345 | 6,409,121 | 5,924,248 | 5,233,550 | 4,301,555 | 4,439,720 | 4,341,592 | 4,426,260 | 3,934,975 |
| Fines and forfeitures | 102,001 | 184,406 | 191,794 | 237,060 | 226,732 | 496,413 | 282,275 | 355,892 | 291,674 | 231,098 |
| Investment earnings | 649,055 | (355,346) | 41,561 | 121,597 | 22,084 | 118,641 | 99,073 | 122,276 | 184,271 | (7,902) |
| Miscellaneous | 576,244 | 893,952 | 1,684,386 | 242,629 | 352,554 | 341,979 | 331,217 | 369,545 | 1,023,940 | 496,535 |
| Impact fees | 199,363 | 214,876 | 339,302 | 279,892 | 107,124 | 119,813 | - | 80,835 | 41,162 | 42,505 |
| Total Revenues | \$ 55,826,298 | \$ 49,226,907 | \$ 45,705,069 | \$ 42,673,960 | \$ 42,409,572 | \$ 38,181,541 | \$ 33,241,310 | \$ 36,788,997 | \$ 35,005,716 | \$ 32,849,946 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Legislative | \$ 89,826 | \$ 73,657 | \$ 69,364 | \$ 72,393 | \$ 72,888 | \$ 70,629 | \$ 65,233 | \$ 58,888 | \$ 60,434 | \$ 59,497 |
| Executive | 1,141,967 | 1,018,152 | 952,157 | 963,291 | 971,631 | 940,270 | 924,681 | 840,114 | 796,335 | 1,158,533 |
| Legal counsel | 630,232 | 506,937 | 477,955 | 462,074 | 463,551 | 445,561 | 434,923 | 407,095 | 359,729 | 363,430 |
| General administrative services | 5,531,146 | 5,648,180 | 5,141,556 | 5,121,523 | 4,524,983 | 4,302,908 | 4,889,996 | 4,479,120 | - | 4,010,035 |
| Community development | 5,029,072 | 4,940,387 | 4,289,328 | 3,402,123 | 3,677,157 | 3,498,702 | 2,458,018 | 3,119,287 | 7,859,074 | 2,940,001 |
| Public works | 4,912,910 | 3,979,352 | 3,548,958 | 3,696,666 | 3,400,409 | 3,156,957 | 3,096,985 | 2,755,122 | 2,519,256 | 2,743,854 |
| Public safety | 24,304,923 | 21,813,360 | 20,552,071 | 20,219,942 | 19,778,319 | 19,068,358 | 18,581,072 | 17,537,423 | 16,520,680 | 16,403,815 |
| Support services | 4,140,056 | 3,779,202 | 3,517,567 | 3,582,793 | 3,530,612 | 3,401,153 | 3,253,027 | 2,991,111 | 2,771,222 | 2,506,870 |
| Debt service: | | | | | | | | | | |
| Principal | 2,928,276 | 2,940,232 | 2,714,544 | 2,558,696 | 2,404,151 | 1,586,078 | 746,801 | 1,236,969 | 1,550,204 | 1,424,934 |
| Interest | 222,511 | 261,758 | 311,801 | 322,504 | 346,970 | 328,869 | 38,127 | 192,141 | 412,449 | 399,907 |
| Other | 27,500 | - | - | - | - | - | 500 | - | - | - |
| Capital outlay | 4,768,343 | 4,548,484 | 3,456,186 | 2,902,515 | 4,283,444 | 4,309,685 | 1,989,413 | 5,377,859 | 2,818,771 | 3,977,310 |
| Total Expenditures | \$ 53,726,762 | \$ 49,509,701 | \$ 45,031,487 | \$ 43,303,520 | \$ 43,454,115 | \$ 41,109,170 | \$ 36,478,776 | \$ 38,995,129 | \$ 35,668,154 | \$ 35,988,186 |
| Excess of Revenues | \$ 2,099,536 | \$ (282,794) | \$ 673,582 | \$ (629,560) | \$ (1,044,543) | \$ (2,927,629) | \$ (3,237,466) | \$ (2,206,132) | \$ (662,438) | \$ (3,138,240) |
| Over (Under) Expenditures | | | | | | | | | | |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers in | 4,397,125 | \$ 4,818,652 | \$ 6,239,533 | \$ 3,431,608 | \$ 3,634,895 | \$ 2,104,539 | \$ 1,284,706 | \$ 3,310,889 | \$ 3,197,670 | \$ 2,811,747 |
| Transfers out | (4,620,479) | (3,316,398) | (5,053,000) | (1,743,837) | (1,930,433) | (536,300) | (659,431) | (3,303,387) | (2,766,933) | (2,402,530) |
| Issuance of debt | 1,172,453 | 1,993,798 | 2,123,972 | 1,014,068 | 1,385,298 | 2,364,834 | 849,000 | 381,134 | 713,182 | 946,529 |
| Proceeds of bond issue | - | - | - | - | - | - | - | - | 6,220,000 | - |
| Premium of bond issue | - | - | - | - | - | - | - | - | (6,220,000) | - |
| Total Other Financing Sources (Uses) | \$ 949,099 | \$ 3,496,052 | \$ 3,310,505 | \$ 2,701,839 | \$ 3,089,760 | \$ 3,933,073 | \$ 1,474,275 | \$ 388,636 | \$ 1,143,919 | \$ 1,355,746 |
| Net Change in Fund Balances | \$ 3,048,635 | \$ 3,213,258 | \$ 3,984,087 | \$ 2,072,279 | \$ 2,045,217 | \$ 1,005,444 | \$ (1,763,191) | \$ (1,817,496) | \$ 481,481 | \$ (1,782,494) |
| Debt Service as a Percentage of | | | | | | | | | | |
| Noncapital Expenditures | 6.49% | 7.12% | 7.28% | 7.13% | 7.02% | 5.20% | 2.28% | 4.25% | 5.97% | 5.70% |

City of Titusville, Florida
Schedule 5 - Tax Revenues by Source of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

| Fiscal Year | Property Taxes | Local Option Gas Tax | Utility and Franchise Taxes | Total |
|-------------|----------------|-------------------------|--------------------------------|---------------|
| 2023 | \$ 20,756,028 | \$ 1,117,877 | \$ 11,548,170 | \$ 33,422,075 |
| 2022 | 18,621,965 | 1,169,645 | 10,347,849 | 30,139,459 |
| 2021 | 17,356,664 | 1,149,943 | 9,459,904 | 27,966,511 |
| 2020 | 17,093,601 | 1,098,581 | 9,069,408 | 27,261,590 |
| 2019 | 16,059,562 | 1,173,179 | 9,147,941 | 26,380,682 |
| 2018 | 14,309,785 | 966,174 | 9,360,451 | 24,636,410 |
| 2017 | 13,107,683 | 1,185,532 | 8,677,570 | 22,970,785 |
| 2016 | 12,502,147 | 1,072,899 | 8,640,128 | 22,215,174 |
| 2015 | 11,719,825 | 1,036,494 | 8,766,066 | 21,522,385 |
| 2014 | 11,171,994 | 919,352 | 8,539,831 | 20,631,177 |

City of Titusville, Florida
Schedule 6 - Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

| Fiscal Year | Real Property (1) | Personal Property (1) | Centrally Assessed Property (1) | Estimated Actual Value (1) | Exemptions Real Property (1) | Total Taxable Assessed Value (1) | Total Direct Tax Rate (2) |
|-------------|-------------------|-----------------------|---------------------------------|----------------------------|------------------------------|----------------------------------|---------------------------|
| 2023 | \$ 2,608,122,262 | \$ 173,277,099 | \$ 11,139,241 | \$ 2,792,538,602 | 39,472,641 | \$ 2,753,065,961 | 6.9812 |
| 2022 | 2,242,045,901 | 161,618,227 | 10,541,397 | 2,414,205,525 | 51,662,041 | 2,362,543,484 | 7.2145 |
| 2021 | 2,080,971,045 | 146,421,421 | 10,685,037 | 2,238,077,503 | 27,132,180 | 2,210,945,323 | 7.2145 |
| 2020 | 1,900,392,394 | 135,188,578 | 10,585,575 | 2,046,166,547 | 40,036,876 | 2,006,129,671 | 7.7210 |
| 2019 | 1,746,520,115 | 124,692,121 | 10,804,616 | 1,882,016,852 | 62,239,573 | 1,819,777,279 | 7.9517 |
| 2018 | 1,552,285,487 | 119,223,963 | 11,319,401 | 1,682,828,851 | 27,205,930 | 1,655,622,921 | 7.7900 |
| 2017 | 1,417,424,364 | 115,939,437 | 10,845,755 | 1,544,209,556 | 13,493,990 | 1,530,715,566 | 7.6575 |
| 2016 | 1,312,233,100 | 119,468,452 | 10,080,184 | 1,441,781,736 | 18,556,070 | 1,423,225,666 | 7.9011 |
| 2015 | 1,244,276,160 | 117,442,841 | 7,374,129 | 1,369,093,130 | 7,982,690 | 1,361,110,440 | 7.7000 |
| 2014 | 1,191,673,050 | 117,647,334 | 6,721,239 | 1,316,041,623 | 4,617,970 | 1,311,423,653 | 7.6000 |

