CITY OF TALLAHASSEE

Florida's Capital City

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025



CITY OF TALLAHASSEE, FLORIDA

Annual Comprehensive Financial Report

For The Fiscal Year Ended
September 30, 2025

CITY OF TALLAHASSEE

Prepared By:
Financial Reporting Division
Financial Services Department

City of Tallahassee, Florida

City Commission

John E. Dailey
Mayor

Dianne Williams-Cox
Mayor Pro Tem

Jeremy Matlow
Commissioner

Curtis Richardson
Commissioner

Jacqueline Porter
Commissioner

Reese Goad
City Manager

Karen Jumonville
Deputy City Manager

Christian Doolin
Assistant City Manager

Wayne Tedder
Assistant City Manager

Abena Ojetayo
Assistant City Manager

Amy Toman
City Attorney

Dennis R. Sutton
Inspector General

Jim Cooke
City Treasurer-Clerk

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CITY OF TALLAHASSEE

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INTRODUCTORY SECTION



Annual Comprehensive Financial Report
CITY OF TALLAHASSEE, FLORIDA

CITY OF TALLAHASSEE

May 20, 2026

Honorable Mayor, Commissioners, City Manager, and the citizens of the City of Tallahassee, Florida

The Annual Comprehensive Financial Report of the City of Tallahassee, Florida, for the fiscal year ended September 30, 2025 , is hereby submitted pursuant to Section 11.45, Florida Statutes and Chapter 10.550 of the Rules of the Auditor General of the State of Florida. This report represents the official report of the City's financial operations and condition to the citizens, City Commission, City management, rating agencies, and other interested persons.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, but not absolute, assurance that the financial statements are free of any material misstatements.

The certified public accounting firm of Forvis Mazars, LLP has issued an unmodified opinion on the City's financial statements for the year ended September 30, 2025. The independent auditors' report is located at the front of the financial section of this report.

The City is also required to undergo an annual audit to obtain reasonable assurance about compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs and state projects. These independent auditors' reports are presented in the single audit section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the City

Tallahassee, the capital city of Florida, was incorporated in 1825, twenty years before Florida was admitted to the Union. The city is governed by a mayor and four Commissioners elected at-large.

The City Commission appoints the City Manager, the City Treasurer-Clerk, the City Inspector General, and the City Attorney. Collectively the appointed officials are responsible for all administrative aspects of the government, with most falling under the purview of the City Manager.

The city provides a full range of municipal services. These services include public safety (police and fire), construction and maintenance of streets and sidewalks, stormwater management, recreation, planning and zoning, general administrative services, five utilities (electric, gas, water, sewer, and solid waste collection), a mass transit bus system, and an international airport.

The Commission is required to adopt a final budget no later than the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is approved at the fund level. Transfers between funds require approval by the Commission.

The budget process is a formalized annual occurrence that involves input, collaboration, and coordination between the respective City departments, the Office of Resource Management, the executive team, the City Commission, and the citizens of Tallahassee.

CITY HALL
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Tallahassee, FL 32301-1731
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JOHN E. DAILEY
Mayor

REESE GOAD
City Manager

DIANNE WILLIAMS-COX
Mayor Pro Tem

AMY M. TOMAN
City Attorney

JACQUELINE "JACK" PORTER
Commissioner

JAMES O. COOKE, IV
City Treasurer-Clerk

CURTIS RICHARDSON
Commissioner

DENNIS R. SUTTON
Inspector General

JEREMY MATLOW
Commissioner

A budget review team composed of various members of the leadership and executive teams is established to set budget direction and priorities for the City. Annually, issues are selected by the City Commission to represent those programs and community needs, which are to be given priority attention during the year.

Prior to the development of the budget, citizen input is solicited using a citizen survey, on any program changes as well as on performance of all major programs.

Factors Affecting Financial Condition

The economy of Leon County is strongly influenced by governmental and educational activities. The presence of the State Capital and two major universities help to shape Leon County's population as relatively young, well educated, and affluent.

Leon County is a racially diverse community. Minorities account for 39% of the population, with African-Americans comprising 32.1%.

Leon County residents have historically attained a very high level of education. Approximately forty-nine percent of area residents aged 25 or older have completed at least four years of college.

The 2020-2024 American Community Survey 5-year estimates report median family income in Leon County is $65,074, which is comparable to the national median.

The level of governmental employment has a stabilizing effect on the economy and helps to minimize unemployment. In December 2025, the unemployment rate was 3.2% in the city as compared to the State's unemployment rate of 3.4%. The percentage of employees employed by local, state, and federal government is approximately 31.48% of the work force. The unemployment rate is one of many economic indicators utilized to evaluate the condition of the economy.

Population Growth

Population growth trends for Leon County are presented in the following table:

Year	Tallahassee	Unincorporate	Leon
1960	48,174	26,051	74,225
1970	71,897	31,150	103,047
1980	81,548	67,107	148,655
1990	124,773	67,720	192,493
2000	150,624	88,828	239,452
2010	181,736	94,111	275,487
2020	196,169	96,029	292,198
2025	205,623	100,243	305,866
2030	214,200	101,600	315,800
2035	220,200	102,500	322,700
2040	224,300	103,200	327,500
2045	227,900	103,800	331,700
2050	231,000	104,300	335,300

Construction Trends

Residential Construction

Single-family residential building permits in Leon County were down 9% in fiscal year 2025, following a 9% decrease in fiscal year 2024. Permits for multi-family units were up 254% in fiscal year 2025 following a 73% decrease in fiscal year 2024. Year-over-year new multi-family construction can be volatile given the number of units included in each development.

Commercial Development

In fiscal year 2025 more than $500 million in new commercial construction was permitted in Leon County, above the approximately $279 million permitted in fiscal year 2024.

The largest new commercial construction permits in fiscal year 2025 include the estimated $140 million, 256,770 square foot Florida Department of Agriculture and Consumer Services facility; the estimated $140 million, 219,255 square foot Tallahassee Police Department headquarters; and the estimated $75 million, 139,324 square foot FSU Academic Health Center.

Millage Rates

As indicated below, the city had the lowest millage rate of the comparable largest cities in Florida for 2025 and 2024. Tallahassee's low and stable millage rate should act as an incentive to economic growth and stability.

	Millage Rates	
Comparable City	**2025**	**2024**
Clearwater	5.89	5.89
Daytona	5.93	5.43
Fort Lauderdale*	4.37	4.39
Gainesville	6.73	6.43
Hollywood*	8.01	8.08
Lakeland	5.43	5.43
Largo	5.52	5.52
Orlando	6.65	6.65
Pensacola	4.29	4.29
Tallahassee	**4.42**	**4.45**
West Palm Beach*	8.19	8.20

*These comparable cities' millage rates are inclusive of a voted debt millage portion.

Long-Term Financial Planning

The financial viability of the City continues to be a high priority for the City Commission and management. An integral part of the budgeting process is the development of the City's Five-Year Financial Plan (the Plan). The Plan is updated annually during the budget process and serves as a blueprint for decision-making and allows for flexibility to address issues as they arise.

The Plan resulted in an approved Fiscal Year 2025 operating budget of $908 million and an approved capital budget of $302.4 million. The Plan for the ensuing five years (including 2025) results in projected capital expenditures of approximately $1.2 billion. Four of the City's governmental funds (General Fund, Community Redevelopment Agency, Building Code, and Cemetery) are appropriated on an annual basis.

Awards and Acknowledgement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tallahassee, Florida for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, the City must publish an annual comprehensive financial report, whose contents satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for a new certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Financial Reporting Division who participated in the compilation of the report. We would also like to thank the members of the City Commission for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Abena Ojetayo
Assistant City Manager



Patrick Twyman
Director of Financial Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Tallahassee
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

CITIZENS OF TALLAHASSEE

CITY OF TALLAHASSEE

ELECTED OFFICIALS


Mayor
John E. Dailey


Commissioner
Dianne Williams-Cox


Commissioner
Curtis Richardson


Commissioner
Jacqueline Porter


Commissioner
Jeremy Matlow

APPOINTED OFFICIALS


City Manager
Reese Goad


City Attorney
Amy Toman


City Treasurer-Clerk
Jim Cooke


Inspector General
Dennis R. Sutton

EXECUTIVE TEAM


Deputy City Manager
Karen Jumonville


Assistant City Manager
Abena Ojetayo


Assistant City Manager
Wayne Tedder


Assistant City Manager
Christian Doolin


Operations & Innovation
Thomas Whitley


Communications & Engagement
Alison Faris

LEADERSHIP TEAM


Police Department
Chief Lawrence Revell


Underground Utilities & Public Infrastructure
Rob McGarrah


Procurement
Veronica McCrackin


PLACE
Artie White


Tallahassee International Airport
David Pollard


Parks, Recreation & Neighborhood Affairs
Ashley Edwards


Fire Department
Chief Gene Sanders


Community Beautification & Waste Management
Reginald Ofuani


Financial Services
Patrick Twyman


Blueprint
Autumn Calder


City Construction
John Powell


Communications
Lizzy Kelley


Consolidated Dispatch Agency
David Odom


Resource Management
Robert Wigen


Grants & Enterprise Resources
Roberta McManus


Office of Economic Vitality
Keith Bowers


Technology & Innovation
Tim Davis


Customer Operations
James Barnes


Environment Services
Alissa Meyers


Human Resources & Workforce Development
Sondra Timpson


Planning
Mike Alfano


Growth Management
John Reddick


Housing & Community Resilience
Kimball Thomas


Electric & Gas
Tony Guillen


Fleet Operations
Jeff Shepard

Facilities
Ubio Brantley

Golf
Buddy Driggers

StarMetro
Angela Baldwin

Diversity & Inclusion
Andrea Griffin

List of City Officials and Directors

Elected Officials

Mayor	John E. Dailey
Mayor Pro Tem	Dianne Williams-Cox
Commissioner	Curtis Richardson
Commissioner	Jacqueline “Jack” Porter
Commissioner	Jeremy Matlow

Appointed Officials

City Manager	Reese Goad
City Treasurer-Clerk	Jim Cooke
City Attorney	Amy Toman
Inspector General	Dennis R. Sutton

Deputy City Manager and Assistant City Managers

Deputy City Manager	Karen Jumonville
Assistant City Manager	Christian Doolin
Assistant City Manager	Abena Ojetayo
Assistant City Manager	Wayne Tedder

Department Directors

Aviation - Director	David Pollard
City Construction - Director	John Powell
Communications & Engagement - Director	Alison Faris
Community Beautification & Waste Management - Director	Reginald Ofuani
Community Redevelopment Agency - Director	Stephen Cox
Customer Operations - Chief Customer Officer	James Barnes
Diversity & Inclusion - Chief Diversity Officer	Andrea Griffin
Electric & Gas Utility - General Manager	Tony Guillen
Environmental Services - Director	Alissa Meyers
Financial Services - Director	Patrick Twyman
Facilities - Director	Ubie Brantley
Fire Chief	Gene Sanders
Fleet - Director	Jeff Shepard
Golf Courses - General Manager	Buddy Driggers
Grants & Enterprise Resources - Director	Roberta McManus
Growth Management - Director	John Reddick
Housing & Community Resilience - Director	Kimball Thomas
Human Resources & Workforce Development - Director	Sondra Timpson
Operations & Innovation - Director	Thomas Whitley
Parks, Recreation & Neighborhood Affairs - Director	Ashley Edwards
PLACE - Director	Artie White
Police Chief	Lawrence Revell
Procurement - Director	Veronica McCrackin
Resource Management - Director	Robert Wigen
StarMetro - Director	Angela Baldwin
Technology & Innovation - Director	Tim Davis
Underground Utilities & Public Infrastructure - Director	Rob McGarrah

The Annual Comprehensive Financial Report for the City of Tallahassee, Florida was produced by the combined efforts of the Financial Reporting Division of the Financial Services Department as well as the accounting staff of the Tallahassee International Airport and the Grants Management Division. The following staff had primary responsibility for preparing and ensuring the accuracy of this report.

Assistant City Manager
Abena Ojetayo

Director of Financial Services
Patrick Twyman

Director of Grants & Enterprise Resources
Roberta McManus, CPA

Manager, Financial Reporting
Rita Stevens, CPA

Financial Reporting Staff

Linda Caines, CGFM
Lynda Hutto
Brandon Perry
Emerson Thompson
Laquinda Williams^
Kereen Jones
Amber Malloy
Angela Roberts
Ben Halvorsen, CPA*
Lajja Patel, CPA,CGFM,CPM
Vernessa McMillon
Lucretia Simmons
Vanessa Williams, CPA^
Vanessa Citron
Julie Paniucki
Kenneth Smith
Kristina Seymour^

* Tallahassee International Airport Staff
^ Grants Management Staff

CITY OF TALLAHASSEE

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FINANCIAL SECTION



Annual Comprehensive Financial Report
CITY OF TALLAHASSEE, FLORIDA

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Tallahassee, FL 32301
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forvismazars.us

Independent Auditor's Report

Honorable Mayor and City Commission
City of Tallahassee, Florida
Tallahassee, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Tallahassee, Florida (the "City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Forvis Mazars, LLP is an independent member of Forvis Mazars Global Limited

Honorable Mayor and City Commission
City of Tallahassee, Florida

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule – general fund, pension and the other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Honorable Mayor and City Commission
City of Tallahassee, Florida

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 as a whole. The combining fund financial statements, the supplemental information schedules and the schedule of expenditures of federal awards and state financial assistance, and the schedule of passenger facility charges, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Chapter 69I-5, *Schedule of Expenditures of State Financial Assistance,* Rules of the Department of Financial Services, and Chapter 10.550, *Rules of the Auditor General*, and *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS In our opinion, the combining fund financial statements, the supplemental information schedules and the schedule of expenditures of federal awards and state financial assistance, and the schedule of passenger facility charges are 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 and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2026, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Tallahassee, Florida
May 20, 2026

Management's Discussion and Analysis

(unaudited)

As management of the City of Tallahassee (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year that ended September 30, 2025. Management's Discussion and Analysis is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activities, (c) identify changes in the City's financial position, and (d) identify individual fund concerns or issues. It should be read in conjunction with the Transmittal Letter at the front of this report and the City's financial statements, which follow this section. Notes mentioned below are Notes to the Financial Statements, which follow the statements.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources as of September 30, 2025 by $2.1 billion. After accounting for net position reserved for Investment in Capital Assets and for other restrictions, the unrestricted net position is $(40.7) million.
- The City's total net position increased by $128.1 million as a positive result of fiscal year 2025 operations netted with a reduction for a prior period adjustment in the State Housing Partnership fund.
- As of September 30, 2025, the City's governmental funds reported combined ending fund balances of $200.3 million, an increase of $19.6 million from the prior year. This increase is primarily the result of the City issuing an $88.4 million bond of which $63.0 million was new money for various capital improvement projects including police headquarters, Public Safety Complex, and various road projects netted with increased expenses related to the police headquarters and the new Senior Center both under construction in fiscal year 2025. In the governmental funds, there was a $1 million fund balance available for spending at the City's discretion.
- At the end of the fiscal year, unassigned fund balance for the general fund was $1.4 million, or 0.7% of general fund expenditures.
- As of September 30, 2025, the City's enterprise funds reported a combined net position of $1.41 billion, an increase of $97.3 million from the prior year. This increase is the result of current year operations. Approximately $159.6 million of the net position is unrestricted.
- Capital assets, net of accumulated depreciation, as of September 30, 2025, totaled $2.60 billion, an increase of $95.0 million in comparison with prior year (Note IV.D.).
- The City's outstanding long-term debt (Note IV.H.) decreased from $1.34 billion to $1.32 billion, or -1.2%.

An Overview of the Financial Statements

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to report information about the City as a whole using accounting methods similar to those used by private-sector companies. Two statements, the statement of net position and the statement of activities, are utilized to provide information on a government-wide basis.

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

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

The government-wide financial statements of the City are divided into three categories:

Governmental activities - These include the basic services provided by the City including police, parks and recreation, public works, and general administration. Property, sales, and other taxes finance the majority of these activities.

Business-type activities - These include services for which the City charges specific fees which are meant to cover the cost of providing the services. These services include electric, gas, airport, fire protection, solid waste collection, water, sewer, stormwater management, transit services, and the Hilaman Golf Course.

Component units - These are legally separate organizations for which the City Commission appoints the governing board and the City has financial reporting responsibilities. The City has one discretely presented component unit, the Downtown Improvement Authority, which is an agency created by the Florida Legislature to regulate downtown growth. The City also has a blended component unit, the Community Redevelopment Agency, which is blended as a nonmajor special revenue fund into the primary government (see Note I-A for more details).

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 focus is on major funds, which provides detailed information about the most significant funds. The City, like other governmental entities, uses funds to ensure and demonstrate compliance with financial requirements imposed by law, bond covenants, and local administrative and legislative actions. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare 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.

The City maintains thirteen (13) individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund. The data for the other twelve funds are combined into a single, aggregate presentation.

Proprietary Funds - The City maintains two different types of proprietary funds, enterprise and internal service.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains ten (10) individual enterprise funds. Information is presented separately in the proprietary funds statement of net position and in the proprietary funds statement of revenues, expenses, and changes in net position for the Electric, Gas, Sewer, Water, Airport, and Stormwater Management Funds, all of which are considered major funds. Data from the other four nonmajor funds are combined into a single, aggregate presentation.

Internal Service Funds are used to account for activities that provide goods and services to the City's other programs and activities. The City maintains fifteen (15) individual internal service funds. These internal service funds are allocated between governmental activities and business-type activities in the government-wide financial statements based upon the activity that receives the predominant benefit. Internal service funds are combined into a single, aggregate presentation in the proprietary fund financial statements.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's programs and activities. The City reports four fiduciary funds, three of which are combined into a single, aggregate presentation in the fiduciary fund statements.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

This report additionally includes required supplementary information (RSI) including a budget comparison schedule, with related notes, for the General Fund and information concerning the City's progress in funding its obligation to provide pension and other post employment benefits to its employees.

The combining statements in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and pension and other employee benefit fiduciary funds are presented in the combining statements section of the report.

Information regarding the City's debt service requirements, statistical information, and economic data is also presented to give report users a historical perspective of the City and to allow for broader understanding of the economic and social environment in which the City operates.

Government-Wide Financial Analysis

The following table is a summary of the fiscal year 2025 Statement of Net Position with comparative information for fiscal year 2024.

Table 1
Statement of Net Position
As of September 30
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and Other Assets	$ 283.6	$ 244.2	$ 731.7	$ 655.1	$ 1,015.3	$ 899.3
Capital Assets	790.2	736.8	1,812.2	1,770.6	2,602.4	2,507.4
Total Assets	1,073.8	981.0	2,543.9	2,425.7	3,617.7	3,406.7
Deferred Outflow of Resources	101.2	103.7	41.1	53.0	142.3	156.7
Total Assets and Deferred Outflows	1,175.0	1,084.7	2,585.0	2,478.7	3,760.0	3,563.4
Liabilities						
Current and Other Liabilities	225.8	289.9	233.7	268.0	459.5	557.9
Long-term Debt Outstanding	217.8	150.4	814.9	805.9	1,032.7	956.3
Total Liabilities	443.6	440.3	1,048.6	1,073.9	1,492.2	1,514.2
Deferred Inflows of Resources	86.2	33.2	76.1	38.6	162.3	71.8
Total Liabilities and Deferred Inflows	529.8	473.5	1,124.7	1,112.5	1,654.5	1,586.0
Net Position						
Net Investment in Capital Assets	632.8	560.8	973.9	927.9	1,606.7	1,488.7
Restricted	201.3	179.1	338.1	292.8	539.4	471.9
Unrestricted	(188.9)	(128.7)	148.3	145.5	(40.6)	16.8
Total Net Position	645.2	611.2	1,460.3	1,366.2	2,105.5	1,977.4
Total Liabilities, Deferred Inflows and Net Position	$ 1,175.0	$ 1,084.7	$ 2,585.0	$ 2,478.7	$ 3,760.0	$ 3,563.4

Changes in net position over time can be one of the best and most useful indicators of financial position. Total net position of the City increased from $1,977.4 million in 2024 to $2,105.5 million in 2025, an increase of $128.1 million or 6.48%.

The largest portion of the City's net position, $1.61 billion or 76.3%, reflects its substantial investment in capital assets (e.g., land, buildings, equipment, etc.), less the related outstanding debt used to acquire or construct those assets. The City uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In addition, a portion of the City's net position, $539.4 million or 25.6%, represents resources that are subject to external restrictions or restrictions imposed by formal action of the City Commission on how they may be used.

After accounting for net position related to Investments in Capital Assets and other restrictions and commitments on net position, the City has a negative unrestricted net position of $40.7 million.

At the end of the fiscal year, the City is able to report positive balances in all reported categories of net position for the government as a whole with the exception of the unrestricted net position in governmental activities. This negative net position is primarily as a result of City's net pension and OPEB liabilities and their related deferred inflows and outflows. The remaining net position categories for governmental activities and all of the net position for business-type activities have positive balances.

The following table is a summary of the fiscal year 2025 Statement of Activities with comparative information for fiscal year 2024.

Table 2
Statement of Activities
For the Year ended September 30
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Charges for Services	$ 25.6	$ 19.4	$ 680.7	$ 621.0	$ 706.3	$ 640.4
Operating Grants and Contributions	23.6	24.5	11.6	6.2	35.2	30.7
Capital Grants and Contributions	4.0	5.0	52.0	24.9	56.0	29.9
General revenues						
Property Taxes	72.6	67.2	-	-	72.6	67.2
Public Service Taxes	29.3	28.0	-	-	29.3	28.0
Grants and Contributions	41.6	41.8	-	4.4	41.6	46.2
Net Investment Revenues	7.2	7.2	27.7	51.7	34.9	58.9
Other Revenues	26.5	28.8	20.7	21.2	47.2	50.0
Total Revenues	230.4	221.9	792.7	729.4	1,023.1	951.3
Expenses						
General Government	32.9	39.8	-	-	32.9	39.8
Public Safety	93.4	99.5	-	-	93.4	99.5
Transportation	21.8	31.4	-	-	21.8	31.4
Cultural and Recreation	35.0	29.8	-	-	35.0	29.8
Depreciation on Infrastructure	25.9	35.8	-	-	25.9	35.8
Other Primary Government	36.3	49.2	-	-	36.3	49.2
RTU Amortization Expense	-	0.3	-	-	-	0.3
SBITA Amortization Expense	-	0.2	-	-	-	0.2
Interest on Long-Term Debt	8.4	4.9	-	-	8.4	4.9
Electric	-	-	311.1	290.8	311.1	290.8
Gas	-	-	29.0	23.7	29.0	23.7
Sewer	-	-	73.6	82.4	73.6	82.4
Water	-	-	49.0	44.9	49.0	44.9
Airport	-	-	27.5	24.5	27.5	24.5
StarMetro	-	-	30.0	34.4	30.0	34.4
Solid Waste	-	-	37.3	43.9	37.3	43.9
Golf	-	-	1.4	1.2	1.4	1.2
Stormwater Management	-	-	22.8	22.6	22.8	22.6
Fire Services	-	-	57.8	54.9	57.8	54.9
Total Expenses	253.7	290.9	639.5	623.3	893.2	914.2
Increase (Decrease) in Net Position Before Transfers	(23.3)	(69.0)	153.2	106.1	129.9	37.1
Transfers	59.1	52.7	(59.1)	(52.7)	-	-
Increase (Decrease) in Net Position From Operations	35.8	(16.3)	94.1	53.4	129.9	37.1
Net Position - October 1	611.2	627.5	1,366.2	1,312.8	1,977.4	1,940.3
Prior Period Adjustment	(1.8)	-	-	-	(1.8)	-
Net Position Restated - October 1	609.4	627.5	1,366.2	1,312.8	1,975.6	1,940.3
Net Position - September 30	$ 645.2	$ 611.2	$ 1,460.3	$ 1,366.2	$ 2,105.5	$ 1,977.4

Governmental Activities

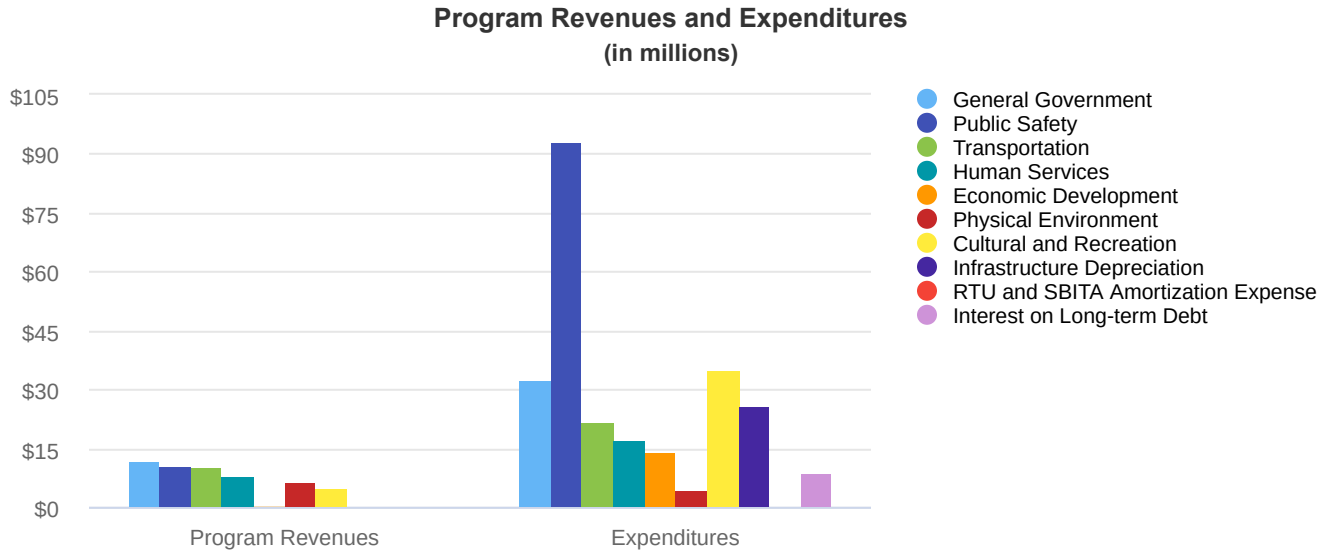
During the fiscal year, net position for governmental activities increased $34.0 million. This was the result of positive current year operations of $35.8 million less a prior period adjustment in the State Housing Partnership fund of $1.8 million. This increase resulted in an ending balance in net position of $645.2 million. The increase in net position resulted from a combination of increases in revenues as well as decreases in expenditures.

Key elements of the overall increase are as follows:

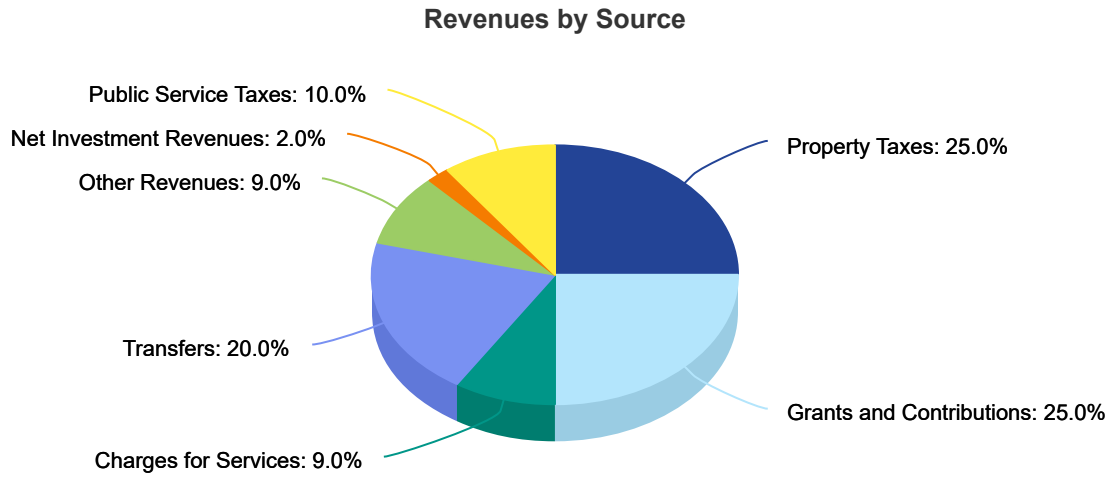
- Revenue increases primarily due to increased tax revenue resulting from increased assessed property valuations, increased public service taxes directly proportional to increased utility sales, increased transfers from the utilities based on commission policy, and increased indirect cost and overhead revenues in the general fund.

- Expenses decreased mainly due to decreased expenses of $29 million due to larger amounts of capitalizable expenses in the current year as well as a $10 million decrease in depreciation expense due to a large infrastructure asset being fully depreciated mid-year. There was also a large decrease in the pension liability causing a large decrease in the pension expense.

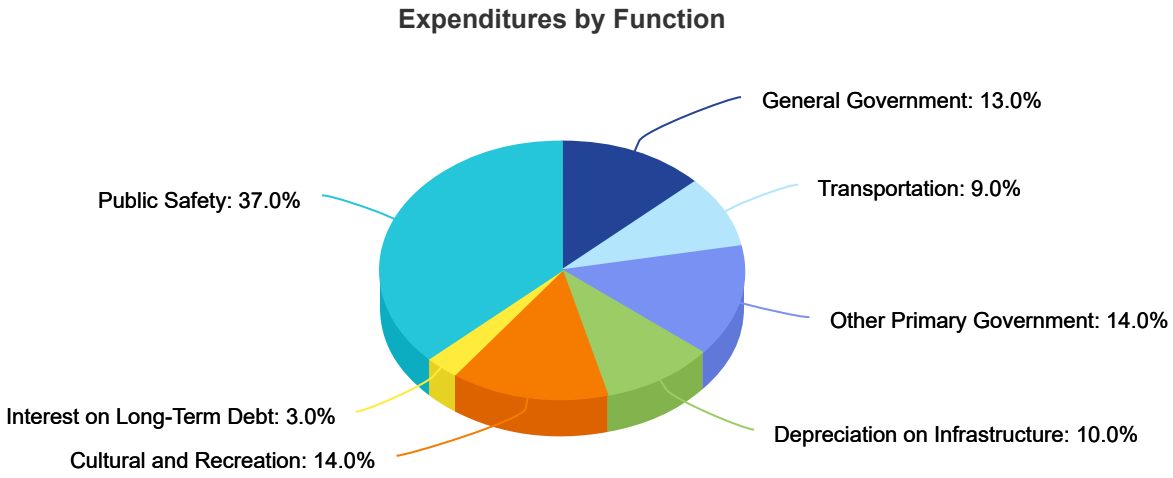
The following chart compares expenditures and program revenues for governmental activities.



The following chart illustrates the City's revenues by source for the City's governmental activities.



The following chart illustrates the City's expenditures by function for the City's governmental activities.