Sources:
(1) Brevard County Certification of Taxable Value
(2) City of Titusville Ordinance No 12-2020

City of Titusville, Florida
Schedule 7 - Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

| Fiscal Year | City of Titusville Millage | Debt Service Millage | Brevard County Millage (1) | Brevard County School District Millage | Other (2) | Total |
|-------------|----------------------------------|-------------------------|----------------------------------|--|-----------|---------|
| 2023 | 6.9812 | 0.2542 | 4.7936 | 5.495 | 0.2294 | 17.7534 |
| 2022 | 7.2145 | 0.2941 | 5.4634 | 5.850 | 0.2509 | 19.0729 |
| 2021 | 7.2145 | 0.3147 | 5.6762 | 5.942 | 0.2607 | 19.4081 |
| 2020 | 7.7210 | 0.3463 | 5.9569 | 6.086 | 0.2734 | 20.3836 |
| 2019 | 7.9517 | 0.3642 | 6.1535 | 6.299 | 0.2882 | 21.0566 |
| 2018 | 7.7900 | 0.4079 | 6.4333 | 6.568 | 0.3044 | 21.5036 |
| 2017 | 7.6575 | 0.4711 | 6.6993 | 6.916 | 0.3205 | 22.0644 |
| 2016 | 7.9011 | 0.5020 | 8.7284 | 7.275 | 0.3343 | 24.7408 |
| 2015 | 7.7000 | 0.5799 | 8.9525 | 7.339 | 0.3509 | 24.9223 |
| 2014 | 7.6000 | 0.5930 | 7.3024 | 7.606 | 0.3628 | 23.4642 |

(1) Includes General Fund, Recreation District and Library District

(2) Includes Florida Inland Navigation District and St. Johns River Water Management District

Sources: Brevard County Property Appraiser's Office

City of Titusville, Florida
Schedule 8 - Principal Taxpayers
Current Year and Ten Years Ago

| Taxpayer | 2023 | | | 2024 | | | 2014 | | |
|-----------------------------------|---|------|---|---|------|---|---|------|---|
| | Real Property Assessed Valuation | Rank | Percentage of Total Assessed Valuation | Real Property Assessed Valuation | Rank | Percentage of Total Assessed Valuation | Real Property Assessed Valuation | Rank | Percentage of Total Assessed Valuation |
| The Solamere Grand LLC | \$ 35,266,400 | 1 | 1.28% | \$ - | 20 | -% | \$ - | 20 | -% |
| Titusville Harrison One LLC | 24,990,210 | 2 | 0.91% | 4,000,000 | 9 | 0.31% | 4,000,000 | 9 | 0.31% |
| Summerhill Partners LLC | 23,086,800 | 3 | 0.84% | 12,500,000 | 1 | 0.95% | 12,500,000 | 1 | 0.95% |
| DNC Parks & Resorts | 19,281,310 | 4 | 0.70% | 137,160 | 15 | 0.01% | 137,160 | 15 | 0.01% |
| Canaveral Port Authority | 16,197,700 | 5 | 0.59% | - | 19 | -% | - | 19 | -% |
| BM Crossroads LLC | 14,235,360 | 6 | 0.52% | 8,850,000 | 3 | 0.67% | 8,850,000 | 3 | 0.67% |
| Wal-Mart Stores East LP | 12,280,090 | 7 | 0.45% | 8,100,000 | 4 | 0.62% | 8,100,000 | 4 | 0.62% |
| Elroy Acquisition Company LLC | 11,603,000 | 8 | 0.42% | 11,000,000 | 2 | 0.84% | 11,000,000 | 2 | 0.84% |
| Titusville Station LLC | 10,306,500 | 9 | 0.37% | 4,400,000 | 8 | 0.34% | 4,400,000 | 8 | 0.34% |
| AHF Windover Oaks LLC | 10,065,680 | 10 | 0.37% | 152,150 | 14 | 0.01% | 152,150 | 14 | 0.01% |
| Timber Trace Apartments LTD | 9,828,800 | 11 | 0.36% | 5,460,000 | 5 | 0.42% | 5,460,000 | 5 | 0.42% |
| Custom Florida Medical LLC | 9,615,760 | 12 | 0.35% | - | 18 | -% | - | 18 | -% |
| Grisson Centroplex LLC | 9,165,270 | '13 | 0.33% | 598,300 | 13 | 0.05% | 598,300 | 13 | 0.05% |
| Target Corporation | 7,894,530 | 14 | 0.29% | 5,200,000 | 6 | 0.40% | 5,200,000 | 6 | 0.40% |
| RH Coastal LLC | 7,876,770 | '15 | 0.29% | - | 17 | -% | - | 17 | -% |
| Apollo Landings LLC | 7,867,530 | '16 | 0.29% | 1,375,000 | 12 | 0.10% | 1,375,000 | 12 | 0.10% |
| BBL Florida Hotel Group LLC | 7,864,200 | '17 | 0.29% | - | 16 | -% | - | 16 | -% |
| Lowe's Home Centers Inc | 7,799,960 | '18 | 0.28% | 5,100,000 | 7 | 0.39% | 5,100,000 | 7 | 0.39% |
| LMC PROPERTIES INC | 7,705,170 | '19 | 0.28% | 2,969,260 | 10 | 0.23% | 2,969,260 | 10 | 0.23% |
| Titusville Lodging Associates LLP | 7,355,360 | '20 | 0.27% | 2,215,000 | 11 | 0.17% | 2,215,000 | 11 | 0.17% |
| Total | \$ 260,286,400 | | 9.45% | \$ 72,056,870 | | 5.49% | \$ 72,056,870 | | 5.49% |
| Total Assessed Valuation | \$ 2,753,065,961 | | | \$ 1,311,423,653 | | | \$ 1,311,423,653 | | |

Source: Brevard County Property Appraiser's Office

City of Titusville, Florida
Schedule 9 - Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year | Total Tax Levy (1) | Current Tax Collections | Percent of Current Tax Collections To Tax Levy | Delinquent Tax Collections | Total Tax Collections | Percent of Total Tax Collections To Tax Levy |
|-------------|-----------------------|----------------------------|---|-------------------------------|--------------------------|---|
| 2023 | \$ 19,576,966 | \$ 18,859,628 | 96.34% | \$ 33,691 | \$ 18,893,319 | 96.51% |
| 2022 | 17,519,156 | 16,881,470 | 96.36% | 21,268 | 16,902,738 | 96.48% |
| 2021 | 16,235,169 | 15,617,205 | 96.19% | 44,404 | 15,661,609 | 96.47% |
| 2020 | 15,925,580 | 15,303,841 | 96.10% | 73,747 | 15,377,588 | 96.56% |
| 2019 | 14,994,714 | 14,394,757 | 96.00% | 85,293 | 14,480,050 | 96.57% |
| 2018 | 13,175,372 | 12,702,862 | 96.41% | 26,247 | 12,729,109 | 96.61% |
| 2017 | 11,886,242 | 11,455,516 | 96.38% | 30,353 | 11,485,869 | 96.63% |
| 2016 | 11,410,505 | 10,999,775 | 96.40% | 30,968 | 11,030,743 | 96.67% |
| 2015 | 10,588,620 | 10,552,909 | 99.66% | 35,711 | 10,588,620 | 100.00% |
| 2014 | 10,000,599 | 9,677,806 | 96.77% | 10,021 | 9,687,827 | 96.87% |

(1) 2015 forward includes voter approved Series 2015 General Obligation Bonds.
Source: Brevard County Property Appraiser and Tax Collector

City of Titusville, Florida
Schedule 10 - Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | | Business-Type Activities | | | | | | | | Debt Per Capita |
|-------------|--------------------------|--------------------------------------|---------------------------------|---|--------------------------|----------------------------|----------------------------|---------------------------|--------------------|----------------------|---------------|-----------------------------------|-----------------|
| | General Obligation Bonds | Multi-Purpose Revenue Refunding Note | Public Improvement Revenue Note | Capital Improvement Revenue Bond, Series 2017 | | 2010 Water and Sewer Bonds | | | | State Revolving Loan | Total | Percentage of Personal Income (1) | |
| | | | | Financed Purchases | Revenue Bond | 2010 Water and Sewer Bonds | 2020 Water and Sewer Bonds | Unamortized Bond Premiums | Financed Purchases | | | | |
| 2023 | \$ 1,331,000 | - \$ | 716,000 | \$ 3,450,000 | 4,304,818 | - | \$ 7,095,000 | \$ 186,028 | \$ 1,425,150 | \$ 7,415,859 | \$ 25,923,855 | 1.58% | \$ 519.01 |
| 2022 | 1,977,000 | - | 803,000 | 4,095,000 | 4,723,079 | - | 10,545,000 | 372,058 | 2,133,386 | 4,940,746 | 29,589,269 | 1.90% | 598.69 |
| 2021 | 2,613,000 | - | 884,000 | 4,725,000 | 4,540,809 | - | 13,935,000 | 558,086 | 2,377,024 | 2,980,605 | 32,613,524 | 2.42% | 665.41 |
| 2020 | 3,233,000 | - | 965,000 | 5,340,000 | 3,987,379 | - | 15,965,000 | 744,115 | 1,685,221 | 3,248,149 | 35,167,864 | 2.77% | 722.46 |
| 2019 | 3,846,000 | - | 1,040,000 | 5,945,000 | 4,078,815 | 19,830,000 | - | 930,144 | 1,349,227 | 3,555,612 | 40,574,798 | 3.42% | 872.63 |
| 2018 | 4,446,000 | - | 1,115,000 | 6,535,000 | 3,038,157 | 22,620,000 | - | 1,116,174 | 925,654 | 3,345,944 | 43,141,929 | 3.76% | 932.54 |
| 2017 | 5,037,000 | - | 1,185,000 | 6,535,000 | 1,818,172 | 25,275,000 | - | 1,302,202 | 260,385 | 3,589,771 | 45,002,530 | 4.02% | 977.91 |
| 2016 | 5,618,000 | - | 1,250,000 | - | 1,475,049 | 27,800,000 | - | 1,488,232 | 433,615 | 3,827,793 | 41,892,689 | 3.85% | 922.89 |
| 2015 | 6,220,000 | - | 1,316,000 | - | 1,693,332 | 30,230,000 | - | 1,674,261 | 237,869 | 3,745,978 | 45,117,440 | 4.36% | 1,012.58 |
| 2014 | 6,605,000 | 500,000 | 1,378,000 | - | 1,510,307 | 32,570,000 | - | 1,860,290 | 357,985 | 3,299,637 | 48,081,219 | 4.73% | 1,087.66 |

(1) See Demographic & Economic Statistics for personal income

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

City of Titusville, Florida
Schedule 11 - Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year | General Obligation Bonds | Less Debt Service Monies Available | Net Debt Payable | Percentage of Actual Taxable | |
|-------------|-----------------------------|---------------------------------------|------------------|---------------------------------|----------------|
| | | | | Value of Property (1) | Per Capita (2) |
| 2023 | \$ 1,331,000 | 3,208,401 | \$ 4,539,401 | 0.05% | 26.65 |
| 2022 | 1,977,000 | 258,152 | 1,718,848 | 0.08% | 40.00 |
| 2021 | 2,613,000 | 242,260 | 2,370,740 | 0.12% | 53.31 |
| 2020 | 3,233,000 | 165,714 | 3,067,286 | 0.16% | 66.42 |
| 2019 | 3,846,000 | 157,988 | 3,688,012 | 0.21% | 82.72 |
| 2018 | 4,446,000 | 105,189 | 4,340,811 | 0.27% | 96.10 |
| 2017 | 5,037,000 | 157,256 | 4,879,744 | 0.33% | 109.45 |
| 2016 | 5,618,000 | 88,216 | 5,529,784 | 0.39% | 123.76 |
| 2015 | 6,220,000 | 88,216 | 6,131,784 | 0.46% | 139.60 |
| 2014 | 6,605,000 | 1,699,787 | 4,905,213 | 0.50% | 149.41 |

(1) See assessed value and actual value of taxable property for total taxable assessed value

(2) Source: US Census Bureau Quick Facts

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

City of Titusville, Florida
Schedule 12 - Direct and Overlapping Debt
September 30, 2023

| Governmental Unit | Net Debt Outstanding | Percentage Applicable To This Government Unit ⁽¹⁾ | Estimated Share of Overlapping Debt |
|-----------------------------------|----------------------|--|-------------------------------------|
| School District | \$ 333,044,132 | 3.05% | 10,157,846 |
| Brevard County | 6,724,410 | 3.05% | 205,095 |
| Subtotal, Overlapping Debt | | | 10,362,941 |
| City Direct Debt | | | 9,090,286 |
| Total Direct and Overlapping Debt | | | \$ 19,453,227 |

Source: Brevard County Property Appraiser and Brevard County Finance Department

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Titusville. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

⁽¹⁾ For debt repaid with property taxes, the percentage of overlapping debt was determined by taking the City's assessed taxable value of \$2,362,543,484 and dividing it by Brevard County's assessed taxable value of \$77,480,124,167 for 2022.

City of Titusville, Florida
Schedule 13 - Legal Debt Margin Information
Last Ten Fiscal Years

State Statutes impose no limitations on the amount of bonded debt the City can issue and the City has not adopted a legal debt limit.

City of Titusville, Florida
Schedule 14 - Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)

Water and Sewer Revenue Refunding Note Series 2010 and Revenue Refunding Bond Series 2020 Refunding Bonds

| Fiscal Year | Gross Revenues (1) | Less: Operating Expenses (2) | Net Available Revenue | Debt Service | | | Coverage (3) |
|-------------|-----------------------|---------------------------------|--------------------------|---------------|----------|--------|-----------------|
| | | | | Principal (4) | Interest | Total | |
| 2023 | \$ 32,050 | \$ 17,054 | 14,996 | \$ 3,450 | \$ 134 | 3,584 | 4.18 |
| 2022 | 30,775 | 19,553 | 11,222 | 3,390 | 197 | 3,587 | 3.13 |
| 2021 | 28,168 | 16,041 | 12,127 | 2,030 | 235 | 2,265 | 5.35 |
| 2020 | 27,256 | 14,059 | 13,197 | 18,890 | 429 | 19,319 | 0.68 |
| 2019 | 27,176 | 14,144 | 13,032 | 2,790 | 966 | 3,756 | 3.47 |
| 2018 | 24,686 | 14,032 | 10,654 | 2,655 | 1,105 | 3,760 | 2.83 |
| 2017 | 23,305 | 12,964 | 10,341 | 2,525 | 1,238 | 3,763 | 2.75 |
| 2016 | 22,114 | 13,229 | 8,885 | 2,430 | 1,365 | 3,795 | 2.34 |
| 2015 | 20,783 | 11,937 | 8,846 | 2,340 | 1,462 | 3,802 | 2.33 |
| 2014 | 20,644 | 11,994 | 8,650 | - | 1,555 | 1,555 | 5.56 |

(1) According to the Resolution, Gross Revenues should exclude interest earnings on the Renewal and Replacement Fund and Construction Fund.

(2) Operating expenses excludes depreciation, amortization and overhead charges from other funds and cannot be calculated using the financial statements.

(3) Required coverage of 1.05 refers to the Series 2010 Refunding Bonds.

Notes: Detail regarding the City's outstanding debt can be found in the notes to the financial statements.

(4) Series 2020 Refunding Bond Principal for 2023 was \$3,450,000.