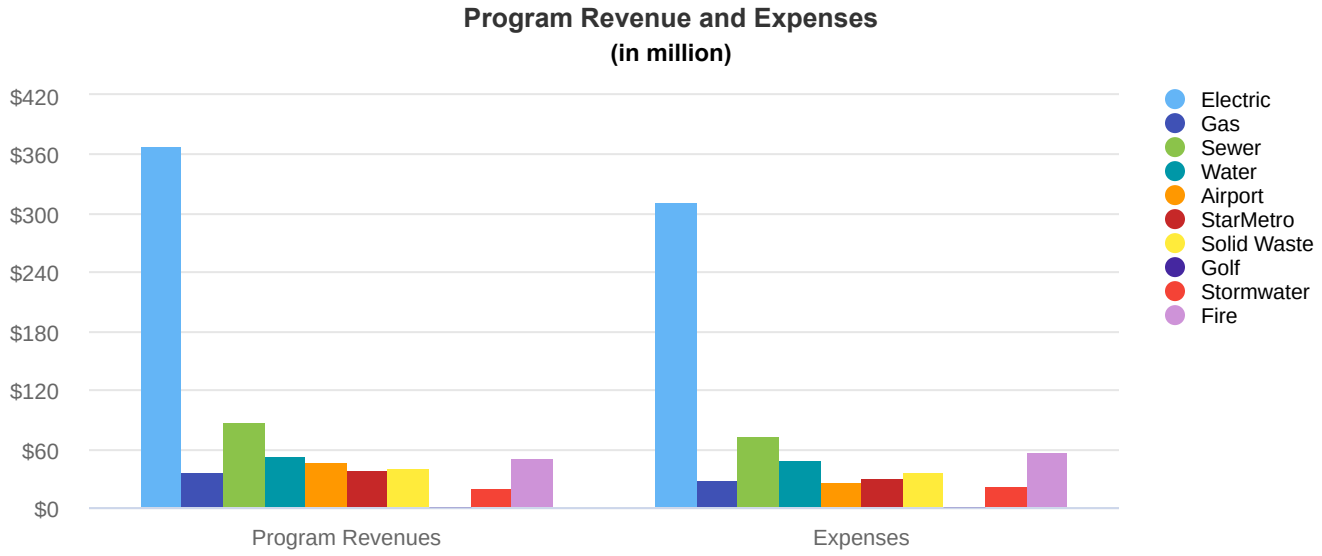
Business-Type Activities

For the City's Business-type activities, the results for the current fiscal year were positive resulting in an ending net position of $1.46 billion. The increase of $94.1 million is the result of current year operations.

Key elements of the increase are as follows:

- Revenues substantially increased resulting from an increase of $32 million in operating and capital grants as well as a large increase in charges for services in the utilities. Capital and operating grants increases included grants for an International Passenger Processing Facility, Runway 9/27 Rehabilitation, Taxiway Bravo Rehabilitation and Main Terminal Chillers replacements at the airport. There were also increases in operating and capital contributions for the Southside Transit Center and new buses in the Starmetro fund. The increase of $60 million in charges for services was primarily in the electric utility. These electric charges increased due a 3.5% increase in the base rate coupled with a 1.5% increase in consumption and a 4% increase in fuel recovery where increasing fuel costs were recovered from the customers.

- Expenses also increased but at a slower rate than revenues. The increases in expenses were substantially related to the increased fuel costs in the electric utility.



Financial Analysis of the City's Funds

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. 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 September 30, 2025, the City's governmental funds reported combined ending fund balances of $200.3 million, an increase of $19.6 million in comparison with the prior year. This increase is primarily current year operations netted with a prior period adjustment in the State Housing Partnership fund. Current year operations were positive mainly resulting from an $88.4 million bond issue of which $63.0 million was new money for various capital improvement projects including police headquarters, Public Safety Complex, and various road projects. These were offset by public safety expenses on the construction of the new police headquarters and culture and recreation expenses related to the construction of a new senior center. Of this fund balance amount $2.5 million is considered non-spendable; $142.3 million is restricted for purposes which are externally imposed by providers and $54.5 million is committed for specific purposes that are internally imposed by the City Commission. These restrictions, commitments and assignments result in an unassigned fund balance of $1.0 million.

The following table summarizes the change in fund balance for the governmental funds:

Table 3
Financial Analysis of the City's Governmental Funds
(in thousands)

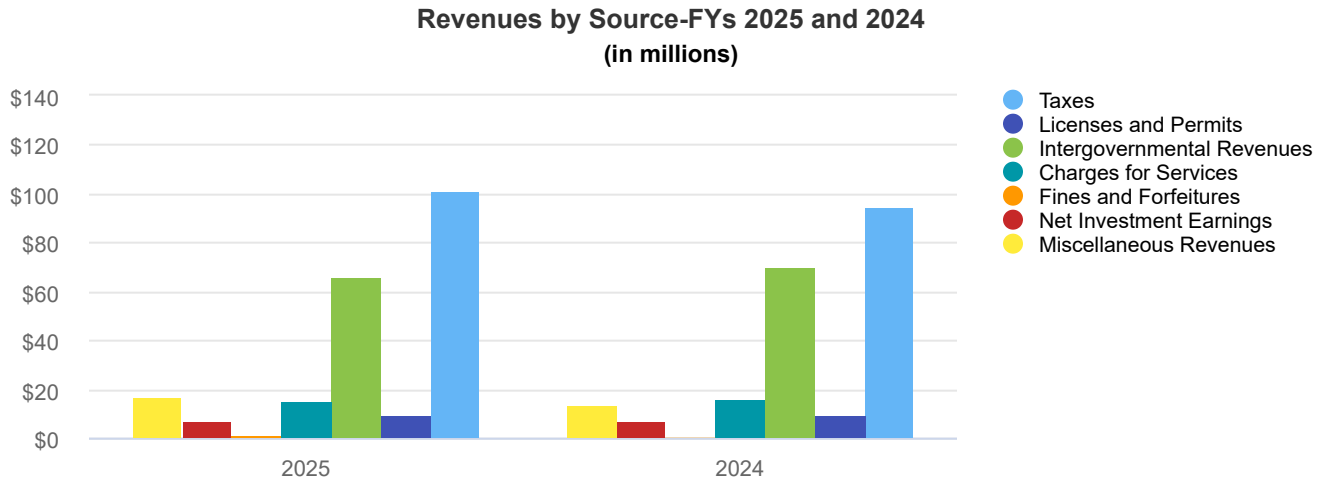
Fund	Fund Balances as restated 9/30/2024	Sources	Uses	Sources Over (Under) Uses	Fund Balances 9/30/2025
General Fund	$ 33,167	$ 214,295	$ 215,096	$ (801)	$ 32,366
Other Funds	145,747	173,570	151,392	22,178	167,925
Total City Funds	$ 178,914	$ 387,865	$ 366,488	$ 21,377	$ 200,291

The General Fund is the chief operating fund of the City. At the end of the fiscal year, fund balance for the general fund was $32.4 million, or 15.0% of general fund expenditures and other financing uses. Of this amount, $1.8 million is nonspendable and $1.4 million is unassigned.

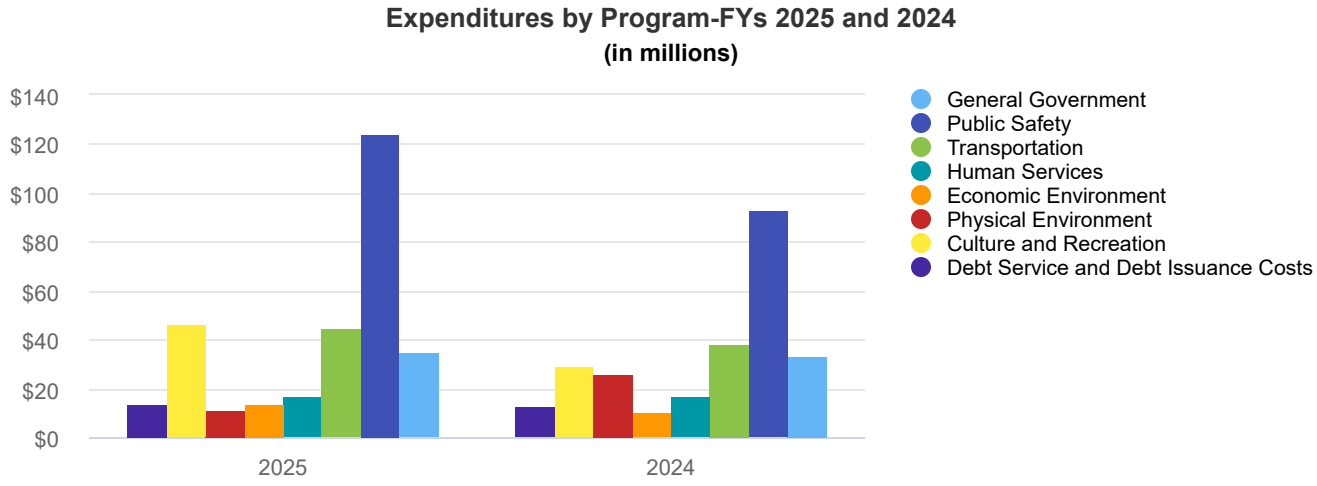
The fund balance for the City's General Fund decreased $0.8 million during fiscal year 2025. This decrease was the result of current year operations.

The fund balance in the City's other nonmajor governmental funds increased $20.4 million from the prior year. This increase was primarily the result of the City issuing an $88.4 million bond containing $63.0 million of new money for various capital improvements offset by a lesser increase in expenses paid from those bond proceeds. The projects that were bonded are multi year projects, hence the expenses will be spread out over several years but the proceeds were received in the current year.

The following chart compares revenues by source for the governmental funds



The following chart compares expenditures by program for the governmental funds



Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Factors addressing the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

A schedule comparing the original to the final budget and the variance from the final budget to the actual results is included on page 114 of the financial statements.

There was a slight increase in the budget approved by the City Commission across several expense categories.

The City's general fund generated a positive variance of approximately $192,000 between the final amended budget and actual results of operation. Actual revenues for the year were $82,000 under budget overall. This variance was spread across all revenue categories with the largest variances being a positive variance in tax revenues and negative variance in intergovernmental revenues. The positive variance in taxes was consistent with increased property valuations; the lower than expected intergovernmental revenues was primarily due to less than expected ½ cent sales tax collections resulting from diminished consumer spending caused by economic uncertainty. Overall expenses were under budget by $274,000. This variance was the net effect of a negative variance in public safety expenses offset by a positive variance in the transfers to other funds. Public safety expenses were over budget due to higher than expected fuel costs, vehicle charges and personnel expenses. Transfers out were under budget due to a $1 million smaller than expected debt service transfer resulting from a capital bond refunding, a $1 million reserve transfer that was not made and a $3.7 million reduction to the budgeted capital improvement fund transfer.

Capital Assets

The City's capital assets for its governmental and business-type activities, net of depreciation, as of September 30, 2025, were approximately $2.6 billion. This represents a net increase of approximately $95.0 million, or 3.8%, above last year. See Note IV.D. for more information about the City's capital assets.

Table 4
Capital Assets, net of accumulated depreciation
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 372,012	$ 371,266	$ 159,020	$ 157,002	$ 531,032	$ 528,268
Buildings	39,420	41,306	114,021	119,388	153,441	160,694
Equipment	29,217	17,437	321,278	331,651	350,495	349,088
Improvements (Other than Buildings)	14,797	5,185	18,081	17,247	32,878	22,432
Infrastructure	217,021	237,412	876,628	872,415	1,093,649	1,109,827
Intangibles	1,360	1,539	131,601	143,215	132,961	144,754
Right to Use Property	4,560	1,169	-	-	4,560	1,169
Right to Use Equipment and Fixtures	1,975	2,389	2,169	2,611	4,144	5,000
Subscription Based Arrangements Assets	12,009	3,854	1,417	1,519	13,426	5,373
Construction in Progress	97,787	55,244	188,022	125,531	285,809	180,775
Total	$ 790,158	$ 736,801	$ 1,812,237	$ 1,770,579	$ 2,602,395	$ 2,507,380

Major capital acquisitions and improvements during the year included the following:

- Aviation infrastructure - $24.2 million
- Electric generation, transmission and distribution infrastructure - $23.8 million
- Gas transmission and distribution infrastructure - $4.0 million
- Sewer collection, treatment, and disposal infrastructure - $26.1 million
- StarMetro acquisition of buses and system improvements - $16.7 million
- Stormwater infrastructure - $6.6 million
- Street construction, widening and expansion projects improvements, park improvements, and vehicles and equipment for public safety purposes, - $57.6 million
- Water transmission and distribution infrastructure - $14.4 million
- Technology and Innovation - $4.5 million

Long-Term Debt

As shown in the following table, as of September 30, 2025, the City had $987.5 million in total debt outstanding. This amount represents bonds and loans secured by specified revenue sources and excludes issuance premium and discounts.

Table 5
Outstanding Debt at September 30
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General Revenue Bonds	$ 184,265	$ 122,070	$ -	$ -	$ 184,265	$ 122,070
Proprietary Revenue Bonds	-	-	763,658	748,024	763,658	748,024
Other Loans/Notes	30,547	34,610	9,065	-	39,612	34,610
Total	$ 214,812	$ 156,680	$ 772,723	$ 748,024	$ 987,535	$ 904,704

The City's total debt increased by $82.8 million, or 9.16%, during the current fiscal year. This is primarily due to the net effect of principal paydowns of approximately $224.7 million netted with the execution of a new general obligation bond of $88.4 million for capital improvements, a new Energy System Revenue Bond of $108.5 million, a new Consolidated Utility System Revenue Bond of $96.8 million and several master lease notes for various purchases totalling $13.8 million.

Bond ratings have a significant influence in establishing the rate of interest expense the City must pay when the bonds are sold. Ratings for the City's debt have been consistently judged to be of good investment quality as indicated in the following table:

Table 6
Bond Ratings

	Moody's Investors Service, Inc	Standard & Poor's Rating Services	Fitch Ratings, Inc
Capital Bonds	Aa2	NR	AA+
Consolidated Utility Systems Bonds	NR	AA	AA+
Energy System Bonds	Aa3	AA	NR

Additional information about the City's long-term liabilities is included in Note IV-H to the financial statements.

Economic Factors and Next Year's Budget and Rates

Significant Revenue Factors

Funding for the City's governmental activities comes from property taxes and a limited number of other taxes as authorized by the State Legislature (sales, gasoline, utility services, and telecommunications), and other fees to recover the costs of services provided. Revenue is also received from state-shared revenues and grants from state and federal governments.

Revenues for the business-type activities and certain governmental activities (permitting, recreational programs, etc.) come from user fees or service charges. The consumption of the City's utilities is impacted by local weather patterns and the growth of new homes and businesses in the market. In recent years, there has been a decreasing consumption trend per capita in all the utilities due mainly to the City's demand side management programs. The resulting slower growth in demand has allowed the City to defer adding generating capacity for its electric utility. The cost of fuel is recovered from customers through cost recovery adjustments that are not part of base rates to customers. The Electric Fund maintains a reserve account that has been used in the past to reduce the impact to electric customers of steep increases in the market price of fuel. The balance in this fund as of September 30, 2025, was approximately $102 million.

Economic and other Factors that may Impact the City's Financial Position

The City of Tallahassee benefits from a uniquely stable economic foundation supported by the presence of two state universities, a state college, a large hospital system, and Florida's state government. These institutions provide steady employment and countercyclical stability, helping maintain a resilient local economy. Leon County's unemployment rate has also consistently remained below the national average, including through 2025.

As with any capital city, the financial health of the state government significantly influences Tallahassee's economic landscape. State sales tax revenues, an important indicator of statewide economic activity, have risen in recent years and are approaching historic highs, reinforcing the strength of one of Tallahassee's largest employment sectors.

The City closely monitors state and local revenue streams such as property taxes and utilizes contracted lobbying services to advocate for its fiscal interests at both the state and federal levels. Additionally, Tallahassee is intentional in pursuing external funding sources; over the past five years, the City has secured more grant funding than it has collected in ad valorem tax revenue, underscoring its effectiveness in leveraging external resources to support municipal services.

Alongside the state government, Tallahassee's higher education institutions continue to play a central role in the regional economy. Collaborative initiatives between the universities and the City have supported business recruitment efforts, particularly among companies seeking to engage with the groundbreaking research conducted at Florida State University's National High Magnetic Field Laboratory. Despite national scrutiny over rising college costs, Florida's state university tuition remains comparatively affordable, sustaining strong enrollment and reinforcing the stabilizing economic influence of the higher education sector.

The City remains actively engaged in economic development through targeted incentives, strategic planning tools, and support for both new and existing businesses. This approach has yielded significant results.

- In November 2025, Buc-ee's closed on the purchase of thirty acres near the intersection of Capital Circle Northwest and Interstate 10. The facility will be a 75,000 – square-foot travel center, featuring 120 fuel pumps, 24 electric vehicle charging stations, and almost 800 parking spaces. While the site is located outside of the current city limits, it is expected the new project will utilize city utilities. It is anticipated approximately 200 jobs will be brought to the local economy.
- In 2024, Danfoss Turbocor completed a 145,000-square-foot production facility in Innovation Park, doubling its manufacturing capacity and positioning the company to nearly double its workforce of 260 employees.
- In 2023, Amazon opened a 635,000-square-foot robotics fulfillment center supporting approximately 1,400 full-time jobs.
- The City continues to experience robust development activity. In FY 2025, over $2.5 billion in new real estate investments were permitted, constructed, or completed. Over 1,100 new residential units were permitted, including a 158-unit rent-restricted affordable housing development opening in 2026 and a 250-unit affordable community

completed in 2025 on Tallahassee's southside. Major mixed-use and residential projects continue to reshape the urban landscape:

- The Canopy Project, a 505-acre mixed-use development, is delivering new housing options and infrastructure, including a new interstate overpass, scheduled to be completed mid-2027, to support future growth.
- SoMo Walls, a 33,000-square-foot multi-purpose venue south of downtown, has added new dining, retail, and office space and is expected to support approximately 130 new jobs.

• Various investors and businesses have contributed to more than $1.4 billion invested and nearly 5,000 new residential units in the expansion and transformation of the College Town area over the past 10 years, with over 1,000 new residential units currently underway.

Several new subdivisions, apartment complexes, and condominium projects are planned or underway across the community. Complementing private-sector investment, the City's five-year, nearly $1.2-billion Capital Improvement Plan includes 215 projects to enhance transportation, utilities, and public infrastructure. The Blueprint Intergovernmental Agency is also investing more than $762 million over a five-year period in 28 projects including roadway improvements, bike and pedestrian facilities, new parks, and public spaces.

Tallahassee Memorial HealthCare (TMH), founded in 1948, remains one of the region's largest economic anchors. TMH serves a 21-county area across North Florida, South Georgia, and South Alabama and operates a 772-bed acute care hospital, surgery and ICU centers, a psychiatric hospital, multiple specialty centers, three residency programs, and 38 affiliated physician practices. Its partnerships span major regional healthcare providers and academic institutions, including Florida State University (FSU), Florida A&M University, and the University of Florida.

In Tallahassee, TMH and FSU are partnering to build a next-generation academic health center on TMH's main campus. Funded in part by a $125 million state appropriation in 2022, the facility will include approximately 140,000 square feet of medical and research space, support an estimated 30 principal investors, and sustain more than 350 high-wage permanent jobs while generating approximately $40 million annually in research funding.

FSU is also in the process of acquiring the hospital assets owned by the City to embark on a new partnership with Tallahassee Memorial HealthCare to establish a fully integrated academic health system. Under the name and branding of FSU Health, the new academic health system is projected to generate nearly 1,000 new jobs and deliver a $3.6 billion economic impact over the next three decades. On March 11, 2026 the City Commission approved the sale of the hospital assets to FSU; FSU will pay $109 million to the city over the next 30 years.

FSU Health continues to expand its footprint, including a new healthcare campus in Panama City Beach developed in partnership with TMH and the St. Joe Company. The first phase, an 80,000-square-foot medical office building, opened in 2024, and a 100-bed hospital is scheduled for completion in 2027.

These indicators, as well as others, were taken into account when adopting the City's budget for fiscal year 2026. The total fiscal year 2026 City-wide operating budget totals $942.1 million, an increase of $73.8 million from fiscal year 2025. Personnel expenditures account for approximately 31% of the City's operating budget. The City's fiscal year 2026 operating budget has a net increase of 64 positions bringing total positions to 3,044.75.

The capital budget for fiscal year 2026 totals $268.2 million, an increase of $15.2 million from fiscal year 2025. The City's utilities account for $153 million or 57% of the capital budget; other major uses include transportation, general government, public safety, technology, and culture and recreation. Bond proceeds (new and existing) will fund approximately 23% of these capital projects with the balance of funding coming primarily from capital improvement funds reserved for projects, federal funds, state funds, and general government resources. The City has a five year plan for capital improvements for all projects planned through fiscal year 2030 which totals $1.1 billion with appropriations of funding made on an annual basis.

Financial Contact

This financial report is designed to provide residents, taxpayers, customers, and creditors with a general overview of the City of Tallahassee's finances and to demonstrate the City's accountability for the money it receives. If you have questions about the report or need additional financial information, contact the Financial Reporting Manager at 300 South Adams Street, Mailbox A-29, Tallahassee, Florida 32301-1731 or via email at Rita.Stevens@talgov.com.



Basic Financial Statements

These basic financial statements provide a summary overview of the financial position as well as the operating results of the City of Tallahassee. They also serve as an introduction to the more detailed statements and schedules that follow in subsequent sections:

- Government-wide Financial Statements
- Governmental Funds Financial Statements
- Proprietary Funds Financial Statements
- Fiduciary Funds Financial Statements
- Notes to Financial Statements

City of Tallahassee, Florida
Statement of Net Position
September 30, 2025
(in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Improvement Authority
Assets and Deferred Outflows of Resources				
Current Assets				
Cash, Cash Equivalents and Pooled Investments	$ 58,750	$ 199,654	$ 258,404	$ 373
Investments	1,506	-	1,506	-
Securities Lending Collateral	772	2,659	3,431	5
Receivables:				
Accrued Interest	453	1,536	1,989	-
Customers and Other	907	92,356	93,263	1
Notes	959	4,653	5,612	-
Leases	196	418	614	-
Special Assessments	31	-	31	-
Less: Allowance for Doubtful Accounts	(1)	(16,990)	(16,991)	-
Due From Other Governments	21,181	24,899	46,080	-
Prepaid Expenses	710	3,853	4,563	-
Inventory	861	60,624	61,485	-
Cash, Cash Equivalents and Pooled Investments - Restricted	140,290	383,883	524,173	-
Securities Lending Collateral - Restricted	1,793	4,927	6,720	-
Receivables - Restricted:				
Accrued Interest	1,076	2,947	4,023	-
Other	48	-	48	-
Notes	325	-	325	-
Due From Other Governments	2,819	9,542	12,361	-
Total Current Assets	232,676	774,961	1,007,637	379
Noncurrent Assets				
Internal Balances	50,031	(50,031)	-	-
Deposits	-	5,824	5,824	-
Leases	975	941	1,916	-
Capital Assets				
Land and Construction in Progress	469,799	347,042	816,841	-
Other, Net of Accumulated Depreciation	320,359	1,465,195	1,785,554	-
Total Noncurrent Assets	841,164	1,768,971	2,610,135	-
Total Assets	1,073,840	2,543,932	3,617,772	379
Deferred Outflows of Resources				
Pension related deferred outflows	90,949	32,447	123,396	68
OPEB related deferred outflows	10,264	8,399	18,663	17
Fuel Hedging deferred outflows	-	204	204	-
Total Deferred Outflows of Resources	101,213	41,050	142,263	85
Total Assets and Deferred Outflows of Resources	$ 1,175,053	$ 2,584,982	$ 3,760,035	$ 464

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

City of Tallahassee, Florida
Statement of Net Position
September 30, 2025
(in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Improvement Authority
Liabilities, Deferred Inflows of Resources and Net Postion				
Current Liabilities				
Obligations Under Securities Lending	$ 772	$ 2,659	$ 3,431	$ 5
Accounts Payable	10,853	70,533	81,386	35
Deposits Payable	-	31,200	31,200	-
Unearned Revenue	1,095	166	1,261	-
Due to Other Governments	3,879	5	3,884	1
Lease Payable	873	415	1,288	-
Subscription Liability	4,532	707	5,239	-
Compensated Absences	8,036	11,628	19,664	9
Accounts Payable - Restricted	14,337	8,142	22,479	-
Obligations Under Securities Lending - Restricted	1,793	4,927	6,720	-
Unearned Revenue - Restricted	2,364	-	2,364	-
Bonds and Loans Payable	7,506	38,403	45,909	-
Total Current Liabilities	56,040	168,785	224,825	50
Noncurrent Liabilities				
Compensated Absences	5,051	6,727	11,778	-
Customer Contracts Payable	-	2,237	2,237	-
Claims Payable	-	12,946	12,946	-
Lease Payable	6,105	1,818	7,923	-
Subscription Liability	5,002	582	5,584	-
Net OPEB Liability	37,952	26,208	64,160	103
Net Pension Liability	115,620	14,202	129,822	28
Bonds and Loans Payable	217,821	814,909	1,032,730	-
Derivative Instruments	-	204	204	-
Total Noncurrent Liabilities	387,551	879,833	1,267,384	131
Total Liabilities	443,591	1,048,618	1,492,209	181
Deferred Inflows of Resources				
Deferred Inflows on Bond Refundings	5,860	46,967	52,827	-
Pension Related Deferred Inflows	67,796	18,144	85,940	33
OPEB Related Deferred Inflows	11,461	9,754	21,215	21
Lease Related Deferred Inflows	1,122	1,220	2,342	-
Total Deferred Inflows of Resources	86,239	76,085	162,324	54
Total Liabilities and Deferred Inflows of Resources	529,830	1,124,703	1,654,533	235
Net Position				
Net Investment in Capital Assets	632,816	973,941	1,606,757	-
Restricted for:				
Capital Projects	133,461	336,688	470,149	-
Debt Service	9,521	1,409	10,930	-
Cemetery Grounds Maintenance	1,803	-	1,803	-
Emergency Management	28,983	-	28,983	-
Housing	7,262	-	7,262	-
General Government	273	-	273	-
Technology Upgrades and Equipment	1,638	-	1,638	-
Public Infrastructure and Park Enhancements	12,015	-	12,015	-
Other Purposes	6,371	-	6,371	-
Unrestricted	(188,920)	148,241	(40,679)	229
Total Net Position	645,223	1,460,279	2,105,502	229
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 1,175,053	$ 2,584,982	$ 3,760,035	$ 464

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

Statement of Activities
For the Fiscal Year Ended September 30, 2025
(in thousands)

Function/Program	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit
Primary Government:								
Governmental Activities:								
General Government	$ 32,864	$ 4,784	$ 6,901	$ -	$ (21,179)	$ -	$ (21,179)	$ -
Public Safety	93,422	7,590	3,058	-	(82,774)	-	(82,774)	-
Transportation	21,849	4,114	4,159	1,874	(11,702)	-	(11,702)	-
Human Services	17,117	1,583	6,693	36	(8,805)	-	(8,805)	-
Economic Development	14,302	317	-	-	(13,985)	-	(13,985)	-
Physical Environment	4,807	2,377	2,240	2,125	1,935	-	1,935	-
Culture and Recreation	34,950	4,827	500	-	(29,623)	-	(29,623)	-
Unallocated Depreciation on Infrastructure	25,933	-	-	-	(25,933)	-	(25,933)	-
Interest on Long-Term Debt	8,415	-	-	-	(8,415)	-	(8,415)	-
Total governmental activities	253,659	25,592	23,551	4,035	(200,481)	-	(200,481)	-
Business-type Activities:								
Electric	311,215	363,056	2,800	2,607	-	57,248	57,248	-
Gas	28,969	37,144	-	9	-	8,184	8,184	-
Sewer	73,609	87,019	31	-	-	13,441	13,441	-
Water	48,982	53,758	-	-	-	4,776	4,776	-
Airport	27,478	19,775	748	25,402	-	18,447	18,447	-
StarMetro	29,962	6,518	7,978	23,990	-	8,524	8,524	-
Solid Waste	37,330	40,020	-	-	-	2,690	2,690	-
Golf	1,387	1,497	-	-	-	110	110	-
Stormwater Management	22,774	21,007	-	-	-	(1,767)	(1,767)	-
Fire Services	57,820	50,861	-	-	-	(6,959)	(6,959)	-
Total business-type activities	639,526	680,655	11,557	52,008	-	104,694	104,694	-
Total primary government	893,185	706,247	35,108	56,043	(200,481)	104,694	(95,787)	-
Component Unit:								
Downtown Improvement Authority	$ 519	$ -	$ -	$ -	0.0	0.0	0.0	(519)
General Revenues and Net Transfers								
Taxes:								
Property Taxes, levied for general purposes					72,581	-	72,581	345
Public Service Taxes					29,347	-	29,347	-
Grants and Contributions, not restricted to specific programs					41,628	-	41,628	73
Net Unrestricted Investment Earnings					6,699	21,201	27,900	16
Net Securities Lending Income					10	63	73	-
Change in Fair Value of Investments					539	6,485	7,024	7
Miscellaneous					26,308	20,788	47,096	129
Net Transfers					59,146	(59,146)	-	-
Total General Revenues and Transfers					236,258	(10,609)	225,649	570
Change in Net Position					35,777	94,085	129,862	51
Net Position - October 1					611,242	1,366,194	1,977,436	178
Prior Period Adjustment					(1,796)	-	(1,796)	-
Net Position Restated - October 1					609,446	1,366,194	1,975,640	178
Net Position - September 30					$ 645,223	$ 1,460,279	$ 2,105,502	$ 229

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

Governmental Funds

General	Accounts for all financial resources except those required to be accounted for in another fund. The functions paid for by the general fund include police, protective inspection, code enforcement, culture and recreation, general government, transportation, human services, economic development, and physical environment.
Other Governmental Funds	Detailed descriptions of these funds are provided on page 133.

Proprietary Funds

Electric	Accounts for the assets, operation and maintenance of the City-owned electric generation, transmission, and distribution system
Gas	Accounts for the assets, operation and maintenance of the City-owned gas system.
Sewer	Accounts for the assets, operation and maintenance of the City's wastewater collection and treatment system.
Water	Accounts for the assets, operation and maintenance of the City's water production and distribution system.
Airport	Accounts for the assets, operation and maintenance of the City-owned international airport.
Stormwater	Management Accounts for the operation, maintenance, and expansion of the City-owned stormwater utility system.
Other Enterprise Funds	Detailed descriptions of these funds are provided on page 138.
Internal Service Funds	Detailed description of these funds are provided on page 143.