City of Titusville, Florida
Schedule 15 - Demographic and Economic Statistics
Last Ten Fiscal Years

| Calendar Year | Titusville Population (1) | Total Personal Income (1) | Per Capita Personal Income (1) | Median Household Income (1) | Unemployment Rate (2) | School Enrollment (3) |
|---------------|---------------------------|---------------------------|--------------------------------|-----------------------------|-----------------------|-----------------------|
| 2023 | 49,949 | 1,592,723,763 | \$ 31,887 | \$ 56,700 | 3.2% | 7,565 |
| 2022 | 49,423 | 1,558,307,190 | 31,530 | 52,618 | 2.5% | 7,565 |
| 2021 | 49,013 | 1,346,485,136 | 27,472 | 48,118 | 4.2% | 7,934 |
| 2020 | 48,678 | 1,268,840,748 | 26,066 | 46,609 | 3.4% | 9,542 |
| 2019 | 46,497 | 1,184,836,554 | 25,482 | 43,765 | 3.7% | 9,059 |
| 2018 | 46,263 | 1,148,016,345 | 24,815 | 42,561 | 4.4% | 9,334 |
| 2017 | 46,019 | 1,119,458,194 | 24,326 | 42,064 | 5.3% | 8,869 |
| 2016 | 45,393 | 1,087,116,957 | 23,949 | 40,830 | 6.9% | 8,731 |
| 2015 | 44,557 | 1,034,658,097 | 23,221 | 40,420 | 6.9% | 8,798 |
| 2014 | 44,206 | 1,017,135,854 | 23,009 | 40,880 | 8.4% | 9,073 |

Note: Some information may be estimated.

Sources:

(1) City of Titusville, Growth Management Planning

(2) US Dept of Labor, Bureau of Labor Statistics

(3) Brevard County School Board

Enrollment number includes public, charter, private, preschool, elementary, middle, high and other schools.

City of Titusville, Florida
Schedule 16 - Principal Employers
Current Year and Ten Years Ago

| Employer | 2023 | | 2014 | |
|-------------------------------------|---------------------|---------------------------------------|---------------------|---------------------------------------|
| | Number of Employees | Percentage of Total County Employment | Number of Employees | Percentage of Total County Employment |
| School Board of Brevard County | 8,000-8,999 | 4.11% | - | - |
| Health First Medical Group LLC | 8,000-8,999 | 3.24% | 7,800 | 4.12% |
| L3Harris Technologies Inc | 8,000-8,999 | 3.24% | 6,005 | 3.17% |
| Northrup Grumman Corporation | 3,000-3,999 | 1.51% | 1,330 | 0.70% |
| Brevard County Board of County Comm | 3,000-3,999 | 1.51% | - | - |
| Blue Origin Florida LLC | 2,000-2,999 | 1.08% | - | - |
| National Aeronautics Spc Admin | 2,000-2,999 | 1.08% | (1) | - |
| Florida Institute of Technology Inc | 2,000-2,999 | 1.08% | (1) | - |
| New Rockwell Collins Inc | 1,000-1,999 | 0.65% | 1,340 | 0.71% |
| Lockheed Martin Corporation | 1,000-1,999 | 0.65% | 1,445 | 0.76% |
| SpaceX | 1,000-1,999 | 0.65% | 1,030 | 0.54% |
| Spc Command | 1,000-1,999 | 0.65% | - | - |
| Brevard County Sheriff Office | 1,000-1,999 | 0.65% | - | - |
| Jacobs Technology Inc | 1,000-1,999 | 0.65% | - | - |
| DRS Network & Imaging Systems LLC | 1,000-1,999 | 0.65% | - | - |
| Total | 40,000-54,985 | 21.40% | 18,950 | 10.00% |
| Total County Employment | | 231,409 | | 189,420 |

(1) No information available for 2014.

Source: SpaceCoast Economic Development Commission

Source: Brevard County Comprehensive Annual Report for the year ended September 30, 2014

Source: US Bureau of Labor Statistics

Note: Figures are for Brevard County. No City figures are available. Employers exclude retail operations. Exact numbers are no longer available as of 2016 for security reasons per the EDC.

City of Titusville, Florida
Schedule 17 - Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

| Function/Program | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General Government: | | | | | | | | | | |
| Legislative | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Executive | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 14.0 | 13.0 | 13.5 | 13.5 |
| Customer Service | 14.0 | 13.5 | 13.5 | 13.5 | 13.0 | 13.0 | 13.0 | 11.0 | 9.0 | 9.0 |
| City Attorney | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.0 | 2.5 |
| Finance | 12.0 | 12.0 | 12.0 | 12.0 | 11.5 | 11.5 | 11.5 | 11.5 | 11.0 | 11.0 |
| Information Technology | 10.0 | 10.0 | 10.0 | 10.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 7.0 |
| Human Resources | 7.0 | 7.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Community Development | 41.0 | 40.0 | 38.0 | 37.5 | 35.5 | 35.5 | 34.5 | 31.5 | 29.0 | 32.0 |
| Support Services | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Public Safety: | | | | | | | | | | |
| Police Department | 160.0 | 157.0 | 152.0 | 149.0 | 148.0 | 146.0 | 142.5 | 139.5 | 139.0 | 135.0 |
| Fire Department | 79.0 | 72.0 | 69.0 | 69.0 | 70.0 | 73.0 | 63.0 | 62.0 | 61.5 | 60.5 |
| Public Works | 103.0 | 102.0 | 102.0 | 96.0 | 93.0 | 93.0 | 93.0 | 90.0 | 79.0 | 83.0 |
| Water Resources | 115.0 | 110.0 | 103.0 | 102.0 | 99.0 | 99.0 | 99.0 | 98.0 | 111.0 | 111.0 |
| Totals: | 565.5 | 548.0 | 530.0 | 519.5 | 508.5 | 509.5 | 495.0 | 481.0 | 477.0 | 477.5 |

Source: City of Titusville, Florida 2023 Adopted Budget



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City of Titusville, Florida
Schedule 18 - Operating Indicators by Function/Program
Last Ten Fiscal Years

| Function/Program | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---------------------------------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| General Government | | | | | | | | | | |
| Land use applications | 51 | 29 | 1 | 2 | 8 | 13 | 10 | 5 | 6 | 4 |
| Acres of annexed property | 12 | - | - | - | - | - | - | 1 | 2 | 6 |
| Purchase orders issued | 828 | 950 | 838 | 1,417 | 937 | 982 | 1,006 | 978 | 852 | 726 |
| Checks issued | 6,163 | 6,510 | 5,982 | 5,592 | 4,825 | 5,808 | 5,616 | 5,790 | 5,718 | 5,334 |
| Police Department | | | | | | | | | | |
| Traffic stops | 8,321 | 11,122 | 9,545 | 8,120 | 6,803 | 4,697 | 4,682 | 5,277 | 6,495 | 8,208 |
| Traffic citations issued | 3,061 | 2,716 | 2,592 | 1,851 | 3,221 | 2,082 | 1,140 | 2,630 | 3,535 | 4,207 |
| Recovered property | \$ 573,785 | \$ 1,343,872 | \$ 1,740,504 | \$ 1,383,724 | \$ 2,964,589 | \$ 1,790,812 | \$ 2,155,567 | \$ 2,372,759 | \$ 1,369,537 | \$ 938,328 |
| Physical arrests | 1,038 | 1,164 | 1,364 | 1,274 | 1,351 | 1,132 | 1,295 | 1,360 | 3,497 | 1,258 |
| Calls for service | 94,932 | 101,642 | 95,570 | 92,609 | 80,623 | 69,189 | 71,745 | 72,675 | 68,250 | 65,568 |
| Fire Department | | | | | | | | | | |
| Emergency responses | 10,467 | 8,573 | 8,655 | 7,618 | 7,728 | 7,945 | 8,047 | 7,632 | 7,281 | 7,175 |
| Average response time - minutes | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Fires extinguished | 117 | 133 | 160 | 146 | 166 | 168 | 225 | 187 | 195 | 304 |
| Fire inspections | 2,381 | 1,857 | 780 | 1,812 | 1,457 | 1,369 | 1,909 | 1,804 | 1,672 | 1,606 |
| Fees charged - false alarm calls | \$ 7,830 | \$ 12,470 | \$ 9,511 | \$ 10,116 | \$ 18,936 | \$ 16,419 | \$ 32,560 | \$ 9,814 | \$ 11,020 | \$ 18,320 |
| Child seat inspections | 36 | 58 | 76 | 81 | 79 | 94 | 57 | 53 | 31 | 40 |
| Public Works | | | | | | | | | | |
| Miles of street - repaved | 6 | 7 | 12 | 7 | 8 | 2 | 9 | 9 | 11 | 4 |
| Sidewalks-new construction -lineal ft | 2,150 | 1,592 | 1,897 | - | 1,209 | 1,000 | 800 | 2,600 | 1,400 | 19,242 |
| Sidewalk repair - lineal feet | 3,147 | 4,918 | 4,729 | 3,529 | 3,450 | 2,000 | 4,106 | 3,298 | 1,421 | 1,000 |
| Number of street lights | 6,179 | 6,179 | 6,179 | 6,179 | 6,179 | 6,179 | 6,179 | 6,179 | 6,179 | 6,179 |
| Number of traffic signals | 47 | 47 | 47 | 47 | 48 | 47 | 47 | 47 | 47 | 47 |
| Pothole repairs | 896 | 1,328 | 1,427 | 1,731 | 1,332 | 1,600 | 1,232 | 1,561 | 2,601 | 10,000 |

City of Titusville, Florida
Schedule 18 - Operating Indicators by Function/Program
Last Ten Fiscal Years (continued)

| Function/Program | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Community Development | | | | | | | | | | |
| Occupational licenses issued | 188 | 226 | 198 | 541 | 211 | 276 | 260 | 326 | 268 | 216 |
| Building permits issued | 4,975 | 4828 | 4,760 | 4,179 | 3,764 | 4,525 | 3,599 | 2,952 | 2,713 | 2,156 |
| Water Resources | | | | | | | | | | |
| Water main breaks | 13 | 23 | 29 | 15 | 34 | 23 | 21 | 24 | 18 | 19 |
| Average daily consumption - mgd | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Number of water customers | 22,483 | 22,417 | 22,353 | 22,161 | 21,939 | 21,793 | 21,689 | 21,498 | 21,308 | 21,230 |
| Wastewater treated - avg daily | 4 | 4 | 4 | 4 | 4 | 5 | 4 | 3 | 4 | 3 |
| Number of wastewater customers | 19,764 | 19,687 | 19,622 | 19,455 | 19,208 | 19,103 | 19,019 | 18,906 | 18,798 | 19,158 |
| Stormwater Utility | | | | | | | | | | |
| Miles of storm drain maintained | 95 | 92 | 75 | 75 | 75 | 75 | 75 | 75 | 60 | 60 |
| Miles of ditches maintained | 27 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 30 | 30 |
| Lakes and ponds maintained | 13 | 16 | 16 | 16 | 17 | 17 | 17 | 17 | 41 | 41 |
| Solid Waste | | | | | | | | | | |
| Tons of residential waste removed | 21,948 | 24,714 | 19,959 | 12,424 | 22,054 | 21,630 | 19,487 | 11,654 | 16,881 | 17,696 |
| Tons of commercial waste removed | 14,463 | 14,742 | 15,258 | 14,151 | 14,822 | 16,171 | 14,938 | 14,083 | 22,536 | 12,822 |
| Municipal Marina | | | | | | | | | | |
| Transient dockage | 1,216 | 1,406 | 1,292 | 1,208 | 1,502 | 1,292 | 1,601 | 2,165 | 1,557 | 1,794 |
| Permanent dockage | 142 | 141 | 145 | 143 | 194 | 194 | 200 | 200 | 162 | 163 |
| Mooring buoy | 25 | 25 | 25 | 25 | 17 | 17 | 14 | 30 | 27 | 31 |
| Transient mooring | 1,087 | 947 | 734 | 659 | 818 | 654 | 585 | 803 | 893 | 1,025 |
| Percentage of available slips | 92% | 92% | 92% | 92% | 93% | 91% | 75% | 90% | 63% | 74% |

Sources: Provided by the respective departments of the City of Titusville

City of Titusville, Florida
Schedule 19 - Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

| Function/Program | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Police Department | | | | | | | | | | |
| Police stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Police vehicles | 134 | 133 | 122 | 121 | 112 | 122 | 117 | 105 | 105 | 93 |
| Patrol zones | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 4 | 4 | 4 |
| Fire Department | | | | | | | | | | |
| Fire stations | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Fire vehicles | 25 | 23 | 25 | 25 | 22 | 22 | 20 | 19 | 21 | 20 |
| Public Works | | | | | | | | | | |
| Streets (miles) | 206 | 197 | 197 | 197 | 197 | 197 | 6 | 186 | 186 | 186 |
| Number of street lights | 6,179 | 6,179 | 6,179 | 6,179 | 6,179 | 6,179 | 6,179 | 6,179 | 6,179 | 6,179 |
| Number of traffic signals | 47 | 47 | 47 | 47 | 48 | 47 | 47 | 47 | 45 | 45 |
| Vehicles | 38 | 43 | 47 | 47 | 48 | 48 | 48 | 48 | 47 | 47 |
| Water Resources | | | | | | | | | | |
| Water mains (miles) | 368 | 363 | 363 | 363 | 362 | 360 | 357 | 357 | 356 | 356 |
| Fire hydrants | 2,240 | 2,240 | 2,181 | 2,200 | 2,138 | 2,123 | 2,120 | 2,099 | 2,056 | 1,939 |
| Vehicles | 64 | 56 | 56 | 56 | 60 | 55 | 54 | 54 | 54 | 57 |
| Storage capacity-(mil of gals) | 7 | 8 | 7 | 7 | 7 | 6 | 6 | 6 | 6 | 6 |
| Sanitary sewers (miles) | 298 | 293 | 293 | 289 | 292 | 289 | 284 | 284 | 284 | 252 |
| Treatment capacity-(mil of gals) | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Stormwater Utility | | | | | | | | | | |
| Miles of drains | 95 | 92 | 75 | 75 | 75 | 75 | 75 | 75 | 60 | 60 |
| Vehicles | 17 | 20 | 18 | 17 | 21 | 20 | 19 | 18 | 14 | 14 |
| Miles of ditches / canals | 27 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 30 | 30 |
| Number of lakes and ponds | 13 | 16 | 16 | 16 | 17 | 17 | 17 | 17 | 41 | 41 |
| Solid Waste | | | | | | | | | | |
| Vehicles | 43 | 39 | 40 | 38 | 38 | 38 | 38 | 42 | 41 | 41 |
| Municipal Marina | | | | | | | | | | |
| Vehicles | 1 | - | - | - | - | - | 1 | 1 | 1 | 1 |
| Boats | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 2 | 2 | 2 |
| Slips | 194 | 194 | 194 | 194 | 194 | 194 | 200 | 200 | 205 | 205 |
| Moorings | 25 | 25 | 25 | 25 | 17 | 17 | 14 | 30 | 77 | 77 |

Sources: Provided by the respective departments of the City of Titusville

City of Titusville, Florida
Secondary Market Disclosure
Schedule 20 - System Growth
For the Fiscal Year Ended September 30, 2023

The City of Titusville is required to provide ongoing disclosure for its holders of Water and Sewer Revenue Bonds, Series 2010, Rule 15c2-12(b) (5) promulgated by the Securities and Exchange Commission requires ongoing disclosure for bonds sold on or after July 3, 1995. This report provides financial and operational data of the Water and Sewer Operation of the City of Titusville not disclosed elsewhere in the City of Titusville's Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023. *Customer Growth.* The following table sets forth the amount of water and wastewater system customers for the last ten fiscal years, the percentage increase from year to year and the average daily flow.

| <u>Water System Customers Growth</u> | | | |
|--------------------------------------|---------------------|-------------------|--------------------------|
| <u>Last Ten Years</u> | | | |
| Year | Number of Customers | Percent Inc/(Dec) | Average Daily Flow (mgd) |
| 2023 | 22,483 | 0.29 | 4,573 |
| 2022 | 22,417 | 0.29 | 4,472 |
| 2021 | 22,353 | 0.87 | 4,449 |
| 2020 | 22,161 | 1.01 | 4,453 |
| 2019 | 21,939 | 0.67 | 4,481 |
| 2018 | 21,793 | 0.48 | 4,468 |
| 2017 | 21,689 | 0.89 | 4,184 |
| 2016 | 21,498 | 0.89 | 4,120 |
| 2015 | 21,308 | 0.37 | 3,982 |
| 2014 | 21,230 | (0.04) | 4,280 |
| 2013 | 21,238 | 0.90 | 4,169 |

| <u>Waste Water System Customer Growth</u> | | | |
|---|---------------------|-------------------|--------------------------|
| <u>Last Ten Years</u> | | | |
| Year | Number of Customers | Percent Inc/(Dec) | Average Daily Flow (mgd) |
| 2023 | 19,764 | 0.39 | 4,182 |
| 2022 | 19,687 | 0.33 | 4,364 |
| 2021 | 19,622 | .86 | 3,927 |
| 2020 | 19,455 | 1.29 | 4,072 |
| 2019 | 19,208 | 0.55 | 4,227 |
| 2018 | 19,103 | 0.44 | 4,69 |
| 2017 | 19,019 | 0.6 | 4,006 |
| 2016 | 18,906 | 0.57 | 3,313 |
| 2015 | 18,798 | (1.88) | 3,673 |
| 2014 | 19,158 | 1.4 | 3,496 |
| 2013 | 18,894 | 2.99 | 3,243 |