Fiduciary Funds

Pension and OPEB Trust Funds	Detailed descriptions of these funds are provided on page 151.
Custodial Fund	Reports Fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

Balance Sheet
Governmental Funds
September 30, 2025
(in thousands)

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Assets Unrestricted			
Cash, Cash Equivalents and Pooled Investments	$ 26,689	$ 27,890	$ 54,579
Investments	-	1,506	1,506
Securities Lending Collateral	343	376	719
Receivables:			
Accrued Interest	205	216	421
Customers and Others	861	38	899
Leases	196	-	196
Notes	-	959	959
Special Assessments	-	31	31
Less: Allowance for Doubtful Accounts	(1)	-	(1)
Prepaid Expenses	-	710	710
Due From Other Funds	-	1,551	1,551
Due From Other Governments	14,498	6,213	20,711
Advances To Other Funds	-	9,002	9,002
Inventory	861	-	861
Assets Restricted			
Cash, Cash Equivalents and Pooled Investments	937	139,353	140,290
Securities Lending Collateral	12	1,781	1,793
Receivables:			
Accrued Interest	7	1,069	1,076
Customers and Others	-	48	48
Notes	-	325	325
Due From Other Governments	-	2,819	2,819
Total Assets	$ 44,608	$ 193,887	$ 238,495
LIABILITIES			
Liabilities Unrestricted			
Obligations Under Securities Lending	$ 343	$ 376	$ 719
Accounts and Retainage Payable	5,822	2,432	8,254
Due To Other Funds	23	1,551	1,574
Due To Other Governments	3,767	-	3,767
Advances from Other Funds	1,154	3,000	4,154
Unearned Revenue	-	1,095	1,095
Liabilities Restricted			
Obligations Under Securities Lending	12	1,781	1,793
Accounts and Retainage Payable	974	13,363	14,337
Unearned Revenue	-	2,364	2,364
Total Liabilities	12,095	25,962	38,057
DEFERRED INFLOWS OF RESOURCES			
Lease Related Deferred Inflows	147	-	147
Total Deferred Inflows of Resources	147	-	147
Total Liabilities and Deferred Inflows of Resources	12,242	25,962	38,204
FUND BALANCES			
Nonspendable	1,798	710	2,508
Spendable:			
Restricted	-	142,272	142,272
Committed	29,145	25,330	54,475
Unassigned	1,423	(387)	1,036
Total Fund Balances	32,366	167,925	200,291
Total Liabilities and Fund Balances	$ 44,608	$ 193,887	$ 238,495

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

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2025
(in thousands)**

Total Fund Balances - Governmental Funds	$	200,291
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital and right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.		790,158
Long-term receivables will not be collected in the current period and, therefore, are not reported in the funds.		43,776
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the governmental-type internal service funds are included in the Statement of Net Position.		3,400
Certain amounts related to the Net Pension Liability and Net OPEB liability are deferred and amortized over time and are not reported in the funds.		(14,892)
Deferred results and contributions to pension plans made after the measurement date are recorded as expenditures in the fund statements but must be deferred in the Statement of Net Position.		36,848
Long-term liabilities, including bonds payable, compensated absences, deferred inflows of resources, net pension liability, and net OPEB liability are not due and payable in the current period and therefore are not reported in the funds.		(414,358)
Net Position - Governmental Activities	$	645,223

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

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds For the Fiscal Year Ended September 30, 2025 (in thousands)

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	$ 96,602	$ 5,326	$ 101,928
Licenses and Permits	1,985	7,621	9,606
Intergovernmental Revenues	26,484	39,823	66,307
Charges for Services	14,322	1,348	15,670
Fines and Forfeitures	1,117	505	1,622
Net Investment Earnings	487	6,038	6,525
Securities Lending Income	10	49	59
Change in Fair Value of Investments	-	523	523
Miscellaneous Revenues	15,133	2,342	17,475
Total Revenues	156,140	63,575	219,715
EXPENDITURES			
Current			
General Government	31,931	3,411	35,342
Public Safety	91,779	32,530	124,309
Transportation	23,402	21,320	44,722
Human Services	13,102	4,184	17,286
Economic Environment	256	13,994	14,250
Physical Environment	5,780	6,058	11,838
Culture and Recreation	29,345	17,369	46,714
Securities Lending Expense			
Interest	8	41	49
Debt Service			
Principal Retired	-	6,040	6,040
Interest and Fiscal Charges	130	7,488	7,618
Total Expenditures	195,733	112,435	308,168
Excess of Revenues Over (Under) Expenses	(39,593)	(48,860)	(88,453)
OTHER FINANCING SOURCES (USES)			
Transfers In	58,030	16,006	74,036
Transfers Out	(19,363)	(10,903)	(30,266)
Proceeds from Sale of Capital Assets	125	-	125
Issuance of Debt	-	63,015	63,015
Premium on Issuance of Debt	-	2,621	2,621
Refunding Debt	-	28,281	28,281
Payment to Refunded Bonds Escrow Agent	-	(28,054)	(28,054)
SBITAs	-	72	72
Total Other Financing Sources (Uses)	38,792	71,038	109,830
Net Change in Fund Balances	(801)	22,178	21,377
Fund Balances - October 1	33,167	147,543	180,710
Prior Period Adjustment	-	(1,796)	(1,796)
Fund Balances Restated - October 1	33,167	145,747	178,914
Fund Balances - September 30	$ 32,366	$ 167,925	$ 200,291

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

Reconciliation of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Fiscal Year Ended September 30, 2025 (in thousands)

Net Change in Fund Balances - Total Governmental Funds	$	21,377
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.		36,736
Internal Service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain internal service funds is reported with governmental activities.		17,085
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(58,930)
The net change in compensated absences which is reported in the Statement of Activities does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds.		(1,150)
Pension and OPEB related items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as an expenditure in governmental funds.		20,659
Change in Net Position of Governmental Activities	$	35,777

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

Statement of Net Position
Proprietary Funds
September 30, 2025
(in thousands)

	Enterprise Funds								
	Electric	Gas	Sewer	Water	Airport	Stormwater Management	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS									
Current Assets									
Unrestricted									
Cash, Cash Equivalents and Pooled Investments	$ 97,061	$ 5,042	$ 3,868	$ 3,198	$ 2,812	$ 32,291	$ 921	$ 145,193	$ 58,632
Securities Lending Collateral	1,220	69	40	48	36	413	12	1,838	874
Receivables:									
Accrued Interest	732	42	30	36	23	248	7	1,118	450
Customers and Others	50,670	3,984	12,278	7,766	1,787	3,196	12,419	92,100	264
Notes	4,161	-	492	-	-	-	-	4,653	-
Leases	-	-	-	277	72	-	69	418	-
Due From Other Governments	5,126	7	-	-	-	23	19,635	24,791	578
Less: Allowance for Doubtful Accounts	(9,636)	(353)	(1,943)	(1,591)	(764)	(516)	(2,187)	(16,990)	-
Prepaid Expenses	-	-	-	-	-	-	-	-	3,853
Due From Other Funds	30,000	-	-	-	-	-	-	30,000	26,618
Inventory	57,143	82	1,022	-	223	-	1,044	59,514	1,110
Restricted									
Cash, Cash Equivalents and Pooled Investments	188,197	16,923	84,375	37,003	32,402	-	24,983	383,883	-
Securities Lending Collateral	2,407	216	1,088	482	414	-	320	4,927	-
Accrued Interest	1,444	130	648	284	249	-	192	2,947	-
Due From Other Governments	-	-	35	35	4,969	-	4,503	9,542	-
Total Current Assets	428,525	26,142	101,933	47,538	42,223	35,655	61,918	743,934	92,379
Noncurrent Assets									
Lease Receivables	-	-	-	738	60	-	143	941	-
Advances To Other Funds	3,000	-	9,017	-	-	-	-	12,017	1,430
Deposits	-	-	-	-	-	-	-	-	5,824
Capital Assets									
Land and Construction in Progress	66,078	321	61,831	18,142	66,186	119,828	14,223	346,609	12,178
Other, Net of Accumulated Depreciation	517,732	64,654	401,734	169,387	96,158	91,934	49,187	1,390,786	103,937
Total Noncurrent Assets	586,810	64,975	472,582	188,267	162,404	211,762	63,553	1,750,353	123,369
Total Assets	1,015,335	91,117	574,515	235,805	204,627	247,417	125,471	2,494,287	215,748
DEFERRED OUTFLOWS OF RESOURCES									
Pension Related Deferred Outflows	12,257	999	5,898	2,904	2,455	2,570	5,364	32,447	-
OPEB Related Deferred Outflows	2,438	231	1,196	623	386	405	3,120	8,399	-
Deferred Outflows on Fuel Hedging	-	-	-	-	-	-	53	53	151
Total Deferred Outflows of Resources	14,695	1,230	7,094	3,527	2,841	2,975	8,537	40,899	151
Total Assets and Deferred Outflows of Resources	$ 1,030,030	$ 92,347	$ 581,609	$ 239,332	$ 207,468	$ 250,392	$ 134,008	$ 2,535,186	$ 215,899

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

Statement of Net Position
Proprietary Funds (Continued)
September 30, 2025
(in thousands)

	Enterprise Funds								
	Electric	Gas	Sewer	Water	Airport	Stormwater Management	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
LIABILITIES									
Current Liabilities									
Unrestricted									
Accounts and Retainage Payable	$ 37,256	$ 3,119	$ 5,382	$ 832	$ 5,188	$ 1,460	$ 3,789	$ 57,026	$ 16,106
Due To Other Funds	-	-	-	-	3	-	26,592	26,595	30,000
Due To Other Governments	3	-	1	-	-	-	1	5	112
Compensated Absences	2,568	252	920	817	497	532	3,668	9,254	3,316
Lease Payable	-	-	-	-	3	-	382	385	811
SBITA Liability	-	-	70	29	-	-	69	168	4,852
Obligations Under Securities Lending	1,220	69	40	48	36	413	12	1,838	874
Unearned Revenue	-	-	-	-	-	-	166	166	-
Deposits Payable	28,848	657	-	1,664	31	-	-	31,200	-
Loans Payable	-	-	-	-	-	-	490	490	1,506
Bonds Payable	23,533	357	9,566	3,089	-	-	928	37,473	900
Restricted									
Accounts and Retainage Payable	469	228	789	751	3,467	-	2,438	8,142	-
Obligations Under Securities Lending	2,407	216	1,088	482	414	-	320	4,927	-
Total Current Liabilities	96,304	4,898	17,856	7,712	9,639	2,405	38,855	177,669	58,477
Noncurrent Liabilities									
Claims Payable	-	-	-	-	-	-	-	-	12,946
Customer Contracts Payable	-	-	1,501	736	-	-	-	2,237	-
Advances from Other Funds	3,447	-	-	-	50	3,866	10,932	18,295	-
Compensated Absences	2,122	181	490	427	382	274	1,408	5,284	1,740
Lease Payable	-	-	-	-	-	-	1,750	1,750	1,426
SBITA Liability	-	-	-	-	-	-	-	-	5,547
Net OPEB Liability	5,830	669	4,364	1,818	972	242	12,313	26,208	-
Loans Payable	-	-	-	-	-	-	26,325	26,325	12,321
Bonds Payable	405,381	2,204	257,037	113,417	-	-	1,920	779,959	1,830
Net Pension Liability	5,571	385	2,725	1,295	792	1,164	2,270	14,202	-
Derivative Instruments	-	-	-	-	-	-	53	53	151
Total Noncurrent Liabilities	422,351	3,439	266,117	117,693	2,196	5,546	56,971	874,313	35,961
Total Liabilities	518,655	8,337	283,973	125,405	11,835	7,951	95,826	1,051,982	94,438
DEFERRED INFLOWS OF RESOURCES									
Deferred Inflows on Refunding of Bonds	27,150	272	13,656	5,889	-	-	-	46,967	-
Pension Related Deferred Inflows	6,687	612	3,198	1,677	1,463	1,409	3,098	18,144	-
OPEB Related Deferred Inflows	2,963	272	1,339	741	465	548	3,426	9,754	-
Lease Related Deferred Inflows	-	-	-	883	126	-	211	1,220	-
Total Liabilities and Deferred Inflows of Resources	555,455	9,493	302,166	134,595	13,889	9,908	102,561	1,128,067	94,438
NET POSITION									
Net Investment in Capital Assets	127,746	62,142	208,048	80,623	162,341	211,762	56,721	909,383	86,922
Restricted for:									
Debt Service	-	-	709	700	-	-	-	1,409	-
Renewal, Replacement and Improvements	194,303	16,822	48,341	14,862	31,016	29,966	1,378	336,688	-
Unrestricted	152,526	3,890	22,345	8,552	222	(1,244)	(26,652)	159,639	34,539
Total Net Position	474,575	82,854	279,443	104,737	193,579	240,484	31,447	1,407,119	121,461
Total Liabilities, Deferred Inflows, and Net Position	$ 1,030,030	$ 92,347	$ 581,609	$ 239,332	$ 207,468	$ 250,392	$ 134,008	2,535,186	$ 215,899
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds								53,160	
Net Position of Business-type Activities								$ 1,460,279	

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

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2025
(in thousands)

	Enterprise Funds								
	Electric	Gas	Sewer	Water	Airport	Stormwater Management	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES									
Charges for Services									
Residential Sales	$ 168,314	$ 14,813	$ 44,633	$ 24,992	$ -	$ 11,278	$ 45,239	$ 309,269	$ -
Commercial and Industrial Sales	163,731	21,514	34,033	16,530	-	8,679	40,234	284,721	-
Public Street and Highway Lighting	6,123	-	-	-	-	-	-	6,123	-
Sales for Resale	10,948	-	-	-	-	-	-	10,948	-
Surcharge	3,608	403	2,208	2,920	-	-	-	9,139	-
Tapping Fees	-	20	255	625	-	-	-	900	-
Landing Fees	-	-	-	-	2,359	-	-	2,359	-
Initiating Service	721	126	-	396	-	-	-	1,243	-
Rentals	1,713	-	-	-	14,667	-	-	16,380	-
Cut-ins and Cut Fees	1,031	18	-	68	-	-	-	1,117	-
County Government	-	-	-	-	-	-	3,731	3,731	-
Recreation Fees	-	-	-	-	-	-	1,497	1,497	-
Transportation Fees	-	-	-	-	-	-	6,369	6,369	-
Other Charges	6,867	248	5,157	3,644	2,749	1,049	1,825	21,539	276,249
Total Operating Revenues	363,056	37,142	86,286	49,175	19,775	21,006	98,895	675,335	276,249
OPERATING EXPENSES									
Personnel Services	43,186	3,585	17,747	11,744	7,647	8,089	58,795	150,793	56,434
Fossil Fuel	109,019	15,189	-	-	-	-	122	124,330	-
Power Purchased	8,669	-	-	-	-	-	-	8,669	-
Contractual Services	58,300	6,332	25,224	20,409	7,093	10,604	51,141	179,103	48,360
Materials and Supplies	14,146	255	5,083	2,012	268	652	5,413	27,829	150,306
Other	3,013	578	3,328	2,726	700	230	2,586	13,161	14,177
Depreciation	53,185	2,577	21,294	8,411	7,811	3,005	5,733	102,016	10,782
Amortization	9	-	51	-	5	-	430	495	7,968
Total Operating Expenses	289,527	28,516	72,727	45,302	23,524	22,580	124,220	606,396	288,027
Operating Income (Loss)	$ 73,529	$ 8,626	$ 13,559	$ 3,873	$ (3,749)	$ (1,574)	$ (25,325)	$ 68,939	$ (11,778)

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

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2025
(in thousands)

	Enterprise Funds								
	Electric	Gas	Sewer	Water	Airport	Stormwater Management	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
NON-OPERATING REVENUES (EXPENSES)									
Net Investment Earnings	$ 10,463	$ 758	$ 2,559	$ 721	$ 1,306	$ 1,314	$ 990	$ 18,111	$ 3,291
Change in Fair Value of Investments	3,941	287	850	278	136	-	35	5,527	974
Securities Lending									
Securities Lending Income	125	10	29	10	19	19	10	222	39
Interest Expense	(109)	(8)	(25)	(8)	(17)	(17)	(8)	(192)	(33)
Agent Fees	(3)	-	(1)	-	(1)	(1)	-	(6)	(1)
Intergovernmental Revenues	2,800	-	31	-	748	-	7,978	11,557	878
Other Revenues	6,176	106	18,511	8,189	711	66	3,987	37,746	11,627
Interest Income	-	-	-	-	-	-	-	-	52
Interest Expense	(16,035)	(44)	(8,012)	(3,125)	(1)	(204)	(2,180)	(29,601)	(1,172)
Debt Issuance Costs	(1,355)	-	(392)	(322)	-	-	-	(2,069)	(40)
Gain (Loss) on Sale of Assets	-	-	-	-	989	-	-	989	-
Other Expenses	(488)	(3)	(13)	(120)	(4,709)	(58)	(1,788)	(7,179)	(4,949)
Total Non-Operating Revenues (Expenses)	5,515	1,106	13,537	5,623	(819)	1,119	9,024	35,105	10,666
Income (Loss) Before Capital Contributions and Operating Transfers	79,044	9,732	27,096	9,496	(4,568)	(455)	(16,301)	104,044	(1,112)
CAPITAL CONTRIBUTIONS AND TRANSFERS									
Capital Contributions	2,607	9	-	-	25,402	-	23,990	52,008	-
Transfers In	-	-	325	644	-	-	12,768	13,737	16,309
Transfers Out	(51,217)	(4,653)	(6,767)	(5,379)	(22)	(926)	(3,516)	(72,480)	(1,336)
Total Capital Contributions and Transfers	(48,610)	(4,644)	(6,442)	(4,735)	25,380	(926)	33,242	(6,735)	14,973
Change in Net Position	30,434	5,088	20,654	4,761	20,812	(1,381)	16,941	97,309	13,861
Net Position - October 1	444,141	77,766	258,789	99,976	172,767	241,865	14,506	1,309,810	107,600
Net Position - September 30	$ 474,575	$ 82,854	$ 279,443	$ 104,737	$ 193,579	$ 240,484	$ 31,447	1,407,119	$ 121,461
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds								3,224	
Change in net position of Business-type Activities								$ 94,085	

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

Statements of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2025
(in thousands)

	Electric	Gas	Sewer	Water	Airport	Stormwater Management	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES									
Cash Received from Customers	$ 374,741	$ 36,998	$ 87,953	$ 47,973	$ 16,842	$ 21,635	$ 88,145	$ 674,287	$ -
Cash Received for Interfund Services	-	-	-	-	-	-	-	-	276,611
Cash Paid to Suppliers for Goods and Services	(174,962)	(17,596)	(20,569)	(12,573)	(1,872)	(2,911)	(30,140)	(260,623)	(199,550)
Cash Paid to Employees for Services	(45,440)	(3,779)	(19,152)	(11,916)	(8,109)	(8,541)	(60,012)	(156,949)	(56,023)
Cash Paid For Interfund Services	(31,964)	(5,372)	(13,054)	(12,494)	(2,523)	(7,771)	(28,576)	(101,754)	(12,403)
Net Cash Provided by (Used for) Operating Activities	122,375	10,251	35,178	10,990	4,338	2,412	(30,583)	154,961	8,635
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES									
Transfers from Other Funds	-	-	325	644	-	-	12,768	13,737	16,309
Grant Receipts	2,800	-	31	-	748	-	7,978	11,557	878
Cash Received (Paid) From (For) Other Financing Activities	5,688	103	12,400	3,485	(3,998)	8	2,200	19,886	6,678
Cash Received (Paid) From (For) Interfund Activity	(531)	-	347	-	(50)	(68)	5,862	5,560	(6,640)
Transfers To Other Funds	(51,219)	(4,653)	(6,767)	(5,379)	(22)	(926)	(3,516)	(72,482)	(1,336)
Net Cash Provided by (Used for) Noncapital Financing Activities	(43,262)	(4,550)	6,336	(1,250)	(3,322)	(986)	25,292	(21,742)	15,889
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Capital Contributions	2,607	9	-	-	25,402	-	23,990	52,008	-
Cash Received from System Charges	-	-	6,098	4,584	-	-	-	10,682	-
Debt Issuance Costs	(1,355)	-	(392)	(322)	-	-	-	(2,069)	(40)
Cash Received (Paid) From Acquisition, Construction, and Sale of Capital Assets Activities	(23,684)	(4,050)	(34,208)	(14,591)	(22,960)	(6,649)	(20,375)	(126,517)	(42,834)
Proceeds From Bonds and Loans	140,937	-	53,268	52,888	-	-	-	247,093	13,827
Principal Payments on Bonds and Loans	(163,615)	(348)	(28,026)	(24,400)	-	-	(1,092)	(217,481)	(885)
Interest Paid	(19,067)	(81)	(9,905)	(3,662)	(1)	(204)	(2,179)	(35,099)	(1,172)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(64,177)	(4,470)	(13,165)	14,497	2,441	(6,853)	344	(71,383)	(31,104)

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

Statements of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2025
(in thousands)

	Electric	Gas	Sewer	Water	Airport	Stormwater Management	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest Received on Investments	9,648	692	2,182	480	1,195	1,259	950	16,406	3,220
Purchase of Investments	(557,108)	(42,898)	(172,338)	(78,512)	(68,773)	(63,064)	(50,591)	(1,033,284)	(114,508)
Sales of Investments	533,723	41,073	150,563	61,762	64,740	64,618	52,261	968,740	115,047
Net Cash Provided by (Used for) Investing Activities	(13,737)	(1,133)	(19,593)	(16,270)	(2,838)	2,813	2,620	(48,138)	3,759
Net Increase (Decrease) in Cash and Cash Equivalents	1,199	98	8,756	7,967	619	(2,614)	(2,327)	13,698	(2,821)
Cash and Cash Equivalents - October 1	256,733	19,755	56,862	15,206	30,426	36,459	29,866	445,307	61,018
Revision to Cash and Cash Equivalents	(161,290)	$ (12,412)	$ (35,723)	$ (9,553)	$ (19,115)	$ (22,905)	$ (18,763)	$ (279,761)	$ (38,334)
Cash and Cash Equivalents Revised - October 1	95,443	$ 7,343	$ 21,139	$ 5,653	$ 11,311	$ 13,554	$ 11,103	$ 165,546	$ 22,684
Cash and Cash Equivalents - September 30	$ 96,642	$ 7,441	$ 29,895	$ 13,620	$ 11,930	$ 10,940	$ 8,776	$ 179,244	$ 19,863
Total Cash, Cash Equivalents, and Investments									
Cash and Cash Equivalents	$ 96,642	$ 7,441	$ 29,895	$ 13,620	$ 11,930	$ 10,940	$ 8,776	$ 179,244	$ 19,863
Investments	188,616	14,524	58,348	26,581	23,284	21,351	17,128	349,832	38,769
Total Cash, Cash Equivalents and Investments	$ 285,258	$ 21,965	$ 88,243	$ 40,201	$ 35,214	$ 32,291	$ 25,904	$ 529,076	$ 58,632
Classified As:									
Unrestricted Assets	$ 97,061	$ 5,042	$ 3,868	$ 3,198	$ 2,812	$ 32,291	$ 921	$ 145,193	$ 58,632
Restricted Assets	188,197	16,923	84,375	37,003	32,402	-	24,983	383,883	-
Total Cash, Cash Equivalents and Investments	$ 285,258	$ 21,965	$ 88,243	$ 40,201	$ 35,214	$ 32,291	$ 25,904	$ 529,076	$ 58,632
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:									
Operating Income (Loss)	$ 73,529	$ 8,626	$ 13,559	$ 3,873	$ (3,749)	$ (1,574)	$ (25,325)	$ 68,939	$ (11,778)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:									
Depreciation/Amortization	53,194	2,577	21,344	8,411	7,816	3,005	6,163	102,510	18,750
Net Pension and OPEB Liability changes	(2,632)	(241)	(1,243)	(656)	(541)	(540)	(1,599)	(7,452)	-
Changes in Lease Related Deferred Inflows	-	-	-	443	(43)	-	(16)	384	-
(Increase) Decrease in Accounts Receivable	8,723	164	774	70	(47)	427	1,173	11,284	138
(Increase) Decrease in Inventory	(2,333)	-	(35)	73	-	-	(32)	(2,327)	1,219
(Increase) Decrease in Deposits	-	-	-	-	-	-	-	-	81
(Increase) Decrease in Lease Receivable	-	-	-	(549)	44	-	17	(488)	-
(Increase) Decrease in Notes Receivables	216	-	109	-	-	-	-	325	-
(Increase) Decrease in Prepaid Expenses	-	-	-	-	-	-	-	-	66
(Increase) Decrease in Due From Other Governments	(987)	(5)	801	163	(2,468)	-	(12,861)	(15,357)	(34)
Increase (Decrease) in Accounts Payable	(10,406)	(576)	(15)	(181)	3,253	1,007	1,486	(5,432)	2,418
Increase (Decrease) in Due to Other Governments	3	-	1	-	-	-	1	5	112
Increase (Decrease) in Utility Deposits Payable	2,690	(341)	-	(1,159)	(6)	-	-	1,184	-
Increase (Decrease) in Customer Contracts Payable	-	-	44	18	-	-	-	62	-
Increase (Decrease) in Compensated Absences	378	47	(161)	484	79	87	382	1,296	407
Increase (Decrease) in Claims Payable	-	-	-	-	-	-	-	-	(2,744)
Increase (Decrease) in Unearned Revenue	-	-	-	-	-	-	28	28	-
Total Adjustments	48,846	1,625	21,619	7,117	8,087	3,986	(5,258)	86,022	20,413
Net Cash Provided by (Used for) Operating Activities	$ 122,375	$ 10,251	$ 35,178	$ 10,990	$ 4,338	$ 2,412	$ (30,583)	$ 154,961	$ 8,635
Noncash Capital and Related Financing Activities:									
Increase of Assets and Liabilities as a result of Leases and SBITAs	$ -	$ -	$ 75	$ 31	$ -	$ -	$ -	$ 106	$ 5,834

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

Statement of Net Position
Fiduciary Funds
September 30, 2025
(in thousands)

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
ASSETS		
Cash and Cash Equivalents	$ 28,901	335,605
Receivables		
Other Receivables	29	-
Accrued Interest	6,492	-
Taxes Receivable for Other Governments	-	3,090
Total Receivables	6,521	3,090
Investments, at Fair Value		
Mutual Index Funds	198,667	-
Private Equities	273,791	-
Fixed Income Securities	388,582	-
Domestic Equities	987,117	-
International Equities	216,010	-
Private Credit Funds	153,305	-
Alternative Investments	305,844	-
Timber	117,364	-
Total Investments	2,640,680	-
Securities Lending Collateral	110,572	-
Due From Other Governments	641	$ -
Total Assets	$ 2,787,315	$ 338,695
LIABILITIES AND NET POSITION		
Liabilities		
Obligations Under Securities Lending	$ 110,572	$ -
Accounts Payable	-	7,007
Total Liabilities	110,572	7,007
NET POSITION		
Net Position Restricted for Pensions	2,656,698	-
Net Position Restricted for OPEB	20,045	-
Net Position Restricted for Other Governments	-	331,688
Total Net Position	2,676,743	331,688
Total Liabilities and Net Position	$ 2,787,315	$ 338,695

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

Statement of Changes in Net Position
Fiduciary Funds
For the Fiscal Year Ended September 30, 2025
(in thousands)

	Pension and Other Employee Benefit Trust Funds	Custodial Fund
ADDITIONS		
Contributions		
Employer	$ 48,653	$ -
Plan Members	14,676	-
Total Contributions	63,329	-
Investment Return		
From Investment and Custodial Activities		
Gain (Loss) on Sale of Investments	110,778	-
Change in Fair Value of Investments	99,014	-
Interest Income	32,330	12,319
Dividends	21,403	-
Sales Taxes Collected for Other Governments	-	41,542
Grants Collected for Other Governments	-	646
Loan Proceeds Collected for Other Governments	-	11,265
Total Income (Loss) From Investment and Custodial Activities	263,525	65,772
Less Investment Expenses		
Investment Management Fees	7,349	-
Interest Expense	64	-
Net Income (Loss) from Investment and Custodial Activities	256,112	65,772
From Securities Lending Activities		
Securities Lending Income	4,643	-
Less Securities Lending Expenses		
Investment Management Fees	4,349	-
Net Income (Loss) from Securities Lending Activities	294	-
Total Net Income (Loss) from Investment and Custodial Activities	256,406	65,772
Total Additions	319,735	65,772
DEDUCTIONS		
Benefits	148,459	-
Refunds of Contributions	1,386	-
Administrative Expense	1,169	-
Payments on Behalf of Blueprint Intergovernmental Agency	-	71,146
Payments on Behalf of Capital Region Transportation Planning Agency	-	918
Total Deductions	151,014	72,064
Change in Net Position	168,721	(6,292)
Net Position - October 1	2,508,022	337,980
Net Position - September 30	$ 2,676,743	$ 331,688

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

CITY OF TALLAHASSEE

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Notes to Financial Statements

- Note I - Summary of Significant Accounting Policies
- Note II - Reconciliation of Government-Wide and Fund Financial Statements
- Note III - Stewardship, Compliance, and Accountability
- Note IV - Detailed Notes - All Funds
- Note V - Other Information

Notes to Financial Statements
September 30, 2025

Note I - Summary of Significant Accounting Policies

This Summary of Significant Accounting Policies is presented to assist the reader in interpreting the financial statements. The policies are considered essential and should be read in conjunction with the accompanying financial statements. The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governmental units. This report, the accounting systems and classification of accounts conform to standards of the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

The City is a political subdivision of the State of Florida, located in Leon County in the center of the Florida Panhandle. It is approximately 104.7 square miles in area. It is the capital of Florida, the county seat, and the only incorporated municipality in Leon County. The City was incorporated in 1825 following a decision by the Florida Legislature to locate the capital of the new Florida Territory midway between the population centers of St. Augustine and Pensacola.

In the Code of Ordinances, Chapter 8374, Laws of Florida, Special Acts 1919, the City was granted a new City Charter by the State Legislature authorizing a Commission-Manager form of government. In the original charter, the five City Commissioners were elected at large for four-year terms and each year, the Commissioners selected the Mayor for a one-year term to act as the official representative for the City. Tallahassee voters approved a charter change in November 1996 calling for a separately elected Mayor, thereby changing the structure of the Tallahassee City Commission. The first elected Mayor was elected in February 1997 for a four-year term. The elected Mayor has powers commensurate with the other four members of the City Commission; however, he/she is able to serve as an ongoing contact for matters involving other governmental or institutional organizations, including the state legislature, county government, and local universities.

The City provides a full range of municipal services to its citizens. These services include public safety (police and fire), construction and maintenance of streets and sidewalks, stormwater management, recreation, public improvements, planning and zoning, and general administrative services. In addition, the City owns and operates ten enterprise funds which include an international airport, a bus system, a golf course, a solid waste collection system, four utilities (an electric generation transmission and distribution system, a natural gas distribution system, a water production and distribution system, and a sewage collection and treatment system), fire services, and a stormwater system.

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

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

1. Blended Component Unit

The City of Tallahassee Community Redevelopment Agency (CRA) was created in August 1998. The CRA Board was established in September 1998, and the Board membership was amended in September 2002, October 2007 and May 2018. The CRA was governed by an interlocal agreement between the City of Tallahassee, Leon County and the CRA that addresses, among other things, Board membership. Until May 24, 2018 the CRA Board membership included four Leon County Commissioners. However, on that date County participation as members to the CRA Board ended with the execution of the fourth amendment to the interlocal agreement. The CRA board

Note I - Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

is now composed of the same members of City Commission therefore the City Commission has influence and operational responsibility over CRA. The City of Tallahassee provides the CRA with professional and technical services such as, but not limited to, accounting, procurement, human resources, in-house legal, treasurer-clerk support and information systems. All revenues of the CRA are used in the following two districts to fund capital improvements within each district or to fund the debt service requirements of debt related to the CRA.

Greater Frenchtown/Southside Community Redevelopment Area (GFSCRA) - The City Commission adopted the Greater Frenchtown/Southside Community Redevelopment Plan in June 2000. The GFSCRA consists of three distinct geographical sections of residential, commercial/retail and industrial land uses, located within the greater Frenchtown and Southside neighborhoods. The City Commission approved two expansions for the GFSCRA, one in 2016 and another in 2018, increasing the GFSCRA to 1,858 acres.

Downtown District Community Redevelopment Area (DDCRA) - The City Commission adopted the Downtown Community Redevelopment Plan in June 2004. The DDCRA consists of approximately 440 acres located in downtown and between the northern and southern portions of the Greater Frenchtown/South Community Redevelopment Area.

2. Discretely Presented Component Unit

Downtown Improvement Authority - The Downtown Improvement Authority (DIA) is an agency created by the Florida Legislature to regulate downtown growth. The City Commission appoints the governing board of the DIA. The City can impose its will on the DIA by approving and/or modifying its budget. There are no separately issued financial statements for the DIA. The DIA utilizes governmental fund accounting.