Source: City of Titusville Water Resources and Customer Services Department

City of Titusville, Florida
Secondary Market Disclosure
Schedule 21 - Significant Customers
For the Fiscal Year Ended September 30, 2023

| Ten Largest Water Customers | | | |
|-----------------------------|----------------------------------|----------------|------------------------|
| Customer | Total Treated (1,000 Gallons) | Total Sales | % of Total Revenues |
| PARRISH MEDICAL CENTER | 11,419 | \$ 50,563.97 | 0.90% |
| SUMMERHILL PARTNERS LLC | 9,440 | 33,752.89 | 0.60% |
| CAR WASH HEADQUARTERS INC | 8,258 | 36,509.35 | 0.65% |
| EMERALD PLACE FLORIDA LP | 7,755 | 36,037.53 | 0.64% |
| HARBOR POINTE CONDOMINIUM | 6,779 | 24,070.67 | 0.43% |
| ROYAL OAK CONDO ASSOC INC | 6,679 | 24,186.38 | 0.43% |
| PARRISH MEDICAL CENTER | 5,748 | 25,455.25 | 0.45% |
| SPACE COAST HOTELS OF COCOA | 5,740 | 25,407.94 | 0.45% |
| SOVEREIGN HEALTHCARE | 5,436 | 24,040.81 | 0.43% |
| KSK INVESTMENTS LLC | 5,411 | 23,939.01 | 0.42% |

| Ten Largest Wastewater Customers | | | |
|----------------------------------|----------------------------------|----------------|------------------------|
| Customer | Total Treated (1,000 Gallons) | Total Sales | % of Total Revenues |
| SUMMERHILL PARTNERS LLC | 9,440 | \$ 79,462.75 | 0.82% |
| CAR WASH HEADQUARTERS INC | 8,258 | 82,644.51 | 0.85% |
| FF EMERALD PLACE LLC | 7,755 | 65,374.65 | 0.67% |
| HARBOR POINTE CONDOMINIUM | 6,779 | 57,016.77 | 0.59% |
| ROYAL OAK CONDO ASSOC INC | 6,679 | 56,092.19 | 0.58% |
| PARRISH MEDICAL CENTER | 5,748 | 57,620.47 | 0.59% |
| SPACE COAST HOTELS OF COCOA | 5,740 | 57,514.94 | 0.59% |
| SOVEREIGN HEALTHCARE | 5,436 | 54,419.81 | 0.56% |
| KSK INVESTMENTS LLC | 5,411 | 54,189.09 | 0.56% |
| TITUSVILLE NURSING & CONVAL | 4,657 | 46,672.35 | 0.48% |

Source: City of Titusville Water Resources and Customer Services Department
*Cooling tower - sewer discount

City of Titusville, Florida
Schedule 22 - Secondary Market Disclosure
Sufficiency Analysis With Computation of Debt Service Coverage (\$000) (1)
For the Fiscal Year Ended September 30, 2023

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Water Sales | \$ 6,387 | \$ 5,780 | \$ 5,392 | \$ 5,401 | \$ 5,168 | \$ 5,146 | \$ 4,979 | \$ 4,690 | \$ 4,438 | \$ 4,414 |
| Sewer Service Charges | 10,867 | 9,573 | 9,007 | 9,054 | 8,643 | 8,729 | 8,459 | 8,146 | 7,683 | 7,808 |
| Utility Billing Charges | 9,838 | 8,750 | 8,365 | 8,288 | 8,172 | 7,815 | 7,475 | 7,117 | 6,852 | 6,844 |
| Total Rate Revenue | \$ 27,092 | \$ 24,103 | \$ 22,764 | \$ 22,743 | \$ 21,983 | \$ 21,690 | \$ 20,913 | \$ 19,963 | \$ 18,973 | \$ 19,066 |
| Other Revenues | \$ 3,729 | \$ 7,589 | \$ 5,193 | \$ 2,907 | \$ 3,167 | \$ 2,151 | \$ 1,704 | \$ 1,826 | \$ 1,558 | \$ 1,489 |
| Interest Income | 1,229 | (1,050) | 211 | 1,606 | 2,026 | 845 | 688 | 335 | 301 | 264 |
| Less: | | | | | | | | | | |
| Interest on Renewal and Replacement Fund (2) | | | - | - | - | - | - | - | (49) | (175) |
| Gross Revenues | \$ 32,050 | \$ 30,642 | \$ 28,168 | \$ 27,256 | \$ 27,176 | \$ 24,686 | \$ 23,305 | \$ 22,114 | \$ 20,783 | \$ 20,644 |
| Operating Expenses | | | | | | | | | | |
| Total Support Services (3) | \$ 5,672 | \$ 5,721 | \$ 5,677 | \$ 5,423 | \$ 5,112 | \$ 4,628 | \$ 4,202 | \$ 3,942 | \$ 3,766 | \$ 4,239 |
| Less: Overhead charges from other funds (4) | - | - | - | - | - | - | - | - | - | - |
| Support Service charges for coverage | 5,672 | 5,721 | 5,677 | 5,423 | 5,112 | 4,628 | 4,202 | 3,942 | 3,766 | 4,239 |
| Water System | 4,592 | 4,231 | 3,984 | 3,731 | 3,746 | 3,586 | 3,500 | 3,517 | 3,649 | 3,644 |
| Sewer System | 4,942 | 4,404 | 4,270 | 3,844 | 4,113 | 4,126 | 3,749 | 3,502 | 3,672 | 3,532 |
| Bad Debts and Other Misc Expenses | 1,848 | 5,551 | 2,110 | 1,061 | 1,173 | 1,692 | 1,513 | 2,268 | 850 | 579 |
| Total Operating Expense | \$ 17,054 | \$ 19,907 | \$ 16,041 | \$ 14,059 | \$ 14,144 | \$ 14,032 | \$ 12,964 | \$ 13,229 | \$ 11,937 | \$ 11,994 |
| Net Revenues Available for Debt Service | 14,996 | 10,735 | 12,127 | 13,197 | 13,032 | 10,654 | 10,341 | 8,885 | 8,846 | 8,650 |
| Series 2010 Refunding Note (5) | - | - | - | - | 3,756 | 3,761 | 3,763 | 3,795 | 3,802 | 1,555 |
| Series 2020 Refunding Bond (6) | 3,584 | 3,587 | 2,265 | 3,354 | - | - | - | - | - | - |
| Total Senior lien debt service | \$ 3,584 | \$ 3,587 | \$ 2,265 | \$ 3,354 | \$ 3,756 | \$ 3,761 | \$ 3,763 | \$ 3,795 | \$ 3,802 | \$ 1,555 |
| Debt Service Coverage (1.05 required) (7) | 4.18 | 2.99 | 5.35 | 3.93 | 3.47 | 2.83 | 2.75 | 2.34 | 2.33 | 5.56 |

(1) Unless otherwise noted, based on the City's Annual Comprehensive Financial Report for the years shown. Figures are presented in light of Resolution requirements and may differ from audited financial statements of the City. Rate schedule change effective with FY 2004, implemented a higher fixed monthly charge for water and sewer services (utility billing charges), the water and sewer consumption has seen a decrease with the utility billing charges increasing.

(2) According to the Resolution, Gross Revenues should exclude interest earnings on the Renewal and Replacement Fund and Construction Fund. Such figures were provided by the City of Titusville finance department.

(3) Includes administration, laboratory services, customer service and engineering.

(4) Excluded from the definition of "Gross Revenues" in the Resolution.

(5) Required coverage of 1.05 refers to the Series 1994 and 1998, and 2010 Bonds.

(6) During 2005, the City issued \$7,147,000 Water and Sewer Revenue Refunding Note, Series 2004 to refund the remaining maturities of the City's Water and Sewer Revenue Bonds, Series 1994.

(7) During 2010, the City issued \$40,385,000 Water and Sewer Revenue refunding Note, Series 2010 to refund the remaining maturities of the City's Water and Sewer Revenue Bond, Series 1998.

(8) During 2020, the City issued \$15,965,000 Water and Sewer Revenue refunding Bond, Series 2020 to refund the remaining maturities of the City's Water and Sewer Revenue Bond, Series 2010.

Notes: During this reporting period indebtedness payable in whole or in part from the Pledged Funds (as defined in the Official Statement) has remained unchanged. In addition, there have been no significant events which would warrant notification to the MRMSIRs or the Municipal Securities Rulemaking Board (the "MSRB") and to the SID.

City of Titusville, Florida
 Secondary Market Disclosure
 Schedule 23 - Current Water and Sewer System Rates and Charges
 at September 30, 2022

| WATER SERVICE | | | | | SEWER SERVICE | | | | |
|--|---------------------------------|-----------------|---------|--|-----------------------|--------------------------------|-----------------|----------|--|
| | | | | | Fixed Monthly Charges | | | | |
| | | Multifamily Per | | | | | Multifamily Per | | |
| Meter Size | Residential | Commercial | | | Meter Size | Residential | Commercial | | |
| 5/8 x 3/4" | \$ 10.91 | \$ 15.06 | | | 5/8 x 3/4" | \$ 15.90 | \$ 22.73 | | |
| 1" | 23.38 | 33.78 | | | 1" | 36.42 | 53.49 | | |
| 1 1/2" | | 65.02 | | | 1 1/2" | | 104.77 | | |
| 2" | | 102.49 | | | 2" | | 166.24 | | |
| 3" | | 189.88 | | | 3" | | 309.76 | | |
| 4" | | 314.84 | | | 4" | | 514.79 | | |
| 6" | | 627.11 | | | 6" | | 1,027.39 | | |
| 8" | | 1,001.84 | | | 8" | | 1,642.49 | | |
| Usage Charge Per 1,000 Gallons: | | | | | Per Unit | | | | |
| Block 1: | 0 to 5000Gallons Per Month | \$ 3.53 | \$ 4.44 | | Block 1: | 0 to 15,000 Gallons Per Month | \$ 8.43 | \$ 10.05 | |
| Block 2: | 5001 to 10000Gallons Per Month | 5.30 | 4.44 | | | | | | |
| Block 3: | 10001 to 15000Gallons Per Month | 7.07 | 4.44 | | | | | | |
| Block 4: | 15001and over Gallons Per Month | 13.42 | 4.44 | | | | | | |
| Usage Charge Per 1,000 Gallons Multi-Family: | | | | | Fixed Monthly Charges | | | | |
| | | Multifamily Per | | | | | Multifamily Per | | |
| Meter Size | Residential | Commercial | | | Meter Size | Residential | Commercial | | |
| 5/8 x 3/4" | \$ 10.91 | \$ 15.06 | | | 5/8 x 3/4" | \$ 10.91 | \$ 15.06 | | |
| 1" | 23.38 | 33.78 | | | 1" | 23.38 | 33.78 | | |
| 1 1/2" | | 65.02 | | | 1 1/2" | | 65.02 | | |
| 2" | | 102.49 | | | 2" | | 102.49 | | |
| 3" | | 189.88 | | | 3" | | 189.88 | | |
| 4" | | 314.84 | | | 4" | | 314.84 | | |
| 6" | | 627.11 | | | 6" | | 627.11 | | |
| 8" | | 1,001.84 | | | 8" | | 1,001.84 | | |
| Usage Charge Per 1,000 Gallons: | | | | | Per Unit | | | | |
| Block 1: | 0 to 3000Gallons Per Month | \$ 3.53 | | | Block 1: | 0 to 15,000 Gallons Per Month | \$ 7.07 | \$ 7.07 | |
| Block 2: | 3001 to 6000Gallons Per Month | 5.30 | | | Block 2: | Above 15,000 Gallons Per Month | 13.42 | 13.42 | |
| Block 3: | 6001 to 9000Gallons Per Month | 7.07 | | | | | | | |
| Block 4: | 9001and over Gallons Per Month | 13.42 | | | | | | | |

The above table sets forth the current rates and charges for system services pursuant to City Ordinance No. 24-2021.

City of Titusville
Schedule of Expenditures of Federal Awards and State Financial Assistance
For the year ended September 30, 2023

| <u>Federal Agency / Pass-Through Entity / Federal Program</u> | <u>AL/CSFA Number</u> | <u>Grant/Contract Number</u> | <u>Expenditures</u> |
|--|---------------------------|--|---------------------|
| FEDERAL AWARDS | | | |
| <u>U.S. Department of Agriculture</u> | | | |
| Indirect Programs: | | | |
| <i>Pass-through Florida Department of Agriculture and Consumer Services:</i> | | | |
| Urban and Community Forestry Grant | 10.664 | 28602 | \$ 16,640 |
| Total U.S. Department of Agriculture | | | 16,640 |
| <u>U.S. Department of Commerce</u> | | | |
| Indirect Programs: | | | |
| <i>Pass-through Florida Department of Environmental Protection:</i> | | | |
| Coastal Zone Management Administration Award | 11.419 | CZ517 | 30,000 |
| Total U.S. Department of Commerce | | | 30,000 |
| <u>U.S. Department of Housing and Urban Development</u> | | | |
| Direct Programs: | | | |
| Community Development Block Grant | 14.218 | B-16-MC-12-0021 | 97 |
| Community Development Block Grant | 14.218 | B-17-MC-12-0021 | 23,788 |
| Community Development Block Grant | 14.218 | B-19-MC-12-0021 | 34,871 |
| Community Development Block Grant | 14.218 | B-20-MC-12-0021 | 22,476 |
| Community Development Block Grant | 14.218 | B-21-MC-12-0021 | 167,571 |
| Community Development Block Grant | 14.218 | B-22-MC-12-0021 | 103,973 |
| Community Development Block Grant - Coronavirus | 14.218 | B-20-MW-12-0021 | 8,449 |
| Neighborhood Stabilization Program | 14.218 | 10-DB-4X-06-15-02-F25 | 34,114 |
| Total CDBG-Entitlement Grants Cluster | | | 395,339 |
| Indirect Programs: | | | |
| <i>Pass-through Brevard County:</i> | | | |
| HOME Investment Partnership Program | 14.239 | M-20-DC-14-0200 | 110,469 |
| Total HOME Investment Partnership Program | | | 110,469 |
| Total U.S. Department of Housing and Urban Development | | | 505,808 |
| <u>U.S. Department of Interior - Fish & Wildlife Service</u> | | | |
| Indirect Programs: | | | |
| <i>Pass-through Florida Department of Environmental Protection:</i> | | | |
| Clean Vessel Act | 15.616 | CVA22-022 MV446 | 10,573 |
| Clean Vessel Act | 15.616 | CVA23-016 MV459 | 12,877 |
| Total U.S. Department of Interior | | | 23,450 |
| <u>U.S. Department of Justice</u> | | | |
| Direct Programs: | | | |
| Bulletproof Vest Partnership Program | 16.607 | No Contract Number | 12,106 |
| Edward Byrne Memorial Justice Assistance Grant (JAG) | 16.738 | 15PBJA-21-GG-01357-JAGX | 16,146 |
| Indirect Programs: | | | |
| <i>Pass-through Florida Office of Attorney General:</i> | | | |
| Victims of Crime Act | 16.575 | VOCA-2022-Titusville Police Departm-00927 | 55,772 |
| Total U.S. Department of Justice | | | 84,024 |
| <u>U.S. Department of Transportation</u> | | | |
| <i>Pass-through Florida Department of Transportation</i> | | | |
| State and Community Highway Traffic Safety Program(NHTSA 402 Funds) | 20.600 | G2E20 | 61,511 |
| Total U.S. Department of Transportation | | | 61,511 |
| <u>U.S. Environmental Protection Agency</u> | | | |
| Direct Programs: | | | |
| Brownfields Community wide Assessment Grant | 66.818 | BF-02D09321-0 | 140,772 |
| Indirect Programs: | | | |
| <i>Pass-through Florida Department of Environmental Protection:</i> | | | |
| Drinking Water State Revolving Fund -SRF Loan | 66.468 | DW050331 | 1,338,151 |
| Total U.S. Environmental Protection Agency | | | 1,478,923 |
| <u>U.S. Department of the Treasury</u> | | | |
| Direct Programs: | | | |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 | N/A | 2,571,151 |
| Indirect Programs: | | | |
| <i>Pass-through Florida Department of Environmental Protection:</i> | | | |
| Resilient Florida Program | 21.027 | 22FRP99 | 146,810 |
| Total U.S. Department of the Treasury | | | 2,717,961 |
| <u>U.S. Department of Homeland Security</u> | | | |
| Direct Program | | | |
| Staffing for Adequate Fire and Emergency Response | 97.083 | EMW-2021-FF-01066 | 313,984 |
| Total U.S. Department of Homeland Security | | | 313,984 |
| Total Federal Awards | | | \$ 5,232,301 |
| STATE FINANCIAL ASSISTANCE | | | |
| <u>State of Florida Department of Environmental Protection</u> | | | |
| Clean Water State Revolving Fund -SRF Loan | 37.077 | WW050340 | \$ 1,657,019 |
| Clean Water State Revolving Fund -SRF Loan | 37.077 | WW050350 | 175,698 |
| Osprey Nutrient Removal Upgrade Project | 37.039 | 35750 | 240,900 |
| Osprey Nutrient Removal Upgrade Project | 37.039 | LPA-0396 | 426,405 |
| Total State of Florida Department of Environmental Protection | | | 2,500,022 |
| <u>State of Florida Housing Finance Corporation</u> | | | |
| State Housing Initiatives Program (SHIP) | 40.901 | N/A | 211,028 |
| Total State of Florida Housing Finance Corporation | | | 211,028 |
| <u>State of Florida, Department of State, Division of Historical Resources</u> | | | |
| Division of Historical Resources-Small Matching Grant | 45.031 | 23 H.SM.100.003 | 39,782 |
| Total State of Florida, Department of State, Division of Historical Resources | | | 39,782 |
| Total State Financial Assistance | | | \$ 2,750,832 |
| Total Expenditures of Federal & State Assistance | | | \$ 7,983,133 |
| LOCAL GRANTS | | | |
| <u>Brevard County Agreements</u> | | | |
| Save Our Lagoon Project - Titusville Zones A-G Septic to Sewer Conversion | N/A | SOIRL 19-109 | 30,227 |
| Save Our Lagoon Project - Osprey Nutrient Upgrade Project | N/A | SOIRL 20-02 | 754,838 |
| Save Our Lagoon Project - St Johns 2 Baffle Box Project | N/A | SOIRL 21-174 | 206,610 |
| Brevard County Fire Rescue EMS grant | N/A | | 8,793 |
| Jess Parrish Medical Foundation grant | N/A | | 18,940 |
| Total Expenditures of Local Assistance | | | \$ 1,019,408 |