3. Joint Ventures Excluded from the Reporting Entity

Capital Region Transportation Planning Agency

In December 2004, the Capital Region Transportation Planning Agency (CRTPA) was created through an interlocal agreement to act as the principal forum for collective transportation policy discussions that results in the development of a long range transportation plan which creates an integrated regional multimodal transportation network that supports sustainable development patterns and promotes economic growth. The CRTPA consists of voting representatives from Leon County, Gadsden County, Jefferson County, and Wakulla County; the City of Tallahassee, the City of Midway, the City of Quincy, the City of Chattahoochee, the City of Greensboro, the City of Gretna, and the Town of Havana; the Leon County School Board; and one non-voting representative from the Department of Transportation.

The CRTPA receives federal and state transportation funds for the performance of its transportation planning and programming activities. If operating expenses exceed the external funding obtained, the deficit is funded by the members of the CRTPA in proportion to their weighted votes. As a participating member of CRTPA, the City therefore has a limited share of financial responsibility for any such deficits.

Current audited financial statements may be obtained from the Capital Region Transportation Planning Agency, 300 S. Adams Street, Box A-19, Tallahassee, Florida 32301.

Consolidated Dispatch Agency

In December 2006, the Consolidated Dispatch Agency (CDA) was created through an inter-local agreement between the City of Tallahassee (City) and Leon County, Florida (County), and the Leon County Sheriff (Sheriff). The purpose of the CDA is to provide law enforcement and emergency dispatch services to the City and Leon County, Florida. On April 1, 2014, the commencement date, all existing dispatch operations personnel of the City, Sheriff, and the County became part of the CDA. The City of Tallahassee City Manager, the Leon County Administrator and the Leon County Sheriff constitute the CDA's Board of Directors.

The CDA is primarily funded by the City of Tallahassee and the Leon County Sheriff based upon the per capita population within the incorporated limits of the City of Tallahassee and within the unincorporated area of Leon County. For the twelve month period ended September 30, 2025, the City's contribution to the CDA was $8,456,661.

Note I - Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Audited financial statements may be obtained from the Consolidated Dispatch Agency, 300 S. Adams Street, Box A-19, Tallahassee, Florida 32301.

4. Jointly Governed Organization

City of Tallahassee-Leon County Blueprint Intergovernmental Agency

In October 2000, the City entered into an inter-local agreement with Leon County as authorized by Section 163.01(7) Florida Statutes. This agreement created the Blueprint Intergovernmental Agency (Blueprint) to govern the project management for the project planning and construction of a list of projects known as the Blueprint projects. The Board of County Commissioners and the City Commission constitute the Blueprint Intergovernmental Agency. The revenues to fund the projects under this agreement are the collections of the local government infrastructure sales surtax, which began December 1, 2004. This tax was extended pursuant to the provisions in Section 212.055, Florida Statutes, until December 31, 2039. In response to the passage of the extension, Blueprint also opened the Office of Economic Vitality whose purpose is to invest in and cultivate the evolving economic development landscape.

Current audited financial statements may be obtained from Blueprint Intergovernmental Agency, 315 S. Calhoun St., Suite 450, Tallahassee, Florida 32301.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. With the exception of interfund services provided and used, the effect of interfund activity has been eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

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

The government-wide financial statements, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and 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 taxes are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Primarily grant revenues are susceptible to accrual.

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 government considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period with the exception of grant revenues which

Note I - Summary of Significant Accounting Policies (Continued)

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

are considered available if collected within 270 days. Revenues susceptible to accrual include grant and shared revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, lease liabilities, subscription liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental fund:

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

The government reports the following major proprietary funds:

The Electric Fund accounts for the assets, operation and maintenance of the City-owned electric generation, transmission, and distribution system.

The Gas Fund accounts for the assets, operation and maintenance of the City-owned gas system.

The Sewer Fund accounts for the assets, operation and maintenance of the City's wastewater system.

The Water Fund accounts for the assets, operation, and maintenance of the City's water production and distribution system.

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

The Stormwater Management Fund accounts for the assets, operation, maintenance, and expansion of the City-owned stormwater utility system.

Additionally, the government reports the following fund types:

Internal Service Funds account for various services provided to other departments of the government and to other governments on a cost reimbursement basis. The services provided include an 800 MHz system, revenue collection, technology and information services, accounting, purchasing, fleet management, human resources, employee retirement plan administration, risk management, internal loan program, utility services functions, wholesale energy services, environmental services and facilities management, diversity and inclusion, and community relations.

The Pension and Other Employee Benefits Trust Funds include the Pension Trust Fund and the OPEB Trust Fund. The Pension Trust Fund includes a Defined Benefit Plan and a Defined Contribution Plan. It is used to account for the accumulation of resources to be used for retirement annuity payments to retired City employees. The Defined Benefit Plan accounts for general employees, police officers, and fire fighters separately. The Defined Contribution Plan covers all employees who elect to contribute a portion of their salary to the plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the general employees, police officers and fire fighters pension plans, and additions to/deductions from the respective plan's fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The OPEB Trust Fund accounts for the accumulation of resources to be used for benefit payments for retirees' health care costs.

The Custodial Fund is used to account for the funds held on behalf of two of the related but legally separate entities listed in Note 1.A. The first is the Capital Regional Transportation Planning Agency (CRTPA), a joint venture, and the second is the Blueprint Intergovernmental Agency (BPIA), a jointly governed organization. The City collects, invests and disburses funds on behalf of these two entities and there are also agreements in place with both for the City to carry out several administrative functions.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, and fines and forfeitures, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Note I - Summary of Significant Accounting Policies (Continued)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds, and of the City's internal service funds, are charged to customers for sales and services. The water and sewer funds also recognize as operating revenue the portion of the tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses that do not meet this definition are reported as nonoperating revenue and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position

1. Cash And Cash Equivalents

The City considers cash on hand, demand deposits, liquid investments with an original maturity of 90 days or less, and balances included within its cash and investments pool to be cash and cash equivalents. The City's cash and investments pool is an internal cash management pool used to obtain efficiencies of operation and improved financial performance, and includes certain non-pension cash, cash equivalent, and investment securities. Each fund maintains a share in the equity of the pool which is reported as cash and cash equivalents in the statements of net position since cash may be withdrawn from the pool at any time without penalty. Liquid investments classified as cash and cash equivalents include repurchase agreements purchased under the terms of the City's depository contract, open repurchase agreements, certificates of deposit, banker's acceptances, commercial paper, U.S. Treasury direct and agency obligations, holdings at the FLCLASS investment pool and the Florida League of Cities 1-3 Year Pool funds. Interest earned by the cash and investments pool is distributed to each fund monthly based on daily balances.

The City's bank balances are insured by federal depository insurance and, for the amount in excess of such federal depository insurance, by the State of Florida's Public Depository Act (the Act). Provisions of the Act require that public deposits may only be made at qualified public depositories. The Act requires each qualified public depository to deposit with the State Treasurer eligible collateral equal to or in excess of the required collateral as determined by the provisions of the Act. In the event of a failure by a qualified public depository, losses, in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository, are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

2. Investments

The City's investments are pension and other trust fund assets held in the fiduciary funds. Investments are carried at fair value, except for those investments for which net asset value or amortized cost is the most appropriate measurement.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets. Only equities (stock holdings) held by the City's pension trust fund are classified as Level 1 investments. Investments classified in Level 2 of the fair value hierarchy are based upon observable, market-based inputs for similar, but not identical, investments. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The City's custodian uses the pricing services of multiple vendors to price the same assets to determine the most accurate price. Investments classified in Level 3 of the fair value hierarchy are based upon extrapolated data, proprietary pricing models and indicative quotes for similar securities. The City has relatively few investments that are classified as Level 3 for securities that are not traded frequently. The City has several investments that have their fair value determined by the net asset value of the investment holding. Investments in this category are not classified according to Levels 1, 2 and 3 of the fair value hierarchy.

Note I - Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position (Continued)

3. Leases

As of October 1, 2021, the City adopted the provisions of GASB 87, Leases, which amended the existing accounting standards for lease reporting. The new guidance requires lessors in a leasing arrangement to recognize a lease receivable and a deferred inflow of resources for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The liability (lessees) or deferred inflow (lessors) will be equal to the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease. Additionally, the new guidance requires lessees in a leasing arrangement recognize a right to use asset and a lease liability for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The liability will be equal to the present value of lease payments.

4. Inventory

The City maintains a variety of inventory types, such as fuel, materials and supplies, and retail merchandise, all of which utilize the consumption method stated at cost which approximates the market. Inventory cost is determined using either the first-in, first-out method or the average cost method. Perpetual inventory records are maintained for all significant inventories. Reported inventories of the General Fund are equally offset by a reservation of fund balance (non-spendable), since they are unavailable for appropriation.

5. Advances to Other Funds

When applicable, noncurrent portions of interfund loans receivable (reported in "Advances to" asset accounts) of governmental funds are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of interfund receivables (reported in "Due from" asset accounts) are considered "available spendable resources."

6. Restricted Assets

Certain proceeds of the City's enterprise funds revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants. Assets are set aside for the following uses:

Revenue Bonds Current Debt Service – used to segregate resources accumulated for debt service payments over the next twelve months.

Revenue Bonds Future Debt Service – used to report resources set aside to make up potential future deficiencies in the revenue bonds current debt service account.

Revenue Bonds Renewal and Replacement – used to report resources set aside to fund asset renewals and replacements or to meet unexpected contingencies.

7. Capital Assets

Capital assets and right to use leased assets, which include land, buildings, equipment, improvements other than buildings, intangibles and public domain infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than land and infrastructure, are defined as assets with a cost of $5,000 or more and an estimated useful life greater than one year. Land and infrastructure assets are long-lived capital assets that are stationary in nature and can be preserved for a significantly greater number of years than most general capital assets. Examples of infrastructure assets are roads, bridges, sidewalks, paved paths, utility systems, stormwater drainage systems, traffic control and lighting systems. In the initial capitalization of general infrastructure assets, the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The capitalization threshold for infrastructure assets has been set at $100,000 for roadways and $50,000 for other infrastructure assets. Land assets have no capitalization threshold, therefore all city-owned land is capitalized.

Note I - Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position (Continued)

All reported capital assets, except land and construction in progress, and all reported right to use leased assets are depreciated/amortized.

Other capital assets are recorded at historical cost when purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition cost. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Major outlays for constructed capital assets and improvements are capitalized as projects are completed.

The right to use assets are initially measured at an amount equal to the present value of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

The right to use Subscription-Based Information Technology Arrangement (SBITA) assets are initially measured at an amount equal to the present value of the SBITA liability plus any SBITA payments made at the start of the SBITA term, if applicable, plus capitalizable initial implementation costs at the start of the SBITA term, less any incentives received from the SBITA vendor at the start of the SBITA term. The right to use SBITA assets are amortized on a straight-line basis over the SBITA term.

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund's financial statements. These general capital assets are included in the governmental activities column of the government-wide financial statements. Capital assets used in the Enterprise and Internal Service Funds are accounted for in the respective funds. All vehicles of the City are accounted for in the Garage Fund, an Internal Service Fund, with the exception of StarMetro vehicles (generally buses). StarMetro vehicles are accounted for in their own fund. Depreciation on all exhaustible capital assets used in the Enterprise and Internal Service Funds is charged as an expense against their operations. Accumulated depreciation is reported on the respective fund's balance sheet.

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

Assets	Years
Buildings	20 to 40
Right to Use Leased Buildings	based on lease term
Improvements other than buildings	10 to 40
Equipment and machinery	5 to 40
Right to Use Leased Equipment	based on lease term
Vehicles	5 to 20
Infrastructure	10 to 60
SBITAs	based on SBITA term

8. Deferred Outflows Of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resource (expense) until then. Changes in the fair value of effective hedging derivatives are reported as deferred inflows or outflows of resources. The deferred losses on refunding results from the difference in the carrying value of refunded debt and reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amounts for pensions and OPEB relate to certain differences between projected and actual actuarial results, certain differences between projected and actual investment earnings, as well as contributions between measurement and reporting dates, which are accounted for as deferred outflows of resources.

Note I - Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position (Continued)

9. Compensated Absences

The City's employees earn vacation, sick, and compensatory leave, which may be used or accumulated up to certain limits established by the City's personnel policies. Unused vacation, and certain compensatory leave is paid upon death, retirement, or termination of employment. Unused sick leave is paid at the rate of 50% upon retirement, certain terminations, or death.

In accordance with GASB Statement No. 101, the City recognizes a compensated absences liability for employee leave balances that have yet to be used if all of the following are true: 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 liability for compensated absences has been calculated using the current pay rate as of the date of the financial statements and includes wage-related benefits such as employer-paid Medicare taxes, when applicable.

In the government-wide and proprietary fund statements of net position, compensated absences are reported as liabilities. In the governmental funds balance sheet, a liability is reported only to the extent that compensated absences have matured and are due and payable because of employee resignations, retirements, or terminations.

10. Bond Premiums, Discounts and Refunding Gains and Losses

In the government-wide financial statements and in the proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are amortized over the life of the bonds at the rate at which principal payments are made which approximates the effective interest method. Bond issuance costs are expensed in the year they are incurred. Bond refunding gains and losses are deferred and amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method. As a result of adopting GASB Statement No. 65, there are deferred inflows and outflows related to gains and losses on bond refundings in the Government-Wide Statement of Net Position as well as in the Enterprise Funds Statements of Net Position. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums on debt issuances are reported as other financing sources. 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.

11. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Changes in the fair value of effective hedging derivatives are reported as deferred inflows or outflows of resources. The deferred gain on refunding results from the difference in the carrying value of refunded debt and reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amounts for pensions and OPEB relate to certain differences between projected and actual actuarial results and certain differences between projected and actual investment earnings, which are accounted for as deferred inflows of resources. The city also recognizes a deferred inflow of resources at the initial measurement of lease receivables. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

12. Indirect Cost Allocation

The City currently employs an indirect cost allocation system based upon an internal cost analysis. An administrative service fee is charged by the General Fund to the other operating funds to address General Fund administrative services provided (e.g., legal, cash management, internal audit, and executive services). At the fund-level statements, the administrative service fee is included in the General Fund's Miscellaneous Revenue line item and in the other operating funds in the Contractual Services line. This administrative service fee is eliminated at year-end in the government-wide statements.

Note I - Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Inflows/Outflows of Resources, and Net Position (Continued)

13. Fuel Management Program

In connection with the purchase of natural gas, diesel fuel, and unleaded gasoline, the City has developed and implemented a fuels management program intended to manage the risk of changes in the market prices of natural gas, diesel fuel, and unleaded gasoline. Pursuant to this program the City executes fixed price and option contracts as needed to manage fluctuations in the market price of such fuels. The contracts are recorded at fair value on the Statement of Net Position as they have been determined to qualify as derivative instruments under GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments". Such amounts are included in noncurrent assets and deferred inflows of resources. Any associated margin deposits are also recorded in noncurrent assets. The net amounts received or paid under expired or closed contracts are recorded as an adjustment to fuel expense in the period realized. See Note V, section I.

The City uses two different types of transactions to hedge natural gas volumes for future periods. The first is through the Chicago Mercantile Exchange (CME Group) where futures/options contracts are bought and sold through an Introducing Broker (IB) such as ADM Investor Services which the City uses. All "Exchange" based transactions require margining to make trades. The margin is composed of two parts, the initial margin which is meant to capture one day's worth of volatility and the maintenance margin which equals the difference between the hedge price and the market price. Since no credit is extended to any party on the exchange, the City must maintain monies on hand or send enough margin monies to settle the positions on any given day. In order to enable exchange-based hedging, the City Commission authorized $30 million from the electric operating reserve fund for this purpose in November 2008. The majority of the hedging transactions in the fiscal year were bilateral Over The Counter (OTC) trades between the City and another counterparty. These types of transactions are subject to negotiated credit limits but not margining.

The biggest risk to the City is the volatile price of natural gas. The goal of the hedging program is to reduce the size of this risk. The ratepayers pay for the natural gas costs through the ECRC and PGRC fuel clauses on their electric and gas bills. Because the City buys nearly $100 million worth of natural gas each year and market price can easily increase by 100%, it's important for the City to manage this risk. The City is precluded from taking on more hedging positions on the exchange than it can support with the $30 million margining limit. If the City were to get close to the $30 million limit no more exchange-based trades would be executed. The hedging program is overseen by the Energy Risk Policy Committee (ERPC) which is comprised of the City Manager, City Attorney, Treasurer-Clerk, City Inspector General, an Assistant City Manager, the General Manager for the Electric & Gas Utility and senior utility staff.

As of September 30, 2025, the City no longer had any open natural gas positions on the exchange. The City executed natural gas hedges equal to 75% of the Electric and Gas Utilities average annual usage for FY2026 on October 9, 2025. Because the natural gas hedges took place after September 30, 2025, their valuations are not accounted for in this document. Diesel and gasoline hedges as of September 30, 2025 are accounted for under Note V.I, Derivative Instruments. By trading with multiple, highly rated, counterparties in the OTC market the City diversifies its counterparty risk.

The City uses an allowance account to manage fluctuations in future electric and gas costs. These costs are evaluated biannually and any amounts over or under recovered are amortized over the following six months. This allowance is included in Accounts and Retainage Payables.

Note II - Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position

The governmental funds balance sheet includes a reconciliation between fund balances – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, compensated absences, deferred inflows of resources, net pension liability, and net OPEB obligation are not due and payable in the current period and therefore are not reported in the funds." The details of this $414,358,000 difference are as follows (in thousands):

Bonds and Loans Payable including Premiums and Discounts	$ (225,327)
Effect of Deferred Loss on Refunding	(5,860)
Compensated Absences	(13,087)
Net OPEB Liability	(37,952)
Net Pension Liability	(115,620)
Lease/SBITA Liability	(16,512)
Net adjustments to reduce long-term liabilities of Total Governmental Funds to arrive at Net Position	$ (414,358)

B. Explanation of Certain Differences Between the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances - total governmental funds and net change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states, "Capital Outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense." The details of this $36,736,000 difference are as follows (in thousands):

Capital Outlay	$ 62,669
Depreciation/Amortization Expense	(25,933)
Net adjustment to increase net change in Fund Balances Total Governmental Funds to arrive at Changes in Net Position Governmental Activities	$ 36,736

Note III - Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General and Enterprise Funds. The budget is adopted at the fund level and administered at the department level. The difference between budgetary revenues and expenditures and modified accrual basis revenues and expenditures as reported in the general fund financial statements are explained in the budgetary comparison schedule Note to Required Supplementary Information of this report. The City Manager is authorized to transfer budget amounts within funds; however, any revision that alters the total expenditures of any fund must be approved by the City Commission. Unencumbered appropriations are closed at year-end.

Encumbrance accounting, under which requisitions, purchase orders, contracts, and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds.

B. Compliance with Finance - Related Legal and Contractual Provisions

The City had no material violations of finance-related legal or contractual provisions.

C. Deficit Fund Equity - Fund Balance of Individual Funds

At the end of the fiscal year, the following funds had these listed deficits: nonmajor governmental fund, Gas Tax $386,932; and Internal Service funds, Human Resources $305,283 and Community Relations $11,920.

D. Prior Period Adjustment

Fund balance as of October 1, 2024, has been restated to reflect a prior period adjustment to the State Housing Initiatives Partnership (SHIP) fund to correct the recording of an adjustment made to increase revenue for fiscal year 2024. The adjustment was an error that increased fund balance and decreased liabilities by $1.8 million. The correction caused a decrease in the fund balance and an increase in liabilities in the SHIP fund for $1.8 million.

E. Prior Period Revision

Certain immaterial revisions have been made to the 2024 financial statements to remove amounts related to pooled investments for cash flows presentation. These revisions did not have a significant impact on the financial statements as a whole.

Note IV - Detailed Notes - All Funds

A. Cash, Cash Equivalents, and Investments

The City reports the following cash, cash equivalents and investments in the statements of net position at September 30, 2025 (in thousands):

	Primary Government	Component Unit	Fiduciary Funds - Pension/OPEB	Fiduciary Funds - Custodial Fund
Cash and cash equivalents	$ 258,404	$ 373	$ 28,901	$ 335,605
Cash and cash equivalents – restricted	524,173	-	-	-
Investments	1,506	-	2,640,680	-
Total	$ 784,083	$ 373	$ 2,669,581	$ 335,605

As discussed in Note I.D. the City's cash and cash equivalents include cash, cash equivalents, and funds held in a cash and investments pool. The City's investments are monies held by the City's pension funds.

According to the City Charter, the City Treasurer-Clerk is designated to invest all monies belonging to the City pursuant to the policies approved by the City Commission, except those monies in the pension funds. Monies in the pension funds are invested under the auspices of the City Charter-created Sinking Fund Commission, which consists of the

Note IV - Detailed Notes - All Funds (Continued)

A. Cash, Cash Equivalents, and Investments (Continued)

five City Commissioners and three appointed members. Under the policies approved by the City Commission and the Sinking Fund Commission, the day-to-day investment of all monies is managed by the City Treasurer-Clerk.

The City has two approved investment policies: 1) the Non-Pension Investment Policy, which is approved by the City Commission and governs the investment of all non-pension monies of the City, including the previously referenced cash and investments pool, and 2) the Pension Investment Policy, which is approved by the Sinking Fund Commission and governs the investment of assets of the City's Pension Funds. The Non-Pension Investment Policy provides for a Core Portfolio, governing the investment of all monies held or controlled by the City, not otherwise classified as Specialized or Pension Fund monies. The Non-Pension Investment Policy specifies the investments that are authorized for purchase within the Core Portfolio. The Non-Pension Investment Policy further provides for the establishment of Specialized Portfolios, with the governing criteria unique to that portfolio, including authorized investments, to be approved on a case-by-case basis by the Investment Advisory Committee. In addition to authorizing investment instruments, the City's investment policies also identify various portfolio parameters addressing issuer diversification, term to maturity and liquidity, and the requirement of "purchase versus delivery" perfection for securities held by a third party on behalf of and in the name of the City.

1. Non-Pension Cash, Cash Equivalents, and Investments

The following table presents the City's primary government cash and cash equivalent balances at September 30, 2025 carried at fair value by level within the valuation hierarchy, financial assets carried at net asset value or amortized cost, and other cash and cash equivalent balances. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net position (in thousands).

Cash equivalents type by fair value level	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt securities	$ 517,543	$ 43,607	$ 473,936	$ -
Total cash equivalents at fair value	517,543	43,607	473,936	-
Cash equivalents recorded at net asset value				
Other Cash and Cash Equivalents	39,282			
FL Class	219,924			
FL League of Cities 1-3 Year Pool	5,829			
Total cash and cash equivalents	$ 782,578			

At year-end, the book balance of the City's operating cash deposits was $3,012,000 and the bank balance was $1,550,000, which is included in total other cash and cash equivalent balances. The difference between the book balance and bank balance is due to outstanding checks and deposits. Three City funds had deficit cash balances at year end totaling $27,329,000 which is reported in interfund payables at September 30, 2025.

The City's Core Portfolio includes investments administered internally by the City, funds invested in external investment pools, and funds invested in externally managed portfolios. The external managers for these portfolios include Wells Fargo, JP Morgan Chase, Galliard Capital Management, Income Research and Management and Wellington Management Company. The external investment pools are the Florida Municipal Investment Trust Portfolio 1-3 Year High Quality Bond Fund (the "Florida League of Cities 1-3 Year Pool"), administered by the Florida League of Cities, and Florida Cooperative Liquid Assets Securities System ("FLCLASS"), an intergovernmental investment pool administered by Public Trust Advisors, LLC. FLCLASS is an authorized local government investment pool under Section 218.415(16)(a), Florida Statutes, by and for participating Florida public agencies. A copy of the Florida Municipal Investment Trust audited financial statements may be obtained from the Florida Municipal Investment Trust, 301 South Bronough Street, Suite 300, Tallahassee, FL 32301. A copy of the FLCLASS audited financial statements may be obtained at their offices, 201 E. Pine Street, Suite 750, Orlando, FL 32801.

The Florida League of Cities 1-3 Year Pool is measured at net asset value (NAV). As of September 30, 2025, the City owns $5,828,781 in shares of the Florida League of Cities 1-3 Year Pool, not the individual securities within the portfolio. The modified duration of the Florida League of Cities 1-3 Year Pool as of September 30, 2025, was 1.6 years. The Florida League of Cities 1-3 Year Bond Fund (Florida League of City's Fund) allows the City to withdraw

Note IV - Detailed Notes - All Funds (Continued)

A. Cash, Cash Equivalents, and Investments (Continued)

any or all of its assets on the 15th and last day of each month, provided the City gives the Florida League of City's Fund advance notice of at least 10 business days of the withdrawal. The pool is rated AAAf/S1 by Fitch Ratings.

The FLCLASS investment pool is measured at net asset value (NAV). As of September 30, 2025, the City owned $219,924,000 in shares of FLCLASS, not the individual securities within the portfolio. The Pool is a 2a-7 like pool which maintains a stable net asset value of $1, is rated AAAm by Standard & Poor's, and has a weighted average days to maturity of 30 days. The FLCLASS pool allows the City to withdraw any or all its assets on any business day that the pool is open.

Credit Risk: The structure of the City's non-pension portfolio is designed to minimize credit risk. To limit the City's risk against possible credit losses, a maximum of 5% of the total portfolio may not be held at any one time in all securities of any corporate entity, inclusive of commercial paper, medium term notes, or corporate notes and bonds. No corporate entity represented more than 5% of the portfolio at September 30, 2025. The majority of the securities held are of the highest available credit quality ratings. The non-pension portfolio's credit quality is measured using the Standard & Poor's rating scale.

As of September 30, 2025, the City had the following non-pension investments subject to credit risk in the internal and externally managed portions of the portfolio, in addition to the previously discussed shares in the Florida League of Cities 1-3 Year Pool and FLCLASS:

Quality Breakdown	Portfolio Percentage
U.S. Treasury	13.56%
U.S. Agency	36.65
AAA	7.64
AA	8.36
A	22.48
BBB	4.25
Other	7.06
Total	100.00%

Interest Rate Risk: In accordance with the City's Non-Pension Investment Policy, the City has established maturity limitations for each authorized investment category. The maximum duration of the various investments within the internally managed portion of the non-pension portfolio ranges from 60 days to 3.5 years. The maximum duration for externally managed investments ranges from 3.0 years to 6.0 years. The option adjusted duration of the non-pension portfolio as of September 30, 2025 was 2.10 years.

As of September 30, 2025, the Core Portfolio had the following investments on a time-segmented basis (in thousands):

Investment Type	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	10+ Years
U.S. Treasury	$ 90,004	$ 27,599	$ 59,812	$ 2,593	$ -
U.S. Agency	280,202	25,246	124,074	27,489	103,393
Asset-backed	32,326	199	25,857	3,484	2,786
Corporate Bonds	276,217	44,647	171,286	36,813	23,471
Municipal	25,775	6,333	15,598	2,833	1,011
Other	32,943	32,943	-	-	-
Subtotal	$ 737,467	$ 136,967	$ 396,627	$ 73,212	$ 130,661
Commingled	45,111				
Total	$ 782,578				

Note IV - Detailed Notes - All Funds (Continued)

A. Cash, Cash Equivalents, and Investments (Continued)

2. Investments

The City maintains an operating investment in a Vanguard Direct Investment account, which is measured at net asset value (NAV). As of September 30, 2025, the City held investments totaling $1,506,000 in shares of Vanguard Institutial Index Fund, Developed Markets Index Fund, Total Bond Market Index Fund, and Real Estate Index Fund. The City holds shares in these funds rather than in the individual securities within the mutual funds.

The following table presents investments held in the City's fiduciary funds at September 30, 2025 carried at fair value by level within the valuation hierarchy and investments carried at net asset value or amortized cost (in thousands).

Investment type by fair value level	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt securities	$ 289,633	$ 18,308	$ 271,325	$ -
Equity securities	1,206,023	1,206,023	-	-
Total investments at fair value	1,495,656	$ 1,224,331	$ 271,325	$ -
Investments measured at net asset value				
Mutual index funds	198,667			
Debt securities	96,053			
Alternative investments	305,844			
Private equity funds	273,791			
Timber	117,364			
Private Credit Funds	153,305			
Total investments measured at net asset value	1,145,024			
Total investments	$ 2,640,680			

The assets shown as Level 1 Inputs represent those investments for which the City's custodian had directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities. The assets shown as Level 2 Inputs represent those investments for which the City's custodian had inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means. The assets shown as Level 3 Inputs represent those investments for which the City's custodian utilized unobservable inputs when relevant Level 1 and Level 2 inputs were unavailable. The level in which an asset is assigned is not indicative of its quality but an indication of the source of valuation. There were no changes in the valuation techniques used by the City's custodian from the end of the prior fiscal year.

The Mutual funds category comprises the invested assets of the defined contribution portion of the City's pension plan, which are used to pay matching contributions to City retirees. As of September 30, 2025, these investments totaled $198,667,000.

The Debt securities category is composed of a core-plus commingled fixed income manager. The Pension Fund may withdraw from the core fixed-income accounts at any time with reasonable notice (five business days are recommended).

The alternative investment consists of commingled funds and a number of limited partnerships. The City has invested in two commingled funds. The commingled funds permit withdrawals once per quarter by providing advance notice of 45 days prior to the end of the quarter; all withdrawals are subject to available cash, as determined by the fund's Trustee. Available cash is defined as excess cash after provision for outstanding future capital commitments and other operating reserves. If withdrawal requests exceed available cash, distributions are made on a pro rata basis. Withdrawal requests are typically paid on the final day of the quarter. As of September 30, 2025, the commingled funds had a NAV of approximately $92,200,000.

Note IV - Detailed Notes - All Funds (Continued)

A. Cash, Cash Equivalents, and Investments (Continued)

Alternative investment limited partnerships cannot be redeemed at the option of the Pension Fund; the Pension Fund will receive distributions over the life of each limited partnership. Each partnership is expected to distribute the principal and earnings to the Pension Fund over a period of approximately 12 years from the establishment date of the partnership. The Pension Fund has investment commitments in 17 active limited partnerships, all of which have varying start dates and commitment amounts. As of September 30, 2025, the Pension Fund had approximately $98.0 million in remaining commitments to these various real estate partnerships, with an expectation that the total contributions to each partnership will ultimately reach about 95% of the total commitment amount for each individual partnership.

Private equity funds consist of several limited partnerships as of September 30, 2025. The limited partnerships cannot be redeemed at the option of the Pension Fund; the Pension Fund will receive distributions over the life of each limited partnership. Each partnership is expected to distribute the principal and earnings to the pension fund over a period of approximately 12 years from the establishment date of the partnership. The Pension Fund has investment commitments in thirteen active limited partnerships, all of which have varying start dates and commitment amounts. As of September 30, 2025, the Pension Fund had approximately $52 million in remaining commitments to these various partnerships, with an expectation that the total contributions to each partnership will ultimately reach about 85% of the total commitment amount for each individual partnership.

Timber funds consist of several limited partnerships. The limited partnerships cannot be redeemed at the option of the Pension Fund; the Pension Fund will receive distributions over the life of each limited partnership. Each partnership is expected to distribute the principal and earnings to the Pension Fund over a period of approximately 12 years from the establishment date of the partnership. The Pension Fund has investment commitments in six active limited partnerships, all of which have varying start dates and commitment amounts. As of September 30, 2025, the Pension Fund had approximately $8 million in remaining commitments to these various timber partnerships.

Private credit funds consist of several limited partnerships. The limited partnerships cannot be redeemed at the option of the Pension Fund; the Pension Fund will receive distributions over the life of each limited partnership. Each partnership is expected to distribute the principal and earnings to the Pension Fund over a period of approximately six to ten years from the establishment date of the partnership. The Pension Fund has investment commitments in eleven active limited partnerships, all of which have varying start dates and commitment amounts. As of September 30, 2025, the Pension Fund had approximately $42.5 million in remaining commitments to these various private credit partnerships, with an expectation that the total contributions to each partnership will ultimately reach about 85% of the total commitment amount.

Credit Risk: The City's Investment Policy for the Pension Plan requires its fixed-income managers to manage a high-grade portfolio of bonds. The individual money managers evaluate risk in their selection of bond securities to hold in their portfolios. The Pension Plan measures credit quality using the Standard & Poor's rating scale.

As of September 30, 2025, the City had the following pension investments subject to credit risk:

Quality Breakdown	Portfolio Percentage
US Treasury	23.73%
US Agency	10.18
AAA	9.61
AA	8.38
A	8.53
BBB	8.63
B	0.21
Commingled	30.73
Total	100.00%

Foreign Currency Risk: The City's Investment Policy for the Pension Plan does not explicitly address foreign currency risk. The investment policy specifies the market sectors of the investments and the benchmark for each sector.

Note IV - Detailed Notes - All Funds (Continued)

A. Cash, Cash Equivalents, and Investments (Continued)

Individual money managers are hired to manage each sector and are evaluated on their performance against that benchmark. The individual money managers evaluate risk in their selection of securities to hold in their portfolios.

The following table below shows the Foreign Currency Risk for the City's Pension Plan with the amount (in thousands) and the percentage each currency represents for the Pension Plan's cash, cash equivalents and investments:

	Exposure	Percentage
United States Dollar	$ 2,199,028	91.60%
Euro	67,314	2.80
British Pound Sterling	41,419	1.72
Japanese Yen	30,216	1.26
Swiss Franc	18,407	0.77
South Korean Won	12,091	0.50
Hong Kong Dollar	9,118	0.38
Australian Dollar	7,965	0.33
Danish Krone	7,549	0.31
Swedish Krona	3,409	0.14
Singapore Dollar	1,216	0.05
New Israeli Shekel	1,058	0.04
Norwegian Krone	991	0.04
Taiwan Dollar	542	0.02
Canadian Dollar	446	0.02
New Zealand Dollar	285	0.01
Brazilian Real	241	0.01
Total	$ 2,401,295	100.00%

Interest Rate Risk: The City of Tallahassee's Investment Policy for the Pension Plan does not explicitly address interest rate risk. The investment policy specifies the market sectors of the investments and the benchmark for each sector. Individual money managers are hired to manage each sector and are evaluated on their performance against that benchmark. The individual money managers evaluate risk in their selection of securities to hold in their portfolios.

The City of Tallahassee held the following debt securities for its Pension Fund on a time-segmented basis as of September 30, 2025 (in thousands):

Debt Securities	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	10+ Years
U.S. Treasury	$ 58,048	$ -	$ 23,370	$ 25,218	$ 9,460
U.S. Agency	21,966	9,665	9	591	11,701
Asset Backed	15,329	-	1,699	5,051	8,579
Corporate Bonds	62,188	2,810	22,091	20,783	16,504
Private Credit	153,305	153,305	-	-	-
Municipal	32,463	-	4,658	8,883	18,922
Other	26,165	26,165	-	-	-
Subtotal	369,464	$ 191,945	$ 51,827	$ 60,526	$ 65,166
Commingled	19,118				
Total	$ 388,582				

B. Securities Lending Transactions

In accordance with Section 51 of the City Charter, the City Treasurer-Clerk or his designee may authorize investment transactions that he considers prudent. Accordingly, the City participates in securities lending transactions via a Securities Lending Agreement with The Northern Trust Company ("Northern") that authorizes the banking institution to lend the City's securities to approved broker-dealers and banks in order to generate additional income. Gross

Note IV - Detailed Notes - All Funds (Continued)

B. Securities Lending Transactions (Continued)

income from securities lending transactions and the fees paid to Northern are reported in the City's statements. Assets and liabilities include the value of the collateral held.

During the fiscal year ended September 30, 2025, Northern loaned, at the direction of the City's Treasurer-Clerk, securities and received cash, securities issued or guaranteed by the United States government, and irrevocable bank letters of credit as collateral. Northern does not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers were required to deliver cash collateral for each loan equal to at least 102% of the initial fair value of the loaned securities or if the borrowed securities and the collateral were denominated in different currencies, equal to 105% of the fair value of the securities.

There are no restrictions on the amount of securities that may be loaned. The Agreement requires Northern to indemnify the City for losses attributable to violations by Northern of the Standard of Care set out in the Agreement. There were no such violations during the fiscal year ended September 30, 2025. Moreover, there were no losses during the fiscal year ended September 30, 2025 resulting from a default of any borrower.

During the fiscal year ended September 30, 2025, the City and each borrower maintained the right to terminate all securities lending transactions on demand. For the Pension Fund, the cash collateral received on each loan of securities together with the cash collateral of other qualified plan lenders were invested in a collective investment pool with Northern. The cash collateral for the non-pension funds lending activity was invested in a liquid assets portfolio institutional account. Because the loans are terminable at will, their duration did not generally match the duration of the investments made with the cash collateral. For the Pension Fund, the average term of the loan was approximately 96 days and the average duration of the investment pool was 19 days. For the non-pension funds, the average term of the loan was 180 days and the average duration of the investment pool was 36 days. On September 30, 2025, the City had no credit risk exposure to borrowers in either its pension or non-pension funds.

On September 30, 2025, for the City's Pension Fund, the collateral held and the fair value of securities on loan were $110,316,000 and $107,707,000, respectively; for the City's non-pension funds, the collateral held and the fair value of securities on loan were $10,412,000 and $10,160,000 respectively.

A summary of the fair value of the securities on loan as of September 30, 2025 follows (in thousands):

	Pension Fund	Non-Pension Fund
Corporate Bonds	$ 8,756	$ 3,077
Common Stock	75,359	-
U.S. Government Treasury Notes	23,592	7,083
	$ 107,707	$ 10,160

C. Receivables

1. Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Leon County Property Appraiser and the Leon County Tax Collector. The laws of the State regulating tax assessment are also designed to ensure consistent property taxes at a rate of up to 10 mills. The millage rate assessed by the City for the fiscal year ended September 30, 2025 was 4.42. All property is assessed by the county according to its fair market value on January 1 of each year. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of State Statutes.

The current year taxes for the fiscal year, beginning October 1, are billed in the month of November and are due no later than March 31. On April 1, all unpaid amounts become delinquent and are subject to interest and penalties. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount. Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1 following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower

Note IV - Detailed Notes - All Funds (Continued)

C. Receivables (Continued)

rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the seven year statute of limitations.

The City Tax Calendar is as follows: Valuation Date: January 1; Levy Date: November 1; Due Date: March 31, Succeeding Year; and Lien Date: April 1, Succeeding Year.

2. Leases

The City leases land, offices and buildings, equipment, and infrastructure capital assets including Airport infrastructure and land (non-regulated leases), to various third-party tenants doing business in the City of Tallahassee. The leases have terms including options to extend between one and eleven years, with payments required monthly, semiannually, or annually. At the commencement of the leases, the lease receivables are measured at the present value of payments expected to be received during the lease term.

In fiscal year 2025, the city recognized $1,076,000 of lease revenue and $51,000 of interest revenue related to these leases. As of September 30, 2025 the City's receivables were valued at $2,530,000.

The principal and interest requirements to maturity for the lease receivables as of September 30, 2025, are as follows (in thousands):

	Governmental Activities	
Year Ending September 30	Principal	Interest
2026	$ 196	$ 17
2027	119	14
2028	104	12
2029	97	11
2030	100	9
2031-2035	555	23
Total	$ 1,171	$ 86

	Business-Type Activities					
Year Ending September 30	Water		Airport		Star Metro	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 277	$ 11	$ 72	$ 4	$ 69	$ 8
2027	290	8	37	2	72	5
2028	145	4	23	-	71	2
2029	149	3	-	-	-	-
2030	154	1				
Total	$ 1,015	$ 27	$ 132	$ 6	$ 212	$ 15

3. Regulated Leases

The City has leasing agreements for aeronautical use of the Airport's airfield, terminal, and other facilities as defined by the Federal Aviation Administration, which qualify to be treated as regulated in accordance with the requirements of GASB 87. The City leases land and buildings to third parties under these agreements.

Note IV - Detailed Notes - All Funds (Continued)

C. Receivables (Continued)

As of September 30, 2025, the remaining amount of expected future minimum payments under these agreements is as follows (in thousands):

Year ending September 30,		
2026	$	9,829
2027		9,424
2028		1,313
2029		1,206
2030		1,241
2031-2035		6,382
2036-2040		5,368
2041-2045		3,341
2046-2050		2,979
2051-2055		1,693
	$	42,776

Effective October 2022, the City entered into three-year lease and use agreements with its major airline tenants, (the Signatory Airline Agreements). On January 1, 2025, the Airline-Airport Use and Lease Agreement automatically extended to September 30, 2027. The agreement requires that rates for rentals, fees and charges be reviewed annually and adjusted so that the total airline revenues equal the Signatory Airline's share of the applicable costs. Year-end settlement provisions under the agreement provide for a recalculation of rates and charges. Upon determination of any difference between the actual rentals, fees and charges paid by Signatory Airlines, the City shall return to the airlines the amount of such difference in the event of an overpayment, and in the event of an underpayment, the City will invoice the airlines for the amount of such underpayment.

Final settlements are made each year after the audit of the City's Annual Comprehensive Financial Report. Other airlines operating at the Airport are billed at rates established by the non-signatory agreement.

The Signatory Airlines lease certain premises in the passenger terminal building. Under this agreement, all space leased is preferential. American Airlines preferentially leases terminal space, facilities on the ramp levels and gates on Concourse A. Delta Air Lines preferentially leases terminal space, facilities on the ramp levels and gates on Concourse B.

No other airlines have exclusive or preferential use of more than five (5) percent of terminal space or other areas of the Airport as of September 30, 2025. Exclusive and preferential use of space are summarized as follows:

	Tallahassee International Airport Leased Terminal Space					
	American	Delta	Vacant	Joint Use	Other Space	Total
Airline Leased Space (sq.ft.)	5,653	6,860	-	28,222	-	40,735
Airline Preferential	5,653	6,860	22,411	-	-	34,924
Joint Use	-	-	-	28,222	-	28,222
Concessions	-	-	-	-	14,641	14,641
Other Rentable	-	-	-	-	13,353	13,353
Total Leasable Space	5,653	6,860	22,411	28,222	27,994	91,140
Preferential Passenger Boarding Bridge Assignments	2	2	4	-	-	8

Note IV - Detailed Notes - All Funds (Continued)

D. Capital Assets

Capital Asset activity for the fiscal year ended September 30, 2025 was as follows (in thousands):

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Non-Depreciable Assets:				
Land	$ 371,266	$ 746	$ -	$ 372,012
Construction-in-Progress	55,244	64,113	(21,570)	97,787
Total Non-Depreciable Assets	$ 426,510	$ 64,859	$ (21,570)	$ 469,799
Depreciable and Amortizable Assets:				
Buildings	$ 131,016	$ 370	$ -	$ 131,386
Equipment	58,621	15,183	(604)	73,200
Improvements other than buildings	15,161	9,895	-	25,056
Infrastructure	1,007,755	3,722	-	1,011,477
Intangibles	1,933	-	-	1,933
Intangible Right-to-Use Property	2,294	3,630	-	5,924
Intangible Right-to-Use Equipment and Fixtures	7,848	925	(1,380)	7,393
SBITAs	8,767	14,924	(3,224)	20,467
Total Depreciable and Amortizable Assets	1,233,395	48,649	(5,208)	1,276,836
Less accumulated depreciation and accumulated amortization for:				
Buildings	(89,710)	(2,256)	-	(91,966)
Equipment	(41,184)	(3,009)	210	(43,983)
Improvements other than buildings	(9,976)	(283)	-	(10,259)
Infrastructure	(770,343)	(24,113)	-	(794,456)
Intangibles	(394)	(179)	-	(573)
Intangible Right-to-Use Property	(1,125)	(239)	-	(1,364)
Intangible Right-to-Use Equipment and Fixtures	(5,459)	(1,339)	1,380	(5,418)
SBITAs	(4,913)	(5,776)	2,231	(8,458)
Total Accumulated Depreciation and Amortization	(923,104)	(37,194)	3,821	(956,477)
Total Depreciable and Amortizable Assets, net	$ 310,291	$ 11,455	$ (1,387)	$ 320,359
Business-Type Activities				
Non-Depreciable Assets:				
Land	$ 157,002	$ 2,687	$ (669)	$ 159,020
Construction-in-Progress	125,531	127,430	(64,939)	188,022
Total Non-Depreciable Assets	$ 282,533	$ 130,117	$ (65,608)	$ 347,042
Depreciable and Amortizable Assets:				
Buildings	$ 245,751	$ 10,772	$ (9,646)	$ 246,877
Equipment	1,138,312	65,037	(29,528)	1,173,821
Improvements other than buildings	53,491	2,444	-	55,935
Infrastructure	1,630,213	42,444	-	1,672,657
Intangibles	310,479	-	-	310,479
Intangible Right-to-Use Equipment and Fixtures	3,936		(6)	3,930
SBITAs	2,895	691	(168)	3,418
Total Depreciable and Amortizable Assets	3,385,077	121,388	(39,348)	3,467,117
Less accumulated depreciation and accumulated amortization for:				
Buildings	(126,363)	(6,475)	(18)	(132,856)
Equipment	(806,661)	(52,863)	6,981	(852,543)
Improvements other than buildings	(36,244)	(1,684)	74	(37,854)
Infrastructure	(757,798)	(38,361)	130	(796,029)
Intangibles	(167,264)	(11,614)	-	(178,878)
Intangible Right-to-Use Equipment and Fixtures	(1,325)	(442)	6	(1,761)
SBITAs	(1,376)	(685)	60	(2,001)
Total Accumulated Depreciation and Amortization	(1,897,031)	(112,124)	7,233	(2,001,922)
Total Depreciable and Amortizable Assets, net	$ 1,488,046	$ 9,264	$ (32,115)	$ 1,465,195

Note IV - Detailed Notes - All Funds (Continued)

D. Capital Assets (Continued)

Depreciation and amortization expense was charged to functions/programs of the primary government as follows (in thousands):

Governmental Activities:		
General Government	$	477
Public Safety		207
Transportation		607
Human Services		108
Economic Development		16
Physical Environment		14
Culture and Recreation		695
General Infrastructure		25,933
Capital Assets held by the governmental internal service funds are charged to the various functions based on their usage of assets		9,137
Total depreciation and amortization expense governmental activities	$	37,194
Business-Type Activities:		
Electric	$	53,194
Gas		2,577
Sewer		21,345
Water		8,411
Airport		7,816
StarMetro		3,834
Solid Waste		1,218
Golf		45
Stormwater Management		3,005
Fire Services		1,066
Capital Assets held by the business-type internal service funds are charged to the various functions based on their usage of assets		9,613
Total depreciation and amortization expense-business-type activities	$	112,124

Note IV - Detailed Notes - All Funds (Continued)

E. Interfund Receivables, Payables, Intergovernmental Charges, and Transfers

1. Interfund Receivables/Payables

At September 30, 2025, Interfund Receivables and Payables are as follows (in thousands):

Fund	Due From	Due To	Advance To	Advance From
General	$ -	$ 23	$ -	$ 1,154
Electric	30,000	-	3,000	3,447
Sewer	-	-	9,017	-
Airport	-	3	-	50
Stormwater	-	-	-	3,866
Nonmajor governmental	1,551	1,551	9,002	3,000
Nonmajor business-type	-	26,592	-	10,932
Internal service funds	26,618	30,000	1,430	-
	$ 58,169	$ 58,169	$ 22,449	$ 22,449

$58,169,000 of the interfund receivables and payables balances represent amounts remaining from loans to fund operations. $22,449,000 of these balances represent amounts loaned for capital funding.

2. Intergovernmental Charges

Certain functions of the City of a general and administrative nature are accounted for in internal service funds. The costs accumulated in these funds are allocated to the various funds benefited by the services via charges, which are recorded as charges for services in the internal service funds and expenses or expenditures in the benefited funds. Such costs allocated to the funds for the year ended September 30, 2025 are as follows (in thousands):

General	$ 28,254
Electric	31,964
Gas	5,372
Sewer	13,054
Water	12,494
Airport	2,523
Stormwater management	7,771
Nonmajor business type	28,576
Nonmajor governmental type	1,433
Fiduciary type	1,169
Internal service type	12,403
Total	$ 145,013

Note IV - Detailed Notes - All Funds (Continued)

E. Interfund Receivables, Payables, Intergovernmental Charges, and Transfers (Continued)

3. Interfund Transfers

Interfund transfers are made for the funding of capital projects, debt service, for subsidies of various city operations, and for reallocation of special revenues. The following schedule summarizes city transfer activity for the fiscal year ended September 30, 2025 (in thousands):

	Transfers In						
Transfers Out	General	Sewer	Water	Nonmajor Govt.	Nonmajor Business-Type	Internal Service Funds	Total
General	$ -		$ 213	$ 10,637	$ 7,636	$ 877	$ 19,363
Electric	38,200	32	236	382	-	12,367	51,217
Gas	3,717	293	195	1	-	447	4,653
Sewer	6,197	-	-	4	-	566	6,767
Water	4,503	-	-	3	-	873	5,379
Airport	8	-	-	-	-	14	22
Stormwater	572	-	-	5	-	349	926
Nonmajor governmental	816	-	-	4,952	5,132	3	10,903
Nonmajor business-type	2,833	-	-	2	-	681	3,516
Internal Service	1,184	-	-	20	-	132	1,336
Total	$ 58,030	$ 325	$ 644	$ 16,006	$ 12,768	$ 16,309	$ 104,082

F. Lease Payables

The City has entered into agreements to lease certain land, office and buildings, machinery, equipment and vehicles. These lease agreements qualify as other than short-term leases under GASB 87 and therefore, have been recorded at the present value of the future minimum lease payments as of their inception. The terms and conditions for these leases vary and may contain renewal options, the options are not considered in determining the lease term and associated potential option payments are excluded from the present value calculation of the right to use lease asset and the lease liability determination. The City's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. As a result of the leases, the City has recorded the right to use assets with a total net book value of $6,535,000 for governmental activities and $2,169,000 for business-type activities.

Payments due under the lease contracts include fixed, periodic payments over the lease terms plus, for many of the City's leases, variable, and non-lease component payments. For the City's leases, variable lease payments that depend on future performance or usage of the underlying asset and not lease components are excluded from the measurement of the lease liability and recognized as outflows of resources.

In fiscal year 2025, the City recognized $2,129,880 in variable lease payments related to these leases. As of September 30, 2025, the City's lease payables were valued at $9,211,000.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2025, were as follows (in thousands):

	Governmental Activities	
Year Ending September 30,	Principal	Interest
2026	$ 873	$ 285
2027	920	245
2028	318	202
2029	261	187
2030	215	176
2031-2095	4,391	2,500
Total	$ 6,978	$ 3,595

Note IV - Detailed Notes - All Funds (Continued)

F. Lease Payables (Continued)

	Business-Type Activities					
Year Ending September 30,	Airport		Star Metro		Utility Services	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 3	$ -	$ 382	$ 25	$ 30	$ 3
2027		-	387	20	26	2
2028	-	-	393	15	27	1
2029	-	-	398	10	15	-
2030	-	-	402	5	-	-
2031-2095	-	-	170	1	-	-
Total	$ 3	$ -	$ 2,132	$ 76	$ 98	$ 6

G. Subscription-Based Information Technology Arrangements (SBITAs)

The City has entered into subscription-based information technology arrangements (SBITAs). The SBITA agreements qualify as other than short-term under GASB 96 and therefore, have been recorded at the present value of the future subscription payments as of the date of their inception. Accordingly, the City's estimated incremental borrowing rates of 3.93 percent to 4.27 percent were used to discount the SBITA payments. As a result of the subscriptions, the City has recorded the right to use assets with a total net book value of $13,443,000. The SBITA liability balance was $10,823,000 on September 30, 2025.

The future minimum SBITA payments as of September 30, 2025, were as follows (in thousands):

	Governmental Activities	
Year Ending September 30,	Principal	Interest
2026	$ 4,532	$ 382
2027	3,672	196
2028	850	46
2029	480	130
Total	$ 9,534	$ 754

	Business-Type Activities									
Year Ending September 30,	Garage		Star Metro		Water		Accounting		Sewer	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 459	$ 41	$ 69	$ 3	$ 29	$ 1	$ 80	$ 7	$ 70	$ 3
2027	492	21	-	-	-	-	46	4	-	-
2028	-	-	-	-	-	-	44	2	-	-
Total	$ 951	$ 62	$ 69	$ 3	$ 29	$ 1	$ 170	$ 13	$ 70	$ 3

Note IV - Detailed Notes - All Funds (Continued)

H. Long-Term Debt

1. Summary of Changes in Long-Term Debt

The following is a summary of the changes in Long-Term Debt for the year ended September 30, 2025 (in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Current	Noncurrent
Governmental Activities:						
General Revenue Bonds	$ 122,070	$ 88,365	$ 26,170	$ 184,265	$ 4,425	$ 179,840
Unamortized Premiums	7,951	5,552	2,988	10,515	-	10,515
Public Improvement Revenue Note 2020	7,310	-	7,310	-	-	-
Public Improvement Revenue Note 2024	25,000	-	950	24,050	1,445	22,605
Redevelopment Revenue Note	2,300	-	565	1,735	570	1,165
Financed Purchase - Panasonic MDC ML	-	1,027	-	1,027	247	780
Financed Purchase - Firewalls ML	-	1,568	-	1,568	298	1,270
Financed Purchase - Dell Laptops ML	-	2,167	-	2,167	521	1,646
Bonds and Loans Payable	164,631	98,679	37,983	225,327	7,506	217,821
Compensated Absences	11,970	1,117	-	13,087	8,036	5,051
Net Pension Liability	191,158	-	75,538	115,620	-	115,620
Net OPEB Liability	37,202	7,030	6,280	37,952	-	37,952
Lease Payable	3,963	4,554	1,539	6,978	873	6,105
SBITA Liability	2,955	12,798	6,219	9,534	4,532	5,002
Total Governmental-Type Debt	411,879	124,178	127,559	408,498	20,947	387,551
Business-Type Activities:						
Energy System Refunding 2017	123,770	-	123,770	-	-	-
Energy System Refunding 2020	41,790	-	10,190	31,600	10,050	21,550
Energy System Refunding 2023	53,565	-	6,400	47,165	6,570	40,595
Energy System Refunding 2024	199,190	-	460	198,730	1,885	196,845
Energy System Refunding 2025	-	108,545	-	108,545	5,385	103,160
Consolidated Utility System 2018	36,050	-	36,050	-	-	-
Consolidated Utility System Refunding 2020	5,485	-	2,675	2,810	2,810	-
Consolidated Utility System Refunding 2023	31,765	-	3,040	28,725	3,130	25,595
Consolidated Utility System 2024	44,660	-	1,760	42,900	1,845	41,055
Consolidated Utility System Refunding 2024A	180,995	-	4,300	176,695	4,520	172,175
Consolidated Utility System Refunding 2025	-	96,825	-	96,825	350	96,475
2019 Transportation Improvement Bond	3,755	-	907	2,848	928	1,920
Fire Improvement Revenue Note 2024	27,000	-	185	26,815	490	26,325
Unamortized Premiums/Discounts	94,487	16,382	30,280	80,589	-	80,589
Financed Purchase - Energy Efficiency ML	-	9,065	-	9,065	440	8,625
Bonds and Loans Payable	842,512	230,817	220,017	853,312	38,403	814,909
Compensated Absences	16,617	1,738	-	18,355	11,628	6,727
Net Pension Liability	40,227	-	26,025	14,202	-	14,202
Net OPEB Liability	25,370	5,928	5,090	26,208	-	26,208
Lease Payables	2,668	-	435	2,233	415	1,818
SBITA Liability	1,544	-	255	1,289	707	582
Total Business-Type Debt	928,938	238,483	251,822	915,599	51,153	864,446
Total Long-Term Debt	$ 1,340,817	$ 362,661	$ 379,381	$ 1,324,097	$ 72,100	$ 1,251,997

With the implementation of GASB 101, the change in the balance of compensated absences is now reflected as a net amount.

Note IV - Detailed Notes - All Funds (Continued)

H. Long-Term Debt (Continued)

2. Summary of Individual Bond Issues

Summarized below are the City's individual bond issues outstanding at September 30, 2025 (in thousands):

General Obligation Bonds:

General Obligation Bonds are payable from the following pledged revenues: Local Government Half-Cent Sales Tax, Guaranteed Entitlement Revenues, Local Communications Services Tax, and Public Service Tax. The total pledged revenues available for fiscal year 2025 was $44,081, with a total debt service requirement of $8,683.

$26,975,000 Capital Improvement Refunding Revenue Bond – Series 2009, due in annual installments ranging from $550,000 to $1,240,000 ending on April 1, 2031, at a 3.710% interest rate. The Bond is payable from and secured by a junior lien and pledge of the Local Government Half-cent Sales Tax, Guaranteed Entitlement Revenues, and the Communications Service Tax. Current year principal and interest paid was $1,348.	$	4,760
$6,035,000 Capital Bonds - Series 2021, due in annual installments ranging from $665,000 to $920,000 ending on October 1, 2028, at a 1.24% interest rate. Bonds are payable from and secured by a first lien and pledge of the Guaranteed Entitlement Revenues, the Local Government Half-cent Sales Tax, the Local Communications Services Tax, and the Public Service Tax Revenues. Current year principal and interest paid was $930.		2,730
$38,000,000 Capital Bonds - Series 2022, due in annual installments ranging from $2,180,000 to $5,980,000 ending on October 1, 2034 at a 3.480% interest rate. Bonds are payable from and secured by a first lien and pledge of the Local Government Half-Cent Sales Tax, Guaranteed Entitlement Revenues, Communications Service Tax and Public Service Tax Revenues. Current year principal and interest paid was $3,069.		23,380
$65,110,000 Capital Bonds - Series 2024, due in annual installments ranging from $80,000 to $2,2,00,000 ending on October 1, 2054 at a 5.000% interest rate. Bonds are payable from and secured by a first lien and pledge of the Local Government Half-Cent Sales Tax, Guaranteed Entitlement Revenues and Communications Service Tax. Current year principal and interest paid was $3,336.		65,030
$88,365,000 Capital Bonds - Series 2025, due in annual installments ranging from $450,000 to $4,750,000 ending on October 1, 2055 at a 5.000% to 5.25% interest rate. Bonds are payable from and secured by a first lien and pledge of the Local Government Half-Cent Sales Tax, Guaranteed Entitlement Revenues and Communications Service Tax. Principal and interest payments do not begin until FY2026.		88,365
Total General Revenue Bonds	$	184,265

Proprietary Revenue Bonds:

Energy System Rrevenue Bonds are payable solely from and secured by a lien on and pledge of the Net Revenues of the City's Energy System (Electric and Gas funds) until the bond maturity dates of 2028, 2032, 2042 and 2037. In FY 2025, the Electric and Gas funds reported $148,355 of net pledged revenues for coverage of a principal and interest debt service requirement of $42,851, of which $9,884 was paid on Energy System Revenue Bonds - Series 2017 which was refunded.

$80,195,000 Energy System Refunding Revenue Bonds - Series 2020, due in annual installments ranging from $7,715,000 to $11,010,000 ending on October 1, 2028, at an interest rate of 5.00%. Bonds are payable and secured by a lien on and pledge of certain funds provided by the 1998 General Resolution, which includes the net revenues of the City's Energy System. Current year principal and interest paid was $12,280.		31,600

Note IV - Detailed Notes - All Funds (Continued)

H. Long-Term Debt (Continued)

$59,739,000 Energy System Refunding Revenue Bonds - Series 2023, due in annual installments ranging from $135,453 to $1,656,183 ending on October 1, 2032, at an interest rate of 2.77. Bonds are payable and secured by a lien on and pledge of certain funds provided by the 1998 General Resolution, which includes the net revenues of the City's Energy System. Current year principal and interest paid was $7,884.	47,165
$199,190,000 Energy System Refunding Revenue Bonds - Series 2024, due in annual installments ranging from $460,000 to $21,130 ending on October 1, 2042, at an interest rate of 5.0%. Bonds are payable and secured by a lien on and pledge of certain funds provided by the 1998 General Resolution, which included the net revenues of the City's Energy System. Current year principal and interest paid was $11,747.	198,730
$108,545,000 Energy System Refunding Revenue Bonds - Series 2025, due in annual installments ranging from $5,385,000 to $14,995,000 ending on October 1, 2037, at an interest rate of 5.0%. Bonds are payable and secured by a lien on and pledge of certain funds provided by the 1998 General Resolution, which included the net revenues of the City's Energy System. Current year principal and interest paid was $1,056.	108,545
Consolidated Utility System Revenue Bonds are payable solely from and secured by a lien on and pledge of the Net Revenues of the Water and Sewer funds and gross revenues of the Stormwater fund until the bond maturity dates of 2026, 2035, 2048, 2040 and 2055. In fiscal year 2025, the Consolidated Utility System funds reported $72,551 of net pledged revenues for coverage of a principal and interest debt service requirement of $28,327, of which $3,414 was paid on Consolidated Utility System Revenue Bond - Series 2018 which was refunded.	
$14,875,000 Consolidated Utility System Refunding Revenue Bonds - Series 2020, due in annual installments ranging from $2,095,000 to $2,810,000 ending on October 1, 2026, at an interest rate of 5.0% on each maturity date. Bonds are payable and secured by a lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's water and sewer systems) and the gross revenues of the City's Stormwater Drainage System. Current year principal and interest paid was $2,949.	2,810
$34,720,000 Consolidated Utility System Refunding Revenue Bonds - Series 2023, due in annual installments ranging from $2,015,000 to $3,700,000 ending on October 1, 2035, at an interest rate of 2.89% . Bonds are payable and secured by a lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's water and sewer systems) and the gross revenues of the City's Stormwater Drainage System. Current year principal and interest paid was $3,958.	28,725
$44,660,000 Consolidated Utility System Revenue - Series 2024, due in annual installments ranging from $815,000 to $3,305,000 ending October 1, 2048, at an interest rate of 5.0%. The bond is payable and secured by a lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's Water and Sewer systems) and the gross revenues of the City's Stormwater Drainage System. Current year principal and interst paid was $3,993.	42,900
$180,955 ,000 Consolidated Utility System Refunding Revenue Bonds - Series 2024A, due in annual installments ranging from $3,675,000 to $25,125,000 ending on October 1, 2040, at an interest rate of 5.0%. Bonds are payable and secured by a lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's Water and Sewer systems) and the gross revenues of the City's Stormwater Drainage System. Current year principal and interest paid was $13,350.	176,695
$96,825 ,000 Consolidated Utility System Refunding Revenue Bonds - Series 2025, due in annual installments ranging from $350,000 to $6,900,000 ending on October 1, 2055, at an interest rate of 5.0% to 5.25%. Bonds are payable and secured by a lien on and pledge of certain funds provided by Resolution, net revenues of the City's Utility System (consisting of the City's Water and Sewer systems) and the gross revenues of the City's Stormwater Drainage System. Current year principal and interest paid was $663.	96,825

Note IV - Detailed Notes - All Funds (Continued)

H. Long-Term Debt (Continued)

Transportation Improvement Bond is payable from and secured by a covenant to budget and appropriate a pledge of legally available non-advalorem revenues from the General Fund. In fiscal year 2025, these revenues totaled $140,033, and current year principal and interest paid was $993.