City of Titusville

Schedule of Expenditures of Federal Awards and State Financial Assistance

Fiscal Year through September 30th 2023

Note 1. General

The accompanying schedule of expenditures of federal awards (the "schedule") presents the activity for all federal, state and awards of the city for the fiscal year ended September 30, 2023. The City's reporting entity is defined in Note 1 of the City's basic financial statements.

Note 2. Basis of Accounting

The schedule is presented using the modified accrual basis of accounting for expenditures in the governmental funds and the accrual basis of accounting for expenditures in the proprietary funds, which is described in Note 1 of the City's basic financial statements. The information in accordance to requirements by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Chapter 10.550.

The City did not elect to use the 10% de minimus indirect cost rates. There is no loan and/or loan guarantee program in effect for the City as described in 2 CFR section 200.502(b) included in rules of the Auditor General. Sub recipients of Federal Awards total \$40,680.



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

To the Honorable Mayor and City Council Members
of the City of Titusville, Florida:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Titusville, Florida as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 19, 2024.

We did not audit the financial statements of TIFA, LLC, a joint venture project in which the City has a 50% ownership interest and represents approximately 3% of the assets and less than 1% of the revenues of the business-type activities and water and sewer utility funds, respectively. The joint venture was audited by another auditor whose report has been furnished to us and our opinions, insofar as they relate to the amounts included for the investment in TIFA, LLC, are based solely on the report of the other auditor.

Report on Internal Control Over Financial Reporting

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

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

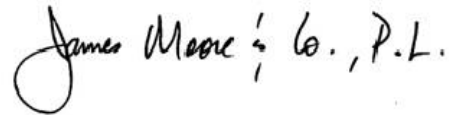
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Daytona Beach, Florida
March 19, 2024

**CITY OF TITUSVILLE, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

I. Summary of Auditors' Results:

Financial Statements:

Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiency(ies) identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards:

Internal control over major Federal programs:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiency(ies) identified? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major Federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ yes ☒ none reported

Auditee qualified as a low-risk auditee? ☒ yes ☐ no

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Identification of major Federal programs:

| <u>ALN Number</u> | <u>Program Name</u> |
|-------------------|--|
| 21.027 | COVID-19 Coronavirus State and Local Fiscal Recovery Funds |

State Financial Assistance:

Internal control over major State projects:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major State projects: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance Chapter 10.550? _____ yes X none reported

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Identification of major State projects:

| <u>CSFA Number</u> | <u>Program Name</u> |
|--------------------|---------------------------------------|
| 37.077 | Water Treatment Facility Construction |

II. **Financial Statement Findings:** None.

III. **Federal Awards Programs Findings and Questioned Costs:** None.

IV. **Prior Audit Findings:** Not applicable as there were no prior year findings.

V. **Corrective Action Plan:** Not applicable as there are no current year findings.



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

To the Honorable Mayor and City Council Members
of the City of Titusville, 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 Titusville, Florida's (the City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement*, and the requirements described in the Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs and state projects for the year ended September 30, 2023. The City's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *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's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

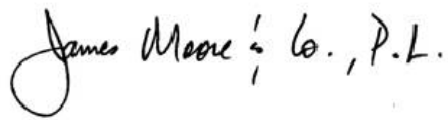
Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 Auditors' 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. We identified certain deficiencies in internal control, as described in the accompanying schedule of findings and questioned costs, that we consider to be material weaknesses.

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 black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.

Daytona Beach, Florida
March 19, 2024



**INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550,
RULES OF THE STATE OF FLORIDA OFFICE OF THE AUDITOR GENERAL**

To the Honorable Mayor and City Council Members
of the City of Titusville, Florida:

Report on the Financial Statements

We have audited the financial statements of the City of Titusville, Florida (the City), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 19, 2024.

We did not audit the financial statements of TIFA, LLC, a joint venture project in which the City has a 50% ownership interest and represents approximately 3% of the assets and 1% of the revenues of the business-type activities and water and sewer utility funds, respectively. The joint venture was audited by another auditor whose report has been furnished to us and our opinions, insofar as they relate to the amounts included for the investment in TIFA, LLC, are based solely on the report of the other auditor.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' 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 Examination Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 19, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings were noted in the preceding annual financial report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government and component units of the reporting entity is disclosed in Note 1 of the basic financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we had no such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, 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.

Specific Special District Information – Titusville Community Redevelopment Agency

The required reporting items in accordance with Section 218.39(3)(c), Florida Statutes for the Titusville Community Redevelopment Agency (the CRA) have been reported in the separately-issued audited financial statements of the CRA.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, City Council, management, others within the City, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daytona Beach, Florida
March 19, 2024

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive, flowing style.



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Honorable Mayor and City Council Members
of the City of Titusville, Florida:

We have examined the City of Titusville, Florida's (the City) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2023. Management is responsible for the City's compliance with the Statute. Our responsibility is to obtain reasonable assurance by evaluate the City's compliance with the Statute and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with attestation standards for a direct examination engagement established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain reasonable assurance for evaluating the City's compliance with the Statute, and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of the City's compliance with the Statute. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks that the City was not in compliance with the Statutes in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the City of Titusville, Florida complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

Daytona Beach, Florida
March 19, 2024

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Teresa Butler, who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of The City of Titusville which is a local governmental entity of the State of Florida;
2. The City of Titusville adopted (Ordinance No. 9-2019) implementing an impact fee; and
3. The City of Titusville has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Teresa Butler

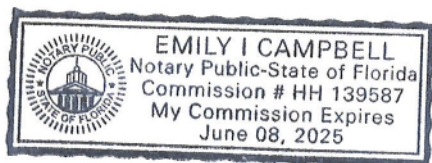
Teresa Butler, CGFO

STATE OF FLORIDA

COUNTY OF BREVARD

Before me personally appeared Teresa Butler by means of ☒ physical presence or ☐ online notarization, to be the person described herein and who is ☒ personally known by me or ___ who produced sufficient identification executed the foregoing instrument and acknowledged before me that he executed the same freely and voluntarily for the purposes expressed.

Witness my hand and official seal in the county and state aforesaid this 18th day of March, 2024



E. Campbell
Notary Public, State of Florida
PRINTED NOTARY NAME:
Emily Campbell



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