$7,994,660 Transportation Improvement Bond – Series 2019, due in annual installments ranging from $809,990 to $970,840 ending on May 1, 2028, at an interest rate of 2.29%. The Bond is payable from and secured by a covenant to budget and appropriate pledge of legally available non-ad valorem revenues from the General Fund. The Bond was issued to purchase 14 electric buses for the City's mass transit bus system.	2,848
Total Proprietary Revenue Bonds	$ 736,843
Total Bonds Payable	$ 921,108

Note IV - Detailed Notes - All Funds (Continued)

H. Long-Term Debt (Continued)

3. Private Placement Bonds/Direct Borrowings

The following are all private placement bonds:

- Capital Improvement Refunding Revenue Bond, Series 2009
- Transportation Improvement Bond, Series 2019
- Capital Bonds, Series 2021
- Capital Bonds, Series 2022
- Energy System Refunding Revenue Bonds, Series 2023
- Consolidated Utility System Refunding Revenue Bonds, Series 2023

Should there be an Event of Default of these bonds, the interest rate on the applicable bond would increase to the Default Rate. If these bonds default on the debt service payments, the applicable lender has the right to require the City to pay the entire outstanding obligation of these bonds.

The borrowings identified below are the direct borrowings of the City with detailed descriptions:

Community Redevelopment Revenue Note, Series 2020

On December 16, 2020, the City of Tallahassee Community Redevelopment Agency executed Community Redevelopment Agency Redevelopment Revenue Note, Series 2020, which bears interest at a rate of 1.28% with annual installments ranging from $592,208 to $596,608 ending on January 15, 2028. The Note is payable from and secured by a covenant to budget and appropriate pledge of revenues generated from the tax increment as described in section 163.387, Florida Statutes, received annually by the Issuer and deposited into the Downtown Trust Fund,.and until applied in accordance with the provisions of the Resolution No. 20-R-57, all monies, including investments thereof, in the funds and accounts established thereunder. It was issued primarily to finance the cost of acquisition of a condominium unit consisting of two floors of structured parking with two hundred fifty-two public parking spaces. The outstanding balance of this loan was $1,735,000 as of September 30, 2025.

Fire Improvement Revenue Note (Fire Station Project), Series 2024

On June 26, 2024, the City executed Fire Improvement Revenue Note, Series 2024, which bears interest at a rate of 4.210% with annual installments ranging from $185,000 to $14,020,000 ending on April 1, 2044. The Note is payable from and secured by a covenant to budget and appropriate pledge of legally available non-ad valorem revenues. It was issued primarily to finance the cost of acquisition of a new fire station. The outstanding balance of this loan was $26,815,000 as of September 30, 2025.

Public Improvement Revenue Note (Senior Center Project), Series 2024

On April 10, 2024, the City executed Public Improvement Revenue Note (Senior Center Project), Series 2024, which bears interest at a rate of 4.045% with annual installments ranging from $950,000 to $2,320,000 ending on April 1, 2038. The Note is payable from and secured by a covenant to budget and appropriate pledge of legally available non-ad valorem revenues. It was issued primarily to finance the cost of acquisition of a new Senior Citizens Community Center. The outstanding balance of this loan was $24,050,000 as of September 30, 2025.

For all of the private placement bonds and direct borrowings, should the borrowings no longer be tax-exempt, the interest rate on the outstanding amount will be increased.

Note IV - Detailed Notes - All Funds (Continued)

H. Long-Term Debt (Continued)

4. Schedule of Debt Service Requirements, for All Outstanding Debt Including Principal and Interest (in Thousands)

	Governmental Activities				Business - Type Activities				
	Bonds		Bonds and Notes from Direct Borrowings and Direct Placements		Bonds		Bonds and Notes from Direct Borrowings and Direct Placements		
Year ending September 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total Debt Service
2026	$ 75	$ 8,267	$ 7,431	$ 2,141	$ 29,975	$ 32,158	$ 8,428	$ 2,808	91,283
2027	535	7,761	7,647	1,927	31,025	32,432	8,704	2,589	92,620
2028	1,285	7,735	7,150	1,695	33,045	30,949	8,941	2,341	93,141
2029	2,275	7,670	5,855	1,469	35,120	29,368	8,210	2,087	92,054
2030	2,385	7,557	5,204	1,253	37,435	27,686	8,450	1,847	91,817
2031-2035	17,875	35,674	21,435	3,551	224,320	108,604	18,700	6,283	436,442
2036-2040	26,145	29,989	6,695	549	208,350	50,952	7,600	4,469	334,749
2041-2055	102,820	42,138	-	-	87,560	35,623	16,860	2,308	287,309
Totals	$ 153,395	$ 146,791	$ 61,417	$ 12,585	$ 686,830	$ 347,772	$ 85,893	$ 24,732	$ 1,519,415

5. Other Debt Considerations

In the fiscal year, the City refunded Energy System Refunding Revenue Bonds, Series 2017, with the issuance of Energy System Refunding Revenue Bonds, Series 2025. The par amount of the Series 2017 bonds that was refunded totaled $118,870,000, leaving a balance of $4,900,000 that was paid from the City's debt service fund. The par amount of the 2025 bonds totaled $108,545,000. The refunding transaction was pre-planned in the original issue and any economic benefit was included in the future debt service calculation of the Series 2025 bonds.

Also in the fiscal year, the City refunded Consolidated Utility System Revenue Bonds, Series 2018 with the issue of Consolidated Utility System Refunding Revenue Bonds, Series 2025. The par amount of the Series 2018 bonds that was refunded totaled $36,050,000, leaving a balance of $0 . The par amount of the 2025 bonds totaled $96,825,000. This refunding transaction was anticipated in the original issue and any economic benefit was included in the future debt service calculation of the Series 2025 bonds.

The City, as of September 30, 2025, has entered into a Master Equipment Lease/Purchase Agreement with TD Equipment Finance Inc, as the lessor. The agreement shall not exceed $17,000,000 of aggregate principal component of Rental Payments under one or more Leases related to the Equipment entered into pursuant to the Agreement. The maximum interest rate used to determine the interest component of Rental Payments under each Lease shall not exceed 5.0% annum. The maximum term under each Lease shall not exceed 15 years.

6. Conduit Debt Obligations

From time to time, the City has acted as a conduit for the issuance of bonds for non-profit organizations for the acquisition, construction, and improvement of housing, educational, and medical facilities deemed to be in the public interest, and has issued Industrial Revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds.

- As of September 30, 2025, there were four series of Health Facilities Revenue Refunding Bonds outstanding. The original issue amounts totaled $357.3 million and the outstanding balance as of September 30, 2025 was $331.2 million.
- As of September 30, 2025, there was one Florida State University School Lease Revenue Bond outstanding. The original issue amount totaled $18.1 million and the outstanding balance as of September 30, 2025 was $1.50 million.

Note IV - Detailed Notes - All Funds (Continued)

H. Long-Term Debt (Continued)

- As of September 30, 2025, there was one Industrial Revenue Bond outstanding. The original issue amount totaled $5.4 million and the outstanding balance as of September 30, 2025 was $4.1 million.

I. Net Position

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

1. Net Investment in Capital Assets

Net Investment in Capital Assets is intended to reflect the portion of net position associated with non-liquid, capital assets less outstanding capital asset related debt. Related debt includes the outstanding balances of any bonds, mortgages, notes, or other borrowings attributable to the acquisition, construction, or improvement of capital assets of the City.

2. Restricted Assets

Restricted Assets are subject to constraints that are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

3. Unrestricted Assets

Unrestricted Assets are the portion of net position that are neither invested in capital assets nor restricted for use by a third party.

The net position shown in government-wide financial statements was changed beginning in fiscal year 2012 to comply with GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”. The details of net position presentation are explained in Note IV.I. “Fund Balance” below.

J. Fund Balance

The City classifies governmental fund balances as follows:

Non-spendable Fund Balance - includes fund balance amounts that cannot be spent either because it is a) not in a spendable form, such as inventory or b) because it is legally or contractually required to be maintained intact.

Spendable Fund Balance

Restricted – fund balance amounts constrained for specific purposes that are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.

Committed – fund balance amounts constrained for specific purposes imposed by majority vote of the City Commission.

Assigned – spendable fund balance amounts transferred from committed funds into projects or other funds under the control of the department budgeted to receive the committed funds. Budgetary control is established within each fund and department. The City Manager or designee may transfer amounts between departments within the same fund. These transfers are not specifically approved by the City Commission.

Unassigned – residual positive fund balance within the General Fund that was not classified within the categories defined above. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

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

The City Commission has established an emergency reserve policy and fund, referred to as the Deficiencies Fund, in order to meet unforeseen expenditures. The target amount per the policy is a maximum level of two (2) months of general government operating expenditures of the ensuing fiscal year’s operating budget. Use of the Deficiencies

Note IV - Detailed Notes - All Funds (Continued)

J. Fund Balance (Continued)

Fund requires approval by the City Commission. The Deficiencies Fund is contained as a separate sub-fund within the General Fund and the balance is classified as committed fund balance within the General Fund.

A schedule of City fund balances is provided below (in thousands):

	Non-Spendable	Restricted	Committed	Assigned	Unassigned	Total
General Fund						
Emergency Management	$ -	$ -	$ 28,983	$ -	$ -	$ 28,983
Inventory	861	-	-	-	-	861
Police Evidence Holding Cash	937	-	-	-	-	937
Scholarship Assistance	-	-	162	-	-	162
Unassigned	-	-	-	-	1,423	1,423
Total General Fund	1,798	-	29,145	-	1,423	32,366
Other Governmental Funds						
Advances to Other Funds	-	9,543	-	-	-	9,543
Animal Services	-	2,916	193	-	-	3,109
Building Improvements	-	5	89	-	-	94
Cemetery Grounds Maintenance	-	-	1,803	-	-	1,803
Community Development	-	36,685	2,393	-	-	39,078
Emergency Management	-	31	-	-	-	31
Environmental Cleanup	-	967	-	-	-	967
General Government	710	33,201	273	-	-	34,184
Historic Property Preservation	-	-	432	-	-	432
Housing	-	739	4,869	-	-	5,608
Land/Neighborhood Improvements	-	64	33	-	-	97
Park Enhancements	-	276	765	-	-	1,041
Police Enforcement/Crime Prevention	-	22	640	-	-	662
Police Equipment	-	-	1,469	-	-	1,469
Police Mentoring	-	2	-	-	-	2
Public Infrastructure	-	33,807	3,291	-	-	37,098
Public Safety - Building Code	-	1	-	-	-	1
Road Improvements	-	10,289	998	-	-	11,287
Sidewalks/Pedestrian & Bike Paths	-	13,686	5,833	-	-	19,519
Technology Upgrades	-	-	169	-	-	169
Traffic Signals	-	38	1,039	-	-	1,077
Transportation Improvements	-	-	1,041	-	-	1,041
Unassigned	-	-	-	-	(387)	(387)
Total Other Governmental Funds	710	142,272	25,330	-	(387)	167,925
Total Fund Balances	$ 2,508	$ 142,272	$ 54,475	$ -	$ 1,036	$ 200,291

Note V - Other Information

A. Outstanding Contracts

The City has outstanding commitments on various contracts for construction and other projects. These commitments, as of September 30, 2025, in the respective funds are as follows (in thousands):

General Fund	$ 3,011
Electric	25,120
Gas	1,665
Sewer	18,782
Stormwater Management	5,493
Water	7,259
Airport	26,820
Nonmajor Governmental	55,560
Nonmajor Enterprise	20,204
Internal Service Funds	16,774
Total	$ 180,688

Long-term purchase contract obligations for the purchase of gas and energy are disclosed in Note V.E. Long-term contracts are not included in the above outstanding commitment balances.

B. Risk Management Program

The risk management program is completely self-insured for General Liability, Employment Practice Liability and Auto Liability claims. General and automobile liability losses are statutorily limited by sovereign immunity of $200,000 per person and $300,000 per accident. For Fiscal years 2023, 2024 and 2025, there have not been any claims that exceeded the sovereign immunity limits. The risk management program purchases coverage for Worker's Compensation claims and certain other coverages including Aviation liability coverage, specialized policies for police and fire statutory death benefits, and a policy providing lump sum benefits for firefighter cancer claims. The Worker's Compensation retention is $1,250,000; however, beginning in fiscal year 2024, this retention was increased to $1,500,000. These losses are self-insured up to the proceeding amounts and any losses above this are insured through an excess policy. The City's buildings and contents are covered by two property insurance policies: one for municipal locations and one for utility locations, both with varying deductibles. During FY25, the City purchased a Builder Risk policy for the construction of the new Tallahassee Police Department headquarters. The policy term will run through May 2027. For exposures where the City does purchase commercial insurance, there have not been any claims that exceeded the coverage limits in fiscal years 2023, 2024 or 2025.

The Risk Management Fund, which is classified as an internal service fund, is responsible for collecting premiums from all of the departments for both self insured and commercial programs, paying claim settlements on the self insured claims and procuring commercial insurance. Claims settlements and loss expenses are reserved for the expected value of the known losses and for estimated incurred but not reported losses (IBNRs).

Annually, as of September 30, the program has a third-party actuary review the claim history for all claim years for which open self-insurance claims are outstanding. The actuary projects the ultimate claim payment obligation (including the IBNRs) for each year's claim experience and projects the new year's probable loss fund cost and a discounted alternative. The City elected to establish the liability at the discounted value (2.0%).

Changes in the balances of self-insured claims for the years ending September 30, 2025 and 2024 are as follows (in thousands):

	2025	2024
Unpaid claims - October 1 (including IBNRs)	$ 15,690	$ 19,097
Expenses	404	1,755
Claim payments	(3,148)	(5,162)
Unpaid claims - September 30 (including IBNRs)	$ 12,946	$ 15,690

Note V - Other Information (Continued)

C. Litigation

The City is involved in pending lawsuits. The City Attorney estimates that the potential claims against the City not covered by insurance resulting from litigation would not materially affect the financial position of the City.

D. Federal and State Grants

The City has received numerous federal and state grants that are subject to financial and compliance audits made in accordance with the Office of Management and Budget uniform administrative requirements, cost principles and audit requirements.

Certain grants, such as the Community Development Block Grant, HOME grant, State Housing Initiatives Partnership (SHIP), and others, provide for the issuance of loans to qualifying individuals or non-profit entities. Loans to individuals include down payment assistance loans that are not repaid unless certain events occur, such as the sale or refinancing of a purchased home within a certain time period. Loans to non-profit entities are sometimes only payable if the entity has sufficient annual cash flow, or may be forgiven by the City Commission to prevent economic hardship for the entity. Since repayment of these loans is contingent upon various factors, the loans are not reported in the financial statements. As of September 30, 2025, the contingent loans for Special Projects totaled $4.3 million. The contingent down payment assistance loan balance for SHIP totaled $1.7 million.

E. Long-Term Contracts

The City acquires natural gas and power through a combination of short, medium and long-term contracts. The City currently has 8 long-term natural gas "prepay" contracts discounted from an index: 1) 20-Year contract with Tennessee Energy Acquisition Corporation (TEAC); 2) 30-Year contract with TEAC ending in 2048; 3) 30-year contract with Blackbelt Energy ending in 2048; 4) TEAC 30-year contract ending in 2052; 5) Municipal Gas Authority of Georgia (MGAG)/Citadel 30-year contract ending in 2052; 6) MGAG/Citibank 30-year contract ending in 2052; 7) SEA/Morgan Stanley 30-year contract ending in 2052; and 8) SEA/J. Aron 30-year contract ending in 2053. These contracts save the City $6.2 million each year through 2053. The City also uses financial instruments to hedge natural gas for future periods. On October 9, 2025, the City hedged approximately 75% of the City's natural gas needs through FY 2026. Because the natural gas hedged took place after September 30, 2025, their valuations are not accounted for in this document. The City's obligation for financial hedges is limited to the difference between the hedge price and market price. The City is not obligated to purchase the underlying gas supply. Energy contracts are managed and monitored by the City's Energy Services Department. Revenues from customers through the Energy Cost Recovery Clause (ECRC) and the Purchased Gas Recovery Clause (PGRC) are designed to recover the costs incurred by these purchase commitments.

The City engages in the wholesale power markets on a short-term and long-term basis to buy or sell power when market prices are more economical than native generation. The City participates daily in the power markets for short-term opportunities to deliver the lowest cost power to our customers. The City continuously evaluates long-term purchase or sales offers through our internal planning process. The City has two Purchased Power Agreements (PPA) for solar energy. The first 20 MW of solar started in the fall of 2017 and the second 40 MW solar contract started in December of 2019. Each of these contracts are for 20 years with option clauses to either purchase or extend their terms. These contracts are managed and monitored by the City's Energy Services Department and Electric Utility. The following is a schedule, by years, of approximate minimum future purchase commitments on long-term purchase contracts as of September 30, 2025 (in thousands):

Years ending September 30,	Gas Contracts	Energy Contracts (including Solar PPA)	Total
2026	$ 54,919	$ 5,593	$ 60,512
2027	61,926	5,813	67,739
2028	59,945	6,068	66,013
2029	58,045	6,307	64,351
2030	56,061	6,554	62,615
Thereafter	1,337,266	65,169	1,402,435
Total	$ 1,628,162	$ 95,504	$ 1,723,665

Note V - Other Information (Continued)

F. Pension Plan Obligations

The City of Tallahassee sponsors and administers two pension plans, established by Chapter 14 of the City Code of Ordinances. There is one defined benefit plan and one defined contribution plan comprised of the following:

Name	Type
General Employees Group (Article II)	Cost-sharing multiple-employer, defined benefit
Police Officers Group (Article III)	Cost-sharing multiple-employer, defined benefit
Firefighters Group (Article IV)	Cost sharing multiple-employer, defined benefit
Matched Annuity Pension Plan (Article V)	Multiple-employer, defined contribution

The plans are administered by the City of Tallahassee Treasurer-Clerk's Office, under guidance from the plans' Board of Trustees, which is composed of the members of the City Commission and one City police officer or firefighter. The City police officer or firefighter is elected by a majority of the police officers and firefighters who are members of the plans. The City's general employee defined benefit provision and defined contribution provision is also provided for the employees of Blueprint Intergovernmental Agency (Blueprint), the Capital Region Transportation Planning Agency (CRTPA) and the Consolidated Dispatch Agency (CDA). Blueprint is a jointly governed organization, while CRTPA and CDA are both joint ventures. The defined benefit provision for police officers and firefighters is provided only for City employees. All accumulated plan assets of the defined benefit plan are available to pay any benefit to any plan member or beneficiary.

Although the City of Tallahassee administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group.

At September 30, 2025, the City reported a liability of $129,850,000 for its share of the net pension liability of the defined benefit plan which was determined using a measurement date of September 30, 2024. The allocation of the net pension liability of the plan was made based on covered payroll for each employer. The City's proportion for the current year is 98.17%, which is up by 0.84% from 97.33% in the prior year. The total pension liability was determined by an actuarial valuation as of October 1, 2023 rolled forward to September 30, 2024.

The aggregate amount of net pension assets, liabilities, related deferred inflows and outflows of resources, and pension expense for the City's defined benefit pension plan are summarized as follows:

Plan Obligations and Expenses (in thousands):	General Employees - City	Police Officers	Firefighters	Total Primary Government	Component Unit
Net Pension Liability	$ 38,979	$ 57,016	$ 33,827	$ 129,822	$ 28
Pension Related Deferred Outflows	72,873	33,970	16,553	123,396	68
Pension Related Deferred Inflows	(53,614)	(18,466)	(13,860)	(85,940)	(33)
Pension Expense	$ 9,095	$ 7,708	$ 2,136	$ 18,939	$ 5

The 2025 membership statistical information is as follows:

	General Employees	Police Officers	Firefighters	Total
Retirees and beneficiaries of deceased retirees currently receiving benefits	2,056	364	263	2,683
Terminated employees entitled to benefits but not yet receiving benefits	283	36	14	333
Active Employees	2,081	326	258	2,665

Note V - Other Information (Continued)

F. Pension Plan Obligations (Continued)

The defined benefit and defined contribution provisions are reported separately in the financial statements. The City of Tallahassee does not issue a stand-alone financial report for the Plan. The provisions of the Plan are "qualified" under the Internal Revenue Service Code and employee contributions are tax deferred.

1. Defined Benefit Provision

The Plan is established for all three programs in Chapter 14 of the City Code of Ordinances, through Parts A, B, C and D in Article II for general employees with Parts A, B and C closed to new participants. Effective April 1, 2013, the City Commission approved changes to the City's General Employees' Pension Plan creating Part D participants. Part D provides coverage to all new employees hired after that date. For police officers and firefighters, Article III and IV, respectively, Parts A and B are closed to new participants while Parts C and D provide coverage to all new employees. All members of the Plan are covered by one of these parts depending upon employment date. These parts provide a detailed description of the various defined benefit provisions. These provisions include the types of employees covered, benefit provisions, employee eligibility requirements for normal, early and/or vested retirements, and the related benefits of these retirements, pre-retirement death benefits, and provisions for disability retirements. There are also post retirement cost-of-living adjustments (COLA) and health care supplements.

	General Employees		Police Officers		Firefighters	
	Part C-Employees hired prior to April 1, 2013	Part D-Employees hired after April 1, 2013	Part C-Employees hired prior to October 1, 2021	Part D-Employees hired after October 1, 2021	Part C-Employees hired prior to October 1, 2017	Part D-Employees hired after October 1, 2017
Normal Retirement Benefits:						
Age	62 (or 30 years of Credited Service, regardless of age)	65 (or 33 years of Credited Service, regardless of age)	55 (or 25 years of Credited Service, regardless of age)	55 (or 25 years of Credited Service, regardless of age)	55 (or 25 years of Credited Service, regardless of age)	55 (or 25 years of Credited Service, regardless of age)
Years of Credited Service (minimum)	5	5	5	10	5	10
Average Final Compensation (AFC)	Higher of: 1) final 3 yrs; 2) any consecutive 3 yrs - 1/1987 to 12/2005, escalated by 3%; or 3) any consecutive 3 yrs during 1/1987 to the date of retirement.	Average of the highest consecutive 5 years of Credited Service	Higher of: 1) final 3 yrs; 2) any consecutive 3 yrs - 1/1987 to 12/2005, escalated by 3%; or 3) any consecutive 3 yrs during 1/1987 to the date of retirement.	Average of the highest consecutive 5 years of Credited Service	Higher of: 1) final 3 yrs; 2) any consecutive 3 yrs - 1/1987 to 12/2005, escalated by 3%; or 3) any consecutive 3 yrs during 1/1987 to the date of retirement.	Average of the highest consecutive 5 years of Credited Service
Benefit calculation	2.25% x AFC x Years of Credited Service, 3% for each year of pension participation as an Elected Official, and 2% for each year of purchased military and other public service	2.25% x AFC x Years of Credited Service, 3% for each year of pension participation as an Elected Official, and 2% for each year of purchased military and other public service	AFC x 2% - Purchased military or other public service, 3% - first 20 yrs of Credited Service, and 4% - after 20 yrs of Credited Service (up to an add'l 5 yrs and 3 mths)	AFC x 2% - Purchased military or other public service, and 3% - each year of Credited Service	AFC x 2% - Purchased military or other public service, 3% - first 20 yrs of Credited Service, and 4% - after 20 yrs of Credited Service (up to an add'l 5 yrs and 3 mths)	AFC x 2% per year of purchased military and out-of-city public service, and 3% per year of Credited Service
Maximum Benefit	81% of AFC	81% of AFC	81% of AFC	81 % of AFC	81% of AFC	81% of AFC

Note V - Other Information (Continued)
F. Pension Plan Obligations (Continued)

COLA	3% increase in benefits each 10/1 starting at the later of normal retirement date, or age 55 (under age and service eligibility); or age 50 (under service eligibility)	3% increase in benefits each 10/1 starting at the later of normal retirement date or age 65	3% increase in benefits each 10/1 starting between age 52 and 62 depending on pension entry date.	3% increase in benefits each 10/1 starting between age 52 and 62 depending on pension entry date.	3% increase in benefits each 10/1 starting between age 52 and 62 depending on pension entry date.	3% increase in benefits each 10/1 starting at the later of normal retirement date or age 62

	General Employees	Police Officers and Firefighters	
Early Retirement	If a member is retiring under the age and service eligibility, Normal Retirement Benefit is reduced by 4.8% per year for each year by which the Early Retirement date precedes the Normal Retirement date. If a member is retiring under the service eligibility, the Normal Retirement Benefit is reduced by 5% per year for each year by which the Early Retirement date precedes the Normal Retirement date.	Eligibility occurs at age 50 and 5 years of Credited Service or after completion of 20 years of Credited Service. If the member is retiring after attainment of age 50 and 5 years of Credited Service eligibility, the normal benefit is reduced by 3.0% per year for each year by which the Early Retirement date precedes the Normal Retirement date for Firefighters and Part C Police Officers. For Part D Police Officers, the benefit is reduced by 6.0%. If the member is retiring after attainment of 20 years of Credited Service, the Normal Retirement Benefit is reduced by 6.8% per year for each year by which the Early Retirement date precedes the 25 years of service attainment date for Firefighters and Part D Police Officers. For Part C Police Officers, the benefit is reduced by 7.2%.	
Disability	Five years of Credited Service for non-service connected disability. Immediate eligibility for service connected disability. Benefit: The greater of 1) the member's accrued benefit to date of disability; and 2) the member's benefit with service projected to normal retirement date not to exceed 50% of AFC in effect on the date of disability.	Two years of Credited Service for non-service connected disability. Immediate eligibility for service connected disability. Benefit: The greater of 1) the member's accrued benefit to date of disability; or 2) the member's benefit with service projected to normal retirement date not to exceed 50% of AFC in effect on the date of disability.	
Contribution Rates - actuarially determined for the year ended September 30, 2025			
City	21.50%	39.89%	39.31%
Employee	5.00%	10.99%	Part C - 14.94%
			Part D - 12.94%

The contribution rates for the previous year were the same as above except for the employer contribution rate for Police Officers which was 39.88% and the employee contribution for Firefighters for Part C which was 18.69% and for Part D which was 16.69%.

Note V - Other Information (Continued)

F. Pension Plan Obligations (Continued)

Changes in the Net Pension Liability - The City is presenting its net pension liability for the year ended September 30, 2025 based on the September 30, 2024 measurement date as follows (in thousands). The allocation of asssets is for presentation purposes only.

General Employees Pension Plan (including Component Unit) - Increase(Decrease)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2024	$ 1,427,705	$ 1,312,916	$ 114,789
Changes for the year:			
Change in Allocation Percentage	(9,035)	(8,315)	(720)
Service Cost	19,135	-	19,135
Interest	101,379	-	101,379
Differences between Expected and Actual Experiences	35,192	-	35,192
Employer Contributions	-	25,365	(25,365)
Employee Contributions	-	6,805	(6,805)
Net Investment Income	-	199,364	(199,364)
Benefit Payments	(78,061)	(78,061)	-
Refunds	(882)	(882)	-
Administrative Expense	-	(766)	766
Net Changes	67,728	143,510	(75,782)
Balances at September 30, 2025	$ 1,495,433	$ 1,456,426	$ 39,007

Police Officers Pension Plan - Increase(Decrease)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2024	$ 469,023	$ 403,207	$ 65,816
Changes for the year:			
Service Cost	8,688	-	8,688
Interest	33,696	-	33,696
Differences between Expected and Actual Experiences	23,050	-	23,050
Employer Contributions	-	9,647	(9,647)
Employee Contributions	-	3,328	(3,328)
Net Investment Income	-	61,492	(61,492)
Benefit Payments	(25,772)	(25,772)	-
Refunds	(97)	(97)	-
Administrative Expense	-	(233)	233
Net Changes	39,565	48,365	(8,800)
Balances at September 30, 2025	$ 508,588	$ 451,572	$ 57,016

Firefighters Pension Plan - Increase(Decrease)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2024	$ 320,898	$ 270,046	$ 50,852
Changes for the year:			
Service Cost	5,086	-	5,086
Interest	22,956	-	22,956
Differences between Expected and Actual Experiences	6,056	-	6,056
Changes of Benefit Terms	(11)	-	(11)
Employer Contributions	-	6,579	(6,579)
Employee Contributions	-	3,535	(3,535)
Net Investment Income	-	41,154	(41,154)
Benefit Payments	(18,151)	(18,151)	-
Refunds	(538)	(538)	-
Administrative Expense	-	(156)	156
Net Changes	15,398	32,423	(17,025)
Balances at September 30, 2025	$ 336,296	$ 302,469	$ 33,827

Note V - Other Information (Continued)
F. Pension Plan Obligations (Continued)

Net Pension Liability - The total pension liability of the plan was determined by an actuarial valuation as of October 1, 2024, rolled forward to September 30, 2025. The net pension liability was also determined using a date of September 30, 2025. The components of the net pension liability of the participating employers in the general employees, police officers and firefighters groups as of September 30, 2025 were as follows (in thousands):

	General Employees	Police Officers	Firefighters
Total pension liability	$ 1,636,600	$ 525,589	$ 346,645
Plan fiduciary net position	1,651,460	482,544	323,985
Net pension (asset)/liability	(14,860)	43,045	22,660
Plan fiduciary net position as a % of total pension liability	100.91%	91.81%	93.46%
City's proportion of the net pension asset/liability	94.25%	100.00%	100.00%

The City's Proportionate share of the General Employees' Pension group is based on the covered payroll and it increased from 94.16% in 2024 to 94.25% in 2025.

The total pension liability was determined by an actuarial valuation as of October 1, 2024, using the following significant actuarial assumptions applied to all periods included in the measurement: The actuarially determined contribution rates are calculated as of October 1 which is two years prior to the end of the fiscal year in which contributions are reported. The actuarially determined contribution is projected to the contribution year using conventional actuarial projection methods.

The assumptions used in determining the total pension liability are as follows:

	General Employees	Police Officers	Firefighters
Valuation Date	October 1, 2024	October 1, 2024	October 1, 2024
Actuarial Cost Method	Entry age, normal	Entry age, normal	Entry age, normal
Amortization Method	Level percentage, closed	Level percentage, closed	Level percentage, closed
Remaining Amortization Period	26 years	26 years	26 years
Asset Valuation Method	20% of the difference between expected actuarial value and fair value is recognized annually with a 20% corridor around fair value	20% of the difference between expected actuarial value and fair value is recognized annually with a 20% corridor around fair value	20% of the difference between expected actuarial value and fair value is recognized annually with a 20% corridor around fair value
Inflation rate	2.50%	2.50%	2.50%
Salary Increase	A range of 2.95 to 5.0% based on years of service	A range of 4.5 to 6.4% based on years of service	A range of 4.4 to 5.75% based on years of service
Investment rate of return	7.25%	7.25%	7.25%
Mortality Rate:	The mortality tables used are the same as those used in the July 1, 2023 Pension Actuarial valuation of the Florida Retirement System (FRS) for Regular (other than K-12 School Instructional Personnel) members. These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthly lives to all future years after 2010 using Scale MP-2018.	The mortality tables used are the same as those used in the July 1, 2023 Pension Actuarial valuation of the Florida Retirement System (FRS) for Special Risk members. These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthly lives to all future years after 2010 using Scale MP-2018.	The mortality tables used are the same as those used in the July 1, 2023 Pension Actuarial valuation of the Florida Retirement System (FRS) for Special Risk members. These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthly lives to all future years after 2010 using Scale MP-2018.
Experience Study	The last experience study was prepared on June 24, 2016. Assumption changes resulting from this experience study were implemented for the fiscal year ending September 30, 2017.	The last experience study was prepared on June 24, 2016. Assumption changes resulting from this experience study were implemented for the fiscal year ending September 30, 2017.	The last experience study was prepared on June 24, 2016. Assumption changes resulting from this experience study were implemented for the fiscal year ending September 30, 2017.

Note V - Other Information (Continued)

F. Pension Plan Obligations (Continued)

Investments - Plan assets are managed in accordance with the Pension Investment Policy. The table below presents the adopted asset allocation as of September 30, 2025.

Asset Class	Target Allocation Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	35.5	8.1
International Equity	9.0	8.5
Emerging Markets Equity	4.0	10.2
Fixed Income	16.5	2.1
Real Estate	15.0	5.6
Private Equity	7.5	12.1
Private Credit	7.5	7.0
Timber	5.0	4.9
Total	100.0	

The Plan's investments are managed by various investment managers under contract with the Boards who have discretionary authority of the assets managed by them and within the Plan's investment guidelines as established by the Board. The investments are held in trust by the Plan's custodian in the Plan's name. The City of Tallahassee Sinking Fund Commission is responsible for making investment policy changes. These assets are held exclusively for the purpose of providing benefits to members of the Plan and their beneficiaries.

For the year ended September 30, 2025, the annual money-weighted rate of return on the General Employees, Police Officers, and Firefighters pension plan investments, net of investment expense, was 10.2%. The money-weighted rate of return takes into account cash flows into and from the various investments of the Plan.

The long-term expected arithmetic rate of return on pension plan investment is based upon an asset allocation study that was conducted for the Plan by its investment consultant toward the end of fiscal year 2022. The study was prepared by the Pension Plan's investment consultant, and went through numerous iterations before a final asset allocation was established. The study looked at expected rates of return for twenty-one (21) different asset classes, as well as examining expected standard deviations and correlations among these various asset classes.

Discount Rates – The discount rates used to measure the total pension liability of the Plans are indicated below. This single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these 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 (7.25%) was applied to all periods of projected benefits payments to determine the total pension liability.

The discount rates as of September 30, 2025 were consistent with 2024 as follows:

General Employees	Police Officers	Firefighters
7.25%	7.25%	7.25%

Note V - Other Information (Continued)
F. Pension Plan Obligations (Continued)

The following presents the Plan's net pension liability, calculated using a single discount rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher:

Sensitivity of the Net Pension (Asset) Liability to the Single Discount Rate Assumption (in thousands) as of the Plan year-end of September 30, 2025:

	1% Decrease 6.25%	Current Single Discount Rate 7.25%	1% Increase 8.25%
General Employees	$ 193,186	$ (14,860)	$ (186,485)
Police Officers	111,530	43,045	(13,274)
Firefighters	66,305	22,660	(13,450)

The following presents the City's net pension liability (using a measurement date of September 30, 2024), calculated using a single discount rate of 7.25%, as well as what the City's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher.

	1% Decrease 6.25%	Current Single Discount Rate 7.25%	1% Increase 8.25%
Primary Government-General Employees	$ 230,644	$ 38,979	$ (119,074)
Primary Government-Police Officers	123,747	57,016	2,179
Primary Government-Firefighters	76,507	33,827	(1,449)
Primary Government-Component Unit	166	28	(86)

Pension Expense and Deferred Outflows (Inflows) of Resources Related to Pensions - In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized as pension expense in the current measurement period, except as shown below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Differences between expected and actual earnings on pension plan investments are amortized over five years.

Note V - Other Information (Continued)

F. Pension Plan Obligations (Continued)

General Employees – Plan - For the year ended September 30, 2025, the general employees pension plan recognized pension expense of $9,508,000 for the plan. At September 30, 2025, the plan reported deferred outflows of resources and deferred inflows of resources related to the general employee pension plan from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 34,484	$ (28)
Assumption changes	15,411	(2,037)
Change in Net Pension Liability due to Change in Cost-Sharing Allocation Percentages	854	(854)
Net difference between projected and actual earnings on pension plan investments	-	(54,474)
Contributions after measurement date	26,938	-
Total	$ 77,687	$ (57,393)

Deferred outflows of resources related to the general employee pension plan of $26,938,000 resulting from City contributions to the plan paid subsequent to the measurement date and prior to the City's reporting period will be recognized as a reduction of net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in future pension expense, as follows:

Year Ending September 30,	Net Amount (in thousands)
2026	$ (15,105)
2027	31,197
2028	(7,686)
2029	(15,050)
Total	$ (6,644)

General Employees – City – For the year ended September 30, 2025, the City recognized pension expenses of $8,696,000 for its proportionate share of the general employees pension plan. At September 30, 2025, the City and it's component unit reported deferred outflows of resources and deferred inflows of resources related to the general employee pension plan from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 32,503	$ (25)
Assumption changes	14,604	(1,930)
Net difference between projected and actual experience on pension investments	-	(51,037)
Change in Net Pension Liability due to change in cost sharing allocation percentage	65	(655)
Contributions after measurement date	25,769	-
Total	$ 72,941	$ (53,647)

Deferred outflows of resources related to the general employee pension plan of $25,769,000, resulting from City contributions to the plan paid subsequent to the measurement date and prior to the City's reporting period, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan pension expense will be recognized in future pension expenses as follows:

Note V - Other Information (Continued)

F. Pension Plan Obligations (Continued)

Year Ending September 30,	Net Amount (in thousands)
2026	$ (14,332)
2027	29,525
2028	(7,355)
2029	(14,313)
Total	$ (6,475)

Police officers - For the year ended September 30, 2025, the police officers pension plan recognized pension expense of $7,708,000. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the police officers employee pension plan from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 19,038	$ -
Net difference between projected and actual earnings on pension plan investments	-	(15,344)
Assumption Changes	5,034	(3,122)
Contributions after measurement date	9,898	-
Total	$ 33,970	$ (18,466)

Deferred outflows of resources related to the police officers pension plan of $9,898,000, resulting from City contributions to the plan paid subsequent to the measurement date and prior to the City's fiscal year, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan pension expense will be recognized in future pension expenses, as follows:

Year Ending September 30,	Net Amount (in thousands)
2026	$ (4,010)
2027	10,213
2028	282
2029	(1,764)
2030	885
Total	$ 5,606

Firefighters - For the year ended September 30, 2025, the firefighters pension plan recognized pension expense of $2,136,000. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the firefighters pension plan from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,481	$ (253)
Net difference between projected and actual earnings on pension plan investments	-	(10,376)
Assumption Changes	3,912	(3,231)
Contributions after measurement date	7,160	-
Total	$ 16,553	$ (13,860)

Note V - Other Information (Continued)

F. Pension Plan Obligations (Continued)

Deferred outflows of resources related to the firefighters pension plan of $7,160,000, resulting from City contributions to the plan paid subsequent to the measurement date and prior to the City's reporting period, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the plan pension expense will be recognized in future pension expenses, as follows:

Year Ending September 30,	Net Amount (in thousands)
2026	$ (5,070)
2027	3,485
2028	(1,994)
2029	(2,554)
2030	1,286
Thereafter	380
Total	$ (4,467)

2. Defined Contribution Provision

All employees (general, firefighters, and police officers) may elect to contribute a portion of their salary to the Plan. General employees, firefighters and police officers can contribute up to but not to exceed the maximum amount allowed by the Internal Revenue Service. Each employer contributes 5% to each general employee's Matched Annuity Plan (MAP) account. Upon reaching normal retirement age or retiring under the Plan, a participant shall be paid their and the City's contributions, together with accrued earnings. If a general employee uses the contributions and accrued earnings to receive an annuitized payment stream, the Plan will increase the amount of funds (only on the employer's 5%, employee flex matched contribution and employees' contribution up to the 5%) used by the participant by a factor of 50%. Employee contributions (including the City's 5% contribution to each general employee's MAP account) plus accrued earnings thereon are 100% refundable if the employee elects to terminate their vesting rights or is not vested at the date of employment termination. For the year ended September 30, 2025, the contributions and forfeitures to the MAP account totaled $1,238,923 and $407,793 respectively.

Note V - Other Information (Continued)
F. Pension Plan Obligations (Continued)

3. Statement of Plan Net Position as of September 30, 2025 (in thousands)

	Pension Trust	Matched Annuity Pension Plan
Assets		
Cash and Cash Equivalents	$ 27,142	$ 13
Receivables		
Other Receivables	-	29
Accrued Interest	6,478	-
Total Receivables	6,478	29
Investments, at Fair Value		
Mutual Index Funds	-	198,667
Private Equities	273,791	-
Fixed Income Securities	388,582	-
Domestic Equities	968,832	-
International Equities	216,010	-
Private Credit Funds	153,305	-
Alternative Investments	305,844	-
Timber	117,364	-
Total Investments	2,423,728	198,667
Securities Lending Collateral	110,316	-
Due From Other Governments	641	-
Total Assets	$ 2,568,305	$ 198,709
Liabilities and Net Position		
Liabilities		
Obligations Under Securities Lending	110,316	-
Total Liabilities	$ 110,316	$ -
Net Position		
Net Position Restricted for Pensions	2,457,989	198,709
Total Liabilities and Net Position	$ 2,568,305	$ 198,709

Note V - Other Information (Continued)

F. Pension Plan Obligations (Continued)

4. Statement of Changes in Plan Net Position for the year ended September 30, 2025 (in thousands)

	Pension Trust	Matched Annuity Pension Plan
Additions		
Contributions		
Employer	$ 44,904	$ 1,153
Plan Members	14,676	-
Total Contributions	59,580	1,153
Investment (Loss)		
From Investment Activities		
Gain (Loss) on Sale of Investments	109,557	-
Change in Fair Value of Investments	85,176	13,555
Interest Income	26,498	5,380
Dividends	21,403	-
Total Investment (Loss)	242,634	18,935
Less Investment Expenses		
Investment Management Fees	7,341	-
Interest Expense	64	-
Net Income (Loss) from Investment Activities	235,229	18,935
From Securities Lending Activities		
Securities Lending Income	4,643	-
Less Securities Lending Expenses		
Investment Management Fees	4,349	-
Net Income (Loss) from Securities Lending Activities	294	-
Total Net Income (Loss) from Investment Activities	235,523	18,935
Total Additions	295,103	20,088
Deductions		
Benefits	134,449	11,933
Refunds of Contributions	1,386	-
Administrative Expense	1,169	-
Total Deductions	137,004	11,933
Change in Net Position	158,099	8,155
Net Position - October 1	2,299,890	190,554
Net Position - September 30	$ 2,457,989	$ 198,709

Note V - Other Information (Continued)

F. Pension Plan Obligations (Continued)

5. Supplemental Plans

The City of Tallahassee Supplemental Share Plans for Firefighters and Police Officers were created in 2000 by Sections 14-9.010 and 14-8.010, City Ordinances. Both Plans are defined contribution pension plan covering all full-time Firefighters and Police Officers of the City of Tallahassee. Participation in the Plans are required as a condition of employment. The Plans provide for additional and supplemental pension, death and disability benefits. In addition, the Plans are local law plans subject to provisions of Chapters 175 and 185 of the State of Florida Statutes.

The Plans are each governed by a five-member pension board. The Fire Supplemental Share Plan members include two Firefighters, two City residents and a fifth member elected by the other four members of the board. The Police Supplemental Share Plan members include two Police Officers, two City residents and a fifth member elected by the other four members of the board.

Contributions to the Plans are the Florida Excise Tax Rebate monies received from the State of Florida pursuant to Florida Statutes Chapters 175 and 185. Participants may not make voluntary contributions to the Plans. The total additions to each participant's account cannot exceed $55,000 or 100 percent of each participant's compensation.

Each participant's account is credited with an allocation of the Florida Excise Tax Rebate payment to and among those participants that are entitled on the first day of each plan year. The payments are allocated equally among the total shares of the participants with the number of shares allocated to each participant's account in accordance with the following schedule:

Years of credited service	Number of Shares
5 or more, but less than 10	1
10 or more, but less than 15	2
15 or more, but less than 20	3
20 or more, but less than 31	4
31 years or more	5

The Florida Excise Tax Rebate payment for each Plan is sent directly to the City of Tallahassee and is deposited into the City's bank account. Based on the total amount of shares to be distributed to each participant's account, the City transfers the money received to Empower, a third-party administrator who administers the investments for the Plans. A small portion of the money is held by the City and is included in the City's cash and investment pool that is available for use by the Plans' Board of Trustees for administrative and operational expenses. These Plans are not included in the City's financial statements. The Plans' financial statements are audited by Saltmarsh, Cleaveland & Gund and a copy of the statements can be obtained by contacting Saltmarshcpa.com.

G. Other Employee Benefits

1. Deferred Compensation

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

In December 1998, the City established a Trust Agreement where all assets and income of the City Deferred Compensation Plan are held in trust for the exclusive benefit of City employees, in accordance with Internal Revenue Code Sections 457 (b) and (g). Thus, plan assets are no longer subject to the claims of the City's general creditors.

2. Flexible Benefits

The City has implemented a "Cafeteria" Plan created in accordance with Internal Revenue Code Section 125. The plan provides employees with an opportunity to select benefits from a menu of options, many of which are offered on a pre-tax basis.

Note V - Other Information (Continued)

H. Other Post Employment Benefits (OPEB)

1. OPEB Plan Description

The City administers a cost sharing multi-employer, defined benefit other post employment benefits plan, The City of Tallahassee Retiree Medical Insurance Plan (OPEB Plan). The OPEB Plan provides health insurance and prescription drug coverage for eligible retirees and their eligible dependents through the City's health insurance program, which covers both active and retired employees. Pursuant to Section 112.0801, Florida Statutes, the City is required to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. In addition, the City's program has elected to provide a partial subsidy to its retirees to offset the cost of such health insurance. The City does not issue a stand-alone financial report on the OPEB Plan.

The OPEB Plan is established by City Commission Policy 150. To aid in the administration of the OPEB Plan, the City of Tallahassee created the Retiree Medical Trust (RMI Trust) in January 2010, the provisions of which are in Article VII of Chapter 2 of the City Code of Ordinances. The plan provides health insurance and prescription drug coverage for eligible retirees and their eligible dependents through the City's health insurance program, which covers both active and retired employees.

The OPEB Plan and the RMI Trust are administered by the City of Tallahassee Treasurer-Clerk's Office, under guidance from the Plan's Board of Trustees, which is composed of the members of the City Commission and the chairperson of the general employees' pension advisory committee. The City of Tallahassee does not issue a stand-alone financial report for the RMI Trust. The OPEB plan is also provided for the employees of the Blueprint Intergovernmental Agency (Blueprint), a jointly governed organization, and the Capital Regional Transportation Planning Agency, a joint venture. There are no required member contributions into the Trust and there were none in the year. For the year ended September 30, 2025, the actuarially determined contribution for the City was $5,144 and the City contributed $2,556.

At September 30, 2025, the City reported a liability of $64,263 for its share of the net OPEB liability of the OPEB plan, which was determined using a valuation date of September 30, 2023, and which was rolled forward using standard actuarial roll forward procedures to the measurement date of September 30, 2024. The allocation of the net OPEB liability of the plan was made based on covered employee payroll for each employer. The City's proportion for the current year is 98.42%, which is down by 0.06% from 98.48% in the prior year. The aggregate amounts of net OPEB liabilities, related deferred inflows and outflows of resources and OPEB expenses reported by the City for the OPEB plan at September 30, 2025 are summarized as follows:

OPEB Plan Obligations and Expenses	Primary Government	DIA (Component Unit)	Total (in thousands)
Net OPEB Liability	$ 64,160	$ 103	$ 64,263
OPEB Related Deferred Outflows	18,663	17	18,680
OPEB Related Deferred Inflows	(21,215)	(21)	(21,236)
OPEB Expenses	(18,556)	(12)	(18,568)

OPEB Plan membership at September 30, 2024 was as follows:

Inactive Members or Beneficiaries Currently Receiving Benefits	1,353
Active Members	2,923
Total Members	4,276

Note V - Other Information (Continued)

Benefits - A member receives a reduced rate on the health insurance premium for the City's health insurance plan. All reduced rate premiums will be deducted from the retiree's pension benefit. If the health insurance premium exceeds the pension benefit amount, the member will pay the City for the difference. The following tables provide the amounts of the City's monthly retiree subsidy that reduces the member's health insurance premium, which were established by Resolution 11-R-04, effective January 1, 2011: capped as of this date. Therefore, no change is needed for the table below.

Retiree with No Medicare Coverage	Monthly Subsidy Amount
Individual	$ 174.88
Two-Party	315.71
Three or More	443.22

Retiree with Medicare CHP* Coverage	Monthly Subsidy Amount
Individual	$ 37.78
Two-Party(Both Medicare)	71.74
Two-Party (One Medicare)	183.40
Family (One or two Medicare)	298.82

Retiree with Medicare BCBS** Coverage	Monthly Subsidy Amount
Individual	$ 159.78
Two-Party(Both Medicare)	336.07
Two-Party (One Medicare)	336.07
Family (One or two Medicare)	463.39

* Capital Health Plan **Blue Cross/Blue Shield

Eligibility - A member may continue on the City's health insurance plan upon retirement if the member is drawing a pension for Normal Retirement, Early Retirement or Disability Retirement. The retiree may continue to cover any qualified dependents that were on the City's health insurance plan at the time of retirement. If the retiree's spouse or domestic partner is an active permanent City employee, the member may choose to be covered under the spouse's or domestic partner's insurance coverage. When the spouse or domestic partner retires and begins to draw a pension, both individuals will be covered as retirees under the City's health insurance policy.

A member who is a Deferred Retiree (eligible to retire upon termination but chooses to defer the commencement of a pension benefit) may choose to remain on the City's health insurance plan and pay the unreduced health insurance premium until the commencement of a pension benefit. A Deferred Retiree may also choose to terminate health insurance coverage and be allowed to rejoin the City's health insurance plan upon commencement of a pension benefit and pay the reduced health insurance premium if they are able to prove they maintained continuous health insurance coverage during the period between terminating from the City's health insurance plan and when they rejoined the City's health insurance plan.

A Long-Term Vested Participant (10 years or more service time in the City's pension plan, but not yet eligible to receive a pension benefit) may choose to remain on the City's health insurance plan at their expense. The Participant will be required to pay the unreduced health insurance premium cost until the Participant retires. If the Participant chooses to terminate the City's health insurance coverage, the Participant will no longer be eligible to participate in the OPEB Plan.

A surviving spouse of a deceased retiree may continue or join the City's health insurance plan only if the deceased retiree was enrolled in the City's health insurance plan at the time of death. The surviving spouse may join the OPEB Plan without being subject to the evidence of insurability requirements. The surviving spouse may cover any qualified dependents.

Note V - Other Information (Continued)

H. Other Post Employment Benefits (OPEB) (Continued)

2. OPEB Plan Investments

Due to its small size, there is not a separate investment policy specifically for the assets of the RMI Trust. Chapter 2 of the Municipal Code provides that the RMI Trust invests in instruments similar to those invested in by the City's Pension Fund. There were no significant changes to the investment of the RMI Trust assets during Fiscal Year 2025. Investments in various index funds are each more than 5% of the RMI Trust's position. The estimated annual money-weighted rate of return, net of investment expenses, was 10.92%.

GASB Statement No. 74 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total OPEB Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefits payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on OPEB plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 7.25%; the municipal bond rate is 4.90%; and the resulting Single Discount Rate is 5.17%.

3. Net OPEB Liability for the Plan year-end

The total OPEB liability was rolled forward twenty four months from the valuation date of September 30, 2023 to September 30, 2025. The net OPEB liability was also determined using a date of September 30, 2025. The components of the net OPEB liability of the participating employers in the City of Tallahassee OPEB plan as of September 30, 2025 were as follows (in thousands):

Total OPEB liability	$	74,152
Plan fiduciary net position		20,044
Net OPEB liability		54,114
Plan fiduciary net position as a % of total OPEB liability		27%

Note V - Other Information (Continued)

The total OPEB liability and contribution rates were determined by an actuarial valuation as of September 30, 2023. The total OPEB liability was rolled forward one year. The significant assumptions used were as follows:

Actuarial Cost Method	Entry Age Normal
Normal Inflation	2.50%.
Discount Rate	5.17%, the resulting Single Discount Rate based on the expected rate of return on OPEB Plan investments as of September 30, 2024 at 7.25% and the long term municipal bond rate as of September 30, 2024 at 4.90%.
Salary Increases	2.95% to 6.40%, including inflation; varies by plan type and years of service.
Retirement Age	Experience based table of rates that are specific to the plan and type of eligibility condition.
Mortality	Mortality tables used in the July 1, 2022 actuarial valuation of the Florida Retirement System (FRS). They are based on the results of a statewide experience study covering the period 2013 through 2018. These rates were taken from adjusted Pub-2010 mortality tables publied by SOA with generational mortality improvements using Scale MP-2018.
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 5.90% for 2024 (based on actual premium increases), followed by 6.00% for 2025, and then gradually decreasing to an ultimate trend rate of 4.00%.
Aging factors to Death Expenses	Based on the 2013 SOA Study “Health Care Costs - From Birth to Death”
Expenses	Investment returns are net of the investment expenses; and, administrative expenses are included in the per capita health costs.
Notes	The following assumption changes have been reflected in the schedule of Changes in the Total OPEB Liability for the measurement period ending September 30, 2024: The Single Discount Rate was changed from 4.03% to 5.17%. There were no benefit changes during the year.

Sensitivity of Net OPEB Liability to changes in the Single Discount Rate –The following presents the plan’s net OPEB liability, calculated using a Single Discount Rate of 5.17%, as well as what the plan’s net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher (in thousands):

	1% Decrease 4.17%	Current Single Discount Rate Assumption 5.17%	1% Increase 6.17%
Plan	$ 61,637	$ 54,115	$ 47,690

The following presents the City’s net OPEB liability (using a measurement date of September 30, 2024), calculated using a single discount rate of 4.03%, as well as what the City’s net pension liability would be if it were calculated using a single discount rate that is one percent lower or one percent higher (in thousands):

	1% Decrease 3.03%	Current Single Discount Rate Assumption 4.03%	1% Increase 5.03%
Primary Government	$ 73,249	$ 64,160	$ 56,494
Primary Government - Component Unit	118	103	91
Total	$ 73,367	$ 64,263	$ 56,585

Note V - Other Information (Continued)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates - The following presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher (in thousands):

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Plan	$ 48,118	$ 54,115	$ 61,261

The following presents the City's net OPEB liability, calculated using the assumed trend rates as well as what the City's net OPEB liability would be if it were calculated using a trend rate that was one percent lower or one percent higher (in thousands):

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Primary Government	$ 57,690	$ 64,160	$ 71,928
Primary Government - Component Unit	93	103	115
Total	$ 57,783	$ 64,263	$ 72,043

Changes in the Net OPEB Liability - The City is presenting the net OPEB liability for the year ended September 30, 2025 based on the September 30, 2024 measurement date in the table below (in thousands). The assumption used in determining the net OPEB liability are the same as those shown in the table on page _ except for the discount rate of 4.03 instead of 5.17.

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (a) - (b)
Balances at September 30, 2024	$ 75,636	$ 12,960	$ 62,676
Changes for the year:			
Change in Allocation Percentages	(48)	(8)	(40)
Service Cost	1,516	-	1,516
Interest	3,538	-	3,538
Assumption Changes	5,507	-	5,507
Employer Contributions to the Trust Fund	-	2,498	(2,498)
Employer Contributions not deposited in Trust Fund	-	2,554	(2,554)
Net Investment Income	-	3,881	(3,881)
Benefit Payments	(4,586)	(2,031)	(2,555)
Benefit Payments not reimbursed by Trust Fund	-	(2,554)	2,554
Net Changes	5,927	4,340	1,587
Balances at September 30, 2025	$ 81,563	$ 17,300	$ 64,263

Note V - Other Information (Continued)

OPEB Expense and Deferred Outflows/(Inflows) of Resources Related to OPEB – In accordance with GASB 75, changes in the net OPEB liability are recognized as OPEB expense in the current measurement period, except as shown below. For each of the following, a portion is recognized in OPEB expense in the current measurement period, and the balance is amortized as deferred outflows or inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.
- Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.
- Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.
- Differences between expected and actual earnings on OPEB plan investments are amortized over five years.

Based on a valuation date of September 30, 2023 and a measurement date of September 30, 2024, the City recognized OPEB expenses of ($18,568) for the year ended September 30, 2025. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,240	$ (2,817)
Assumption Changes	9,055	(14,961)
Net difference between projected and actual earnings on pension plan investments	1,271	(3,252)
Change in Net OPEB liability due to Change in Cost-Sharing Allocation Percentage	4	(206)
Contributions after measurement date	5,110	-
	$ 18,680	$ (21,236)

Deferred outflows of resources related to the plan of $5,110,000, resulting from City contributions to the plan paid subsequent to the measurement date and prior to the City's fiscal year, will be recognized as a reduction of the net OPEB liability in the fiscal year ended September 30, 2025. Other amounts reported as OPEB related deferred outflows and inflows of resources will be recognized in future OPEB expense, as follows:

Year ending September 30,	Net Amount
2026	$ (2,078)
2027	(3,198)
2028	(1,953)
2029	(1,993)
2030	304
Thereafter	1,252
Total	$ (7,666)

Note V - Other Information (Continued)

4. Funding Policy

The contribution requirements of OPEB Plan members and the City are established and may be amended by the City Commission. These contributions are neither mandated nor guaranteed. The City has retained the right to unilaterally modify its payment for retiree health care benefits. Effective October 1, 2010, the City implemented a "cap" on employer contributions for retirees. Accordingly, the City's subsidy was frozen at the 2010 levels, and retirees must absorb all future premium rate increases.

5. Statement of Plan Net Position as of September 30, 2025

	OPEB Trust
Assets	
Cash and Cash Equivalents	$ 1,746
Receivables	
Accrued Interest	14
Investments, at Fair Value	
Domestic Equities	18,285
Securities Lending Collateral	256
Total Assets	$ 20,301
Liabilities and Net Position	
Liabilities	
Obligations Under Securities Lending	$ 256
Total Liabilities	256
Net Position	
Net Position Restricted for OPEB	20,045
Total Liabilities and Net Position	$ 20,301

6. Statement of Changes in Plan Net Position for the Year Ended September 30, 2025

	OPEB Trust
Additions	
Contributions	
Employer	$ 2,596
Total Contributions	2,596
Investment Loss	
From Investment Activities	
Gain (Loss) on Sale of Investments	1221
Change in Fair Value of Investments	283
Interest Income	452
Total Investment Loss	1,956
Less Investment Expenses	
Investment Management Fees	8
Net Income (Loss) from Investment Activities	1,948
Total Net Income (Loss) from Investment Activities	1,948
Total Additions	4,544
Deductions	
Benefits	2,077
Change in Net Position	2,467
Net Position - October 1	17,578
Net Position - September 30	$ 20,045

Note V - Other Information (Continued)

I. Derivative Instruments

The contracts are recorded at fair value on the Statement of Net Assets as they have been determined to qualify as derivative instruments under GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments". The fair value balances and notional amounts of derivative instruments, all of which are accounted for within the City's business-type activities, as of September 30, 2025, and the changes in fair value of such derivative instruments for the year then ended, are as follows (amounts in thousands):

	Changes in Fair Value		Fair Value at September 30, 2025		
	Classification	Amount	Classification	Amount	Notional
Cash Flow Hedges:					
Commodity Forward-Natural Gas, Diesel, and Gasoline	Deferred Outflows of Resources	$ 204	Derivative Instrument	$ (204)	181,860 MMBTUs

The fair values of the forward contracts are estimated based upon the nominal value of their estimated cash flows. For FY 2026 and beyond, the City does not have any hedging positions for Natural Gas as of 9/30/25. New hedges may be executed in the future depending on market conditions. For FY 2026 the City has hedged various volumes of Diesel and Gasoline on the NYMEX/CME Exchange.

The following table displays the objectives and terms of the City's derivative instruments outstanding as of September 30, 2025.

Type	Objective	Effective	Maturity Date	Terms
Commodity Forward Contract	Stabilize cash flows due to market price volatility related to expected purchases of natural gas, diesel and gasoline.	Various	Various: November 2025 - September 2026	Pay various prices per MMBTU; settlement based on the Henry Hub pricing point at expiration date for natural gas. Pay various prices per Barrel; settlement based on New York Harbor pricing point at expiration date for diesel/ heating oil and gasoline.

J. Related Party Transactions

Related party transactions during the year ended September 30, 2025 included the following:

The City paid the following contributions to the Consolidated Dispatch Agency (CDA):

a) $8,097,517 for operations.
b) $359,144 for Fire/EMS revenue.

The City charges fees for administrative services to the CDA, Blueprint, and the Capital Region Transportation Planning Agency (CRTPA). For the year ended September 30, 2025, the City charged fees of $1,810,105, $345,388, and $81,415, respectively.

As of September 30, 2025, the City was owed $158,260 by the CDA, $7,430,926 by Blueprint, $3,438 by CRTPA, and $750 from the Downtown Improvement Authority. The City in turn owed the CDA $1,508,007 and Blueprint $303,259.

The City and Blueprint Intergovernmental Agency entered an interlocal agreement whereby Blueprint would allocate a portion of their sales tax collections to the City for specific uses including parks and recreation operating costs, Starmetro enhancements, water quality, sidewalks, and airport growth and development. Blueprint paid the City $4,704,280 under this agreement in the fiscal year ended September 30, 2025. In addition, Blueprint Intergovernmental Agency paid the City $670,000 for Air Service Incentives and $2,920,759 for the various other capital improvement projects.

Note V - Other Information (Continued)

K. Subsequent Events

Airport Improvement Revenue Note, Series 2026

On March 11, 2026 the City Commission approved Resolution No. 26-R-09 authorizing the issuance of $19,100,000 City of Tallahassee, Florida Airport Improvement Revenue Note, Series 2026, with a final maturity of October 1, 2045, at an interest rate of 5.16%. The issue is for the construction of the new Airport Rental Car Quick-Turn-Around Facility (QTA). Through a competitive bidding process, an affiliate of Flagstar Bank, N.A., Flagstar Public Funding Corporation was selected. Debt service on the Series 2026 Bonds is expected to be approximately $1,575,000 annually, beginning in fiscal year 2026.

Transfer of City-Owned Hospital Assets to Florida State University (FSU) and Authorization to Execute Related Transaction Documents

On March 11, 2026 the City Commission approved a Transfer of Assets Agreement governing the transfer of City assets to FSU. This agreement authorizes the conveyance of specified real property, improvements, personal property, and related interests, as more particularly described in the final Transfer of Assets Agreement, and will advance the establishment of an academic health center model consistent with the City's strategic, economic development, and community health objectives. The fiscal impact of this agreement to the City is that FSU will pay $109 million in 30 equal installments over a 30-year period known as the Annual Payment Sum. This Annual Payment Sum amounts to $3,633,333 annually to represent the purchase of the City Assets and compensate citizens for their initial investment in the hospital assets over time.

CITY OF TALLAHASSEE

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Required Supplementary Information

This subsection contains the following:

- Budgetary Comparison Schedule - General Fund
- Note to Required Supplementary Information - Budgetary Comparison Schedule - General Fund
- Proportionate Share of the Net Pension Liability
- Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - General Employees
- Schedule of Contributions - General Employees
- Notes to Schedule of Contributions - General Employees
- Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - Police Officers
- Schedule of Contributions - Police Officers
- Notes to Schedule of Contributions - Police Officers
- Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - Firefighters
- Schedule of Contributions - Firefighters
- Notes to Schedule of Contributions - Firefighters
- Schedule of Investment Returns - Pension Plans
- Proportionate Share of Net OPEB Liability
- Schedule of Changes in the Net OPEB Liability and Related Ratios
- Schedule of Contributions - OPEB
- Notes to Schedule of Contributions - OPEB
- Schedule of Investment Returns - OPEB

Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended September 30, 2025
(in thousands)
(Unaudited)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance - October 1	$ 258	$ 258	$ 258	$ -
Resources				
Taxes	98,641	99,769	101,928	2,159
Licenses and Permits	2,379	2,379	2,036	(343)
Intergovernmental Revenues	25,681	25,681	24,223	(1,458)
Charges for Services	13,602	13,602	13,356	(246)
Fines and Forfeitures	1,320	1,320	1,117	(203)
Interest Earned	314	314	(528)	(842)
Miscellaneous	12,317	12,317	13,690	1,373
Transfers from Other Funds	56,110	56,110	55,588	(522)
Amounts Available for Appropriations	210,622	211,750	211,668	(82)
Charges to Appropriations				
General Government	29,477	30,788	28,603	2,185
Public Safety	73,133	72,665	78,590	(5,925)
Transportation	20,632	20,452	21,604	(1,152)
Human Services	9,855	9,201	9,606	(405)
Economic Development	104	104	107	(3)
Physical Environment	4,940	3,920	4,043	(123)
Culture and Recreation	28,289	28,148	28,240	(92)
Transfers to Other Funds	44,192	46,472	40,683	5,789
Total Charges to Appropriations	210,622	211,750	211,476	274
Budgetary Fund Balance - September 30	$ -	$ -	$ 192	$ 192

See Independent Auditors' Report

Note to Required Supplementary Information
General Fund
For the Fiscal Year Ended September 30, 2025
(in thousands)
(Unaudited)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues/Transfers In and Expenditures/Transfers Out

Inflows of Resources		
Actual amounts (budgetary basis) available for appropriation from the budgetary comparison schedule.	$	211,668
Differences - budget to GAAP		
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes.		(258)
The revenues of the City's Operating Projects Reserve, Deficiency Reserve and Scholarship Reserve are current year revenues for reporting purposes but are not considered budgetary inflows.		6,681
Current year nonbudgeted transfers and other items treated as revenues for financial reporting purposes but not as budgetary inflows.		1,518
Miscellaneous items treated as budgetary inflows but not as revenues for financial reporting purposes.		(5,324)
Miscellaneous items treated as revenues for financial reporting purposes but not as budgetary inflows		10
Total Revenues and Other Financing Sources as reported on the statement of revenues, expenditures, and changes in fund balances.	$	214,295
Outflows of Resources		
Actual amounts (budgetary basis) total charges to appropriations from the budgetary comparison schedule.	$	211,476
Difference - budget to GAAP		
The expenditures of the City's Operating Projects Reserve, Deficiency Reserve and Scholarship reserve are current year expenditures for reporting purposes but are not considered budgetary outflows.		7,869
Current year nonbudgeted transfer is treated as expense for financial reporting purposes but not as a budgetary outflow.		560
Miscellaneous items treated as budgetary outflows but not as expenditures for financial reporting purposes.		(5,649)
Miscellaneous items treated as expenditures for financial reporting purposes but not as budgetary outflows.		840
Total Expenditures and Other Financing Uses as reported on the statement of revenues, expenditures, and changes in fund balances.	$	215,096

See Independent Auditors' Report

Proportionate Share of the Net Pension Liability
For the Fiscal Year Ended September 30, 2025
(in thousands)

Measurement Year Ended September 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's Proportion of the Net Pension Liability	98.17%	97.33%	97.54%	93.33%	97.24%	97.35%	97.53%	98.23%	98.82%	98.87%
City's Proportionate Share of the Net Pension Liability	$129,850	$231,457	$184,792	$ (59,045)	$290,797	$286,854	$194,403	$152,474	$139,550	$130,850
City's Covered Payroll	$183,609	$174,398	$168,020	$149,280	$149,128	$142,909	$137,194	$151,372	$150,490	$146,667
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	70.72%	132.72%	109.98%	-39.55%	195.00%	200.72%	141.70%	100.73%	92.73%	89.22%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.45%	89.56%	91.26%	102.90%	85.43%	85.19%	89.34%	90.99%	91.01%	91.06%

See Independent Auditors' Report

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios - General Employees Pension Plan
(Based on Measurement Periods Ending September 30, 2025)
For the Fiscal Year Ended September 30
(in thousands)
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	$ 23,326	$ 20,322	$ 18,650	$ 17,494	$ 17,607	$ 18,012	$ 16,845	$ 15,916	$ 15,008	$ 14,964
Interest	113,625	107,667	104,781	100,846	99,733	96,509	92,484	86,053	78,568	74,426
Benefit Changes	-	-	-	-	-	(4,776)	-	118	-	-
Difference between actual & expected experience	37,375	-	11,463	-	(1,448)	9,403	43,132	11,976	17,064	-
Assumption Changes	-	-	25,685	-	(10,193)	-	19,989	14,262	54,077	-
Benefit Payments	(87,588)	(82,903)	(78,909)	(75,207)	(71,369)	(66,804)	(62,578)	(58,587)	(54,634)	(50,887)
Refunds	(946)	(937)	(632)	(814)	(637)	(578)	(485)	(262)	(269)	(312)
Net Change in Total Pension Liability	85,792	44,149	81,038	42,319	33,693	51,766	109,387	69,476	109,814	38,191
Total Pension Liability - Beginning	1,550,808	1,506,659	1,425,621	1,383,302	1,349,609	1,297,843	1,188,456	1,118,980	1,009,166	970,975
Total Pension Liability - Ending (a)	$ 1,636,600	$ 1,550,808	$ 1,506,659	$ 1,425,621	$ 1,383,302	$ 1,349,609	$ 1,297,843	$ 1,188,456	$ 1,118,980	$ 1,009,166
Plan Fiduciary Net Position										
Contributions - Employer	$ 26,938	$ 26,938	$ 27,127	$ 27,127	$ 27,858	$ 26,693	$ 21,927	$ 18,801	$ 14,486	$ 14,591
Contributions - Other	-	-	-	-	99	3	7	13	356	-
Contributions - Member	8,434	7,227	6,914	6,680	6,212	6,171	6,119	5,560	5,160	4,523
Net Investment Income	158,652	211,729	85,307	(75,650)	308,700	75,990	47,306	94,722	127,148	85,979
Benefits Payments	(87,588)	(82,903)	(78,909)	(75,207)	(71,369)	(66,804)	(62,578)	(58,587)	(54,634)	(50,887)
Refunds	(946)	(937)	(632)	(814)	(637)	(578)	(485)	(262)	(269)	(312)
Administrative Expense	(787)	(814)	(741)	(633)	(684)	(606)	(1,112)	(493)	(1,214)	(705)
Other - Reallocation of Prior Years' Investment Earnings	-	-	-	-	-	8,158	-	-	-	-
Net Change in Plan Fiduciary Net Position	104,703	161,240	39,066	(118,497)	270,179	49,027	11,184	59,754	91,033	53,189
Plan Fiduciary Net Position - Beginning	1,546,757	1,385,517	1,346,451	1,464,948	1,194,769	1,145,742	1,134,558	1,074,804	983,771	930,582
Plan Fiduciary Net Position - Ending (b)	$ 1,651,460	$ 1,546,757	$ 1,385,517	$ 1,346,451	$ 1,464,948	$ 1,194,769	$ 1,145,742	$ 1,134,558	$ 1,074,804	$ 983,771
Net Pension Liability/(Asset) - Ending (a) - (b)	$ (14,860)	$ 4,051	$ 121,142	$ 79,170	$ (81,646)	$ 154,840	$ 152,101	$ 53,898	$ 44,176	$ 25,395
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.91%	99.74%	91.96%	94.45%	105.90%	88.53%	88.28%	95.46%	96.05%	97.48%
Covered Payroll	$ 146,203	$ 139,500	$ 132,953	$ 126,769	$ 111,180	$ 112,334	$ 106,445	$ 100,986	$ 110,835	$ 111,638
Net Pension Liability/(Asset) as a Percentage of Covered Payroll	(10.16%)	2.90%	91.12%	62.45%	(73.44%)	137.84%	142.89%	53.37%	39.86%	22.75%

See Independent Auditors' Report

Schedule of Contributions - General Employees
Last Ten Fiscal Years
(in thousands)
(Unaudited)

General Employees Group Total

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	$ 14,591	$ 14,591	$ -	$ 111,638	13.07%
2017	14,486	14,486	-	110,835	13.07
2018	18,713	18,801	(88)	100,986	18.62
2019	21,927	21,927	-	106,445	20.60
2020	26,693	26,693	-	112,334	23.76
2021	27,858	27,858	-	111,180	25.06
2022	27,127	27,127	-	126,769	21.40
2023	27,127	27,127	-	132,953	20.40
2024	26,938	26,938	-	139,500	19.31
2025	26,938	26,938	-	146,203	18.43

**The actual contributions are the same as contractually required contributions for participating cost-sharing employers.*

General Employees Group - City

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	$ 14,020	$ 14,020	$ -	$ 107,272	13.07%
2017	13,779	13,779	-	105,428	13.07
2018	17,763	17,847	(84)	95,862	18.62
2019	20,867	20,867	-	101,294	20.60
2020	25,257	25,257	-	106,291	23.76
2021	26,675	26,675	-	105,429	25.30
2022	25,991	25,991	-	120,247	21.61
2023	25,991	25,991	-	125,981	20.63
2024	25,769	25,769	-	131,358	19.62
2025	25,769	25,769	-	137,803	18.70

**The actual contributions are the same as contractually required contributions for participating cost-sharing employers.*

The following Notes, Methods and Assumptions are applicable to both tables above.

See Independent Auditors' Report

Notes to Schedule of Contributions - General Employees

Valuation Date: October 1, 2022

Notes: Actuarially determined contribution rates are calculated as of October 1, 2022 for the fiscal year ended September 30, 2025.

Methods and Assumption Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay (with 2.21% payroll growth assumption), Closed
Remaining Amortization Period	26 years
Asset Valuation Method	20% of the difference between expected actuarial value (based on assumed return) and fair value is recognized each year with 20% corridor around fair value.
Inflation	2.50%
Salary Increases	A range of 2.95% to 5.00%, depending on completed years of service, including inflation.
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The mortality tables used are the same as those used in the July 1, 2022 Pension Actuarial Valuation of the Florida Retirement System (FRS) for Regular (other than K-12 School Instructional Personnel) members. These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018.

Other Information:

Notes	See Discussion of Valuation Results in the October 1, 2022 Actuarial Valuation Report dated January 31, 2023.

See Independent Auditors' Report

Schedule of Changes in Employer's Net Pension Liability and Related Ratios
Police Officers
(Based on Measurement Period Ending September 30, 2025)
for the Fiscal Year Ended September 30
(in thousands)
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	$ 8,608	$ 8,688	$ 7,338	$ 7,304	$ 7,203	$ 7,178	$ 6,858	$ 6,777	$ 6,031	$ 5,573
Interest	36,478	33,696	32,591	31,398	31,491	30,192	28,820	27,583	25,451	23,784
Benefit Changes	-	-	-	-	509	-	-	(5,904)	-	-
Difference between actual & expected experience	23,050	-	872	-	737	1,907	6,042	3,283	8,041	-
Assumption Changes	-	-	8,179	-	(12,726)	-	4,893	4,776	11,610	-
Benefit Payments	(27,750)	(25,772)	(24,123)	(22,478)	(21,347)	(19,873)	(18,729)	(17,606)	(16,699)	(15,737)
Refunds	(335)	(97)	(210)	(165)	(323)	(90)	(210)	(184)	(105)	(156)
Net Change in Total Pension Liability	40,051	16,515	24,647	16,059	5,544	19,314	27,674	18,725	34,329	13,464
Total Pension Liability - Beginning	485,538	469,023	444,376	428,317	422,773	403,459	375,785	357,060	322,731	309,267
Total Pension Liability - Ending (a)	$ 525,589	$ 485,538	$ 469,023	$ 444,376	$ 428,317	$ 422,773	$ 403,459	$ 375,785	$ 357,060	$ 322,731
Plan Fiduciary Net Position										
Contributions - Employer	$ 9,898	$ 9,647	$ 9,452	$ 9,452	$ 9,456	$ 8,905	$ 8,304	$ 8,326	$ 6,996	$ 6,585
Contributions - Non-Employer Contributing Entity	-	-	-	-	28	1	2	4	109	-
Contributions - Member	3,302	3,328	2,996	3,092	3,324	3,369	3,187	3,451	3,483	3,230
Net Investment Income	46,086	61,492	24,389	(21,609)	88,199	21,789	15,073	29,685	39,016	25,772
Benefits Payments	(27,750)	(25,772)	(24,123)	(22,478)	(21,347)	(19,873)	(18,729)	(17,606)	(16,699)	(15,737)
Refunds	(335)	(97)	(210)	(165)	(323)	(90)	(210)	(184)	(105)	(156)
Administrative Expense	(229)	(233)	(213)	(181)	(196)	(173)	(500)	(153)	(369)	(200)
Other - Reallocation of Prior Years' Investment Earnings	-	-	-	-	-	(13,119)	-	-	-	-
Net Change in Plan Fiduciary Net Position	30,972	48,365	12,291	(31,889)	79,141	809	7,127	23,523	32,431	19,494
Plan Fiduciary Net Position - Beginning	451,572	403,207	390,916	422,805	343,664	342,855	335,728	312,205	279,774	260,280
Plan Fiduciary Net Position - Ending (b)	$ 482,544	$ 451,572	$ 403,207	$ 390,916	$ 422,805	$ 343,664	$ 342,855	$ 335,728	$ 312,205	$ 279,774
Net Pension Liability - Ending (a) - (b)	$ 43,045	$ 33,966	$ 65,816	$ 53,460	$ 5,512	$ 79,109	$ 60,604	$ 40,057	$ 44,855	$ 42,957
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.81%	93.00%	85.97%	87.97%	98.71%	81.29%	84.98%	89.34%	87.44%	86.69%
Covered Payroll	$ 34,145	$ 33,588	$ 29,427	$ 29,509	$ 27,424	$ 27,031	$ 26,071	$ 26,235	$ 27,170	$ 25,573
Net Pension Liability as a Percentage of Covered Payroll	126.07%	101.13%	223.66%	181.17%	20.10%	292.66%	232.46%	152.69%	165.09%	167.98%

See Independent Auditors' Report

Schedule of Contributions - Police Officers
(in thousands)
(Unaudited)

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	$ 6,585	$ 6,585	$ -	$ 25,573	25.75%
2017	6,996	6,996	-	27,170	25.75
2018	8,238	8,326	(88)	26,235	31.74
2019	8,304	8,304	-	26,071	31.85
2020	8,905	8,905	-	27,031	32.94
2021	9,456	9,456	-	27,424	34.48
2022	9,452	9,452	-	29,509	32.03
2023	9,452	9,452	-	29,427	32.12
2024	9,647	9,647	-	33,588	28.72
2025	9,898	9,898	-	34,145	28.99

Notes to Schedule of Contributions - Police Officers

Valuation Date: October 1, 2022

Notes: Actuarially determined contribution rates are calculated as of October 1, 2022 for the fiscal year ended September 30, 2025.

Methods and Assumption Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay (with 1.01% payroll growth assumption), Closed
Remaining Amortization Period	26 years
Asset Valuation Method	20% of the difference between expected actuarial value (based on assumed return) and fair value is recognized each year with 20% corridor around fair value.
Inflation	2.50%
Salary Increases	A range of 4.50% to 6.40%, depending on completed years of service, including inflation.
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The mortality tables used are the same as those used in the July 1, 2022 Pension Actuarial Valuation of the Florida Retirement System (FRS) for Special Risk members. These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018.

Other Information:

Notes	See Discussion of Valuation Results in the October 1, 2022 Actuarial Valuation Report dated January 31, 2023 and the Actuarial Impact Statement for Ordinance No. 23-O-24 dated March 31, 2023.

The above disclosures are the same for the plan and the employer.

See Independent Auditors' Report

Schedule of Changes in Employer's Net Pension Liability and Related Ratios - Firefighters
(Based on Measurement Period Ending September 30, 2025)
for the Fiscal Year Ended September 30
(in thousands)
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	$ 5,545	$ 5,086	$ 4,995	$ 4,764	$ 4,598	$ 4,636	$ 4,310	$ 4,000	$ 3,863	$ 3,564
Interest	24,084	22,956	22,354	21,651	21,955	21,357	20,412	19,312	17,968	16,774
Benefit Changes	-	(11)	-	-	(9)	-	-	(1,850)	-	-
Difference between actual & expected experience	6,056	-	615	-	(1,513)	2,063	4,784	3,136	8,020	-
Assumption Changes	-	-	5,458	-	(9,691)	-	4,930	4,590	9,978	-
Benefit Payments	(19,111)	(18,151)	(17,901)	(17,471)	(16,606)	(15,960)	(15,275)	(14,772)	(13,669)	(12,701)
Refunds	(169)	(538)	(95)	(53)	(213)	(155)	(339)	(50)	(65)	(65)
Net Change in Total Pension Liability	16,405	9,342	15,426	8,891	(1,479)	11,941	18,822	14,366	26,095	7,572
Total Pension Liability - Beginning	330,240	320,898	305,472	296,581	298,060	286,119	267,297	252,931	226,836	219,264
Total Pension Liability - Ending (a)	$ 346,645	$ 330,240	$ 320,898	$ 305,472	$ 296,581	$ 298,060	$ 286,119	$ 267,297	$ 252,931	$ 226,836
Plan Fiduciary Net Position										
Contributions - Employer	$ 7,160	$ 6,579	$ 6,658	$ 6,658	$ 7,084	$ 6,443	$ 5,735	$ 5,001	$ 4,970	$ 4,671
Contributions - Non-Employer Contributing Entity	-	-	-	-	19	1	1	3	66	-
Contributions - Member	2,940	3,535	3,454	3,467	3,235	3,384	2,999	2,862	3,270	3,092
Net Investment Income	30,849	41,154	16,477	(14,602)	59,591	14,654	8,831	17,675	23,810	15,933
Benefits Payments	(19,111)	(18,151)	(17,901)	(17,471)	(16,606)	(15,960)	(15,275)	(14,772)	(13,669)	(12,701)
Refunds	(169)	(538)	(95)	(53)	(213)	(155)	(339)	(50)	(65)	(65)
Administrative Expense	(153)	(156)	(143)	(118)	(132)	(117)	(310)	(92)	(227)	(124)
Other - Reallocation of Prior Years' Investment Earnings	-	-	-	-	-	4,961	-	-	-	-
Net Change in Plan Fiduciary Net Position	21,516	32,423	8,450	(22,119)	52,978	13,211	1,642	10,627	18,155	10,806
Plan Fiduciary Net Position - Beginning	302,469	270,046	261,596	283,715	230,737	217,526	215,884	205,257	187,102	176,296
Plan Fiduciary Net Position - Ending (b)	$ 323,985	$ 302,469	$ 270,046	$ 261,596	$ 283,715	$ 230,737	$ 217,526	$ 215,884	$ 205,257	$ 187,102
Net Pension Liability - Ending (a) - (b)	$ 22,660	$ 27,771	$ 50,852	$ 43,876	$ 12,866	$ 67,323	$ 68,593	$ 51,413	$ 47,674	$ 39,734
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.46%	91.59%	84.15%	85.64%	95.66%	77.41%	76.03%	80.77%	81.15%	82.48%
Covered Payroll	$ 19,963	$ 18,663	$ 18,990	$ 18,264	$ 16,427	$ 15,806	$ 15,545	$ 15,097	$ 18,774	$ 17,645
Net Pension Liability as a Percentage of Covered Payroll	113.51%	148.80%	267.78%	240.23%	78.32%	425.93%	441.25%	340.55%	253.94%	225.19%

See Independent Auditors' Report

Schedule of Contributions - Firefighters
(in thousands)
(Unaudited)

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	$ 4,671	$ 4,671	$ -	$ 17,645	26.47%
2017	4,970	4,970	-	18,774	26.47
2018	4,700	5,001	(301)	15,097	33.13
2019	5,735	5,735	-	15,545	36.89
2020	6,443	6,443	-	15,806	40.76
2021	7,084	7,084	-	16,427	43.12
2022	6,658	6,658	-	18,264	36.45
2023	6,658	6,658	-	18,990	35.06
2024	6,579	6,579	-	18,663	35.25
2025	7,160	7,160	-	19,963	35.87

Notes to Schedule of Contributions - Firefighters

Valuation Date: October 1, 2022

Notes: Actuarially determined contribution rates are calculated as of October 1, 2022, for the fiscal year ended September 30, 2025.

Methods and Assumption Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay (with 2.93% payroll growth assumption), Closed
Remaining Amortization Period	26 years
Asset Valuation Method	20% of the difference between expected actuarial value (based on assumed return) and fair value is recognized each year with 20% corridor around fair value.
Inflation	2.50%
Salary Increases	A range of 4.40% to 5.75%, depending on completed years of service, including inflation.
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The mortality tables used are the same as those used in the July 1, 2022 Pension Actuarial Valuation of the Florida Retirement System (FRS) for Special Risk members. These tables are based on the Pub-2010 mortality tables with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2018.

Other Information:

Notes	See Discussion of Valuation Results in the October 1, 2022 Actuarial Valuation Report dated January 31, 2023 and the Actuarial Impact Statement dated August 27, 2024.

The above disclosures are the same for the plan and the employer.

See Independent Auditors' Report

Schedule of Investment Returns - Pension Plans for the Fiscal Year Ended September 30 (Unaudited)

Fiscal Year Ending September 30,	Annual Return*
2016	9.04%
2017	13.12
2018	8.58
2019	3.73
2020	5.80
2021	25.50
2022	(8.40)
2023	6.90
2024	15.40
2025	10.20

* Estimated Annual money-weighted rate of return, net of investment expenses.

See Independent Auditors' Report

Proportionate Share of the Net OPEB Liability
For the Fiscal Year Ended September 30, 2025
(in thousands)

Measurement Year Ended September 30,	2024	2023	2022	2021	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	98.42%	98.48%	98.60%	98.59%	98.58%	98.97%	99.03%	99.42%
City's Proportionate Share of the Net OPEB Liability	$ 64,263	$ 62,674	$ 62,373	$ 78,757	$ 78,224	$ 93,488	$ 82,407	$ 86,149
City's Covered-Employee Payroll	$ 183,609	$ 174,398	$ 168,020	$ 149,280	$ 149,128	$ 142,909	$ 152,232	$ 147,719
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered-Employee Payroll	35.00%	35.94%	37.12%	52.76%	52.45%	65.42%	54.13%	58.32%
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	21.21%	17.14%	15.04%	14.26%	11.52%	8.77%	9.62%	8.04%

See Independent Auditors' Report

Schedule of Changes in Net OPEB Liability and Related Ratio
for the Fiscal Year Ended September 30
(in thousands)
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	$ 1,845	$ 1,514	$ 1,518	$ 2,140	$ 2,285	$ 2,288	$ 2,064	$ 2,375	$ 2,468
Interest on the total OPEB liability	3,310	3,410	3,306	2,149	2,618	2,942	3,545	3,334	3,041
Charge of benefit terms	-	-	-	-	30	-	-	-	-
Differences between expected and actual experience	-	4,481	-	2,070	(5,297)	(800)	(74)	-	-
Change of assumptions	(8,677)	5,672	(1,797)	(18,597)	(9,702)	(59)	12,851	(3,480)	(5,015)
Benefit payments	(5,192)	(4,659)	(5,028)	(4,448)	(4,153)	(4,366)	(4,635)	(4,851)	(4,412)
Net change in total OPEB liability	(8,714)	10,418	(2,001)	(16,686)	(14,219)	5	13,751	(2,622)	(3,918)
Total OPEB liability - beginning	82,872	72,454	74,455	91,141	105,360	11,129	(2,622)	-	98,144
Total OPEB liability - ending (a)	$ 74,158	$ 82,872	$ 72,454	$ 74,455	$ 91,141	$ 11,134	$ 11,129	$ (2,622)	$ 94,226
Plan Fiduciary Net Pension									
Employer Contributions to the OPEB Trust Fund	$ 2,596	$ 2,539	$ 2,399	$ 2,294	$ 2,272	$ 2,033	$ 2,031	$ 2,017	$ 2,015
Employer Contributions not deposited in OPEB Trust Fund	3,115	2,595	2,904	2,305	2,037	2,216	(2,439)	2,673	-
OPEB plan net investment income	1,947	3,943	1,688	(2,235)	2,798	1,364	385	1,447	1,273
Benefit payments	(2,077)	(2,064)	(2,124)	(2,143)	(2,116)	(2,150)	(2,196)	(2,177)	(2,170)
Benefit payments not reimbursed by the OPEB Trust Fund	(3,115)	(2,595)	(2,904)	(2,305)	(2,037)	(2,216)	2,439	(2,673)	-
Other (Adjustment to prior year)	-	-	-	-	-	-	-	1	-
Net change in plan fiduciary net position	2,466	4,418	1,963	(2,084)	2,954	1,247	220	1,288	1,118
Plan fiduciary net position - beginning	17,578	13,160	11,197	13,281	10,327	9,080	8,862	-	6,456
Plan fiduciary net position - ending (b)	$ 20,044	$ 17,578	$ 13,160	$ 11,197	$ 13,281	$ 10,327	$ 9,082	$ 1,288	$ 7,574
Net OPEB liability - ending (a) - (b)	$ 54,114	$ 65,294	$ 59,294	$ 63,258	$ 77,860	$ 807	$ 2,047	$ (3,910)	$ 86,652
Plan fiduciary net position as a % of the total OPEB liability	27.00%	21.00%	18.00%	15.00%	15.00%	93.00%	82.00%	(49.00%)	8.00%
Covered-Employee payroll	$ 194,913	$ 186,543	$ 177,080	$ 170,403	$ 151,408	$ 151,273	$ 151,093	$ 153,725	$ 149,247
Net OPEB liability as a % of covered-employee payroll	28.00%	35.00%	33.00%	37.00%	51.00%	1.00%	1.00%	(3.00%)	58.00%

Note: Covered-Employee Payrolls presented above are estimates based on the data submitted for valuation purposes. GASB Statement 75 defined Covered-Employee payroll as the payroll of employees that are provided with OPEB through the OPEB plan, including employees terminating during the measurement period.

Schedule of Contributions - OPEB PLAN
(in thousands)
(Unaudited)

FY ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Employee Payroll
2017	$ 5,323	$ 2,015	$ 3,308	$ 149,247	1.35%
2018	5,567	2,017	3,550	153,725	1.31
2019	5,377	2,031	3,346	151,093	1.34
2020	6,070	2,033	4,037	151,273	1.34
2021	5,410	2,272	3,138	151,408	1.50
2022	5,654	2,294	3,360	170,403	1.35
2023	5,788	2,399	3,389	177,080	1.35
2024	5,022	2,539	2,483	186,543	1.36
2025	5,224	2,596	2,628	194,913	1.33

Schedule of Contributions - OPEB CITY
(in thousands)
(Unaudited)

FY ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a % of Covered Employee Payroll
2017	$ 5,292	$ 2,003	$ 3,288	$ 148,382	1.35%
2018	5,513	1,997	3,516	152,232	1.31
2019	5,322	2,010	3,312	142,909	1.41
2020	5,984	2,004	3,980	149,128	1.34
2021	5,333	2,240	3,093	149,280	1.50
2022	5,575	2,262	3,313	168,020	1.35
2023	5,707	2,363	3,344	174,398	1.35
2024	4,942	2,499	2,444	183,609	1.36
2025	5,144	2,556	2,588	191,911	1.33

The following Notes, Methods and Assumptions are applicable to both tables above.

See Independent Auditors' Report

Notes to Schedule of Contributions - OPEB

Valuation date: September 30, 2023

Notes: Actuarially determined contribution rates are calculated as of October 1, which is the beginning of the year in which contributions are made and reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 years
Asset Valuation Method	Fair Value
Inflation	2.50%
Salary increases	2.95% to 6.40%, including inflation; varies by plan type and years of service.
Investment rate of return	4.73%, net of OPEB plan expense, including inflation.
Retirement Age	Experience-based table of rates that are specific to the plan and type of eligibility condition.
Mortality	Mortality tables used in the July 1, 2022 actuarial valuation of the Florida Retirement System (FRS). They are based on the results of a statewide experience study covering the period 2013 through 2018. These rates were taken from adjusted Pub-2010 mortality tables published by SOA with generational mortality improvements using Scale MP-2018.
Health Care Trend Rate	Based on the Getzen Model, with trend starting at 5.90% for 2024 (based on actual premium increases), followed by 6.00% for 2025, and then gradually decreasing to an ultimate trend rate of 4.00%
Aging factors	Based on the 2013 SOA Study “Health Care Costs - From Birth to Death”.
Expenses	Investment expenses are net of the investment returns; and, Administrative expenses are included in the per capita health costs.

Other Information:

Notes	There were no benefit changes during the year. See Summary of Funding Results in section C of the September 30, 2023 OPEB Actuarial Valuation Report.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

See Independent Auditors’ Report

Schedule of Investment Returns - OPEB
(Unaudited)

FY Ending September 30,	Annual Return*
2017	18.68%
2018	17.87
2019	4.27
2020	15.10
2021	26.89
2022	(16.73)
2023	14.89
2024	29.43
2025	10.92

* Estimated Annual money-weighted rate of return, net of investment expenses.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

See Independent Auditors' Report

CITY OF TALLAHASSEE

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Combining Financial Statements

These basic financial statements provide a summary overview of the financial position of all funds and account groups as well as the operating results of all funds. They also serve as an introduction to the more detailed statements and schedules that follow in subsequent sections:

- Nonmajor Governmental Funds
- Nonmajor Enterprise Funds
- Internal Service Funds
- Fiduciary Funds

CITY OF TALLAHASSEE

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Nonmajor Governmental Funds

Community Redevelopment Agency	Accounts for the general tax revenue collected on and the expenses incurred in the redevelopment of properties in the community redevelopment area.
Special Projects	Accounts for federal, state and local grants. These grants include but are not limited to the Community Development Block Grant, the Neighborhood Stabilization Program, the Homeless Prevention and Rapid Re-Housing Program, Emergency Shelter Grants, the HOME program and other miscellaneous grants. This fund includes other miscellaneous items that are to be used for general government purposes that are not appropriated in another fund.
Law Enforcement	For the accounting of state and federal forfeitures received by the City as prescribed by Florida Statutes. Also included: the Federal Law Enforcement Block Grant revenues and expenditures; and Second Dollar funding revenues received from the County who collects fines from citizens guilty of a statute violation or local ordinance.
Building Code Enforcement	Accounts for all assets, operations, and maintenance of the City's Building Inspection Division of the Growth Management Department. Revenues accounted for in this fund are derived from fees, fines, and investment earnings from the enforcement and implementation of the Florida Building code. Revenues in this fund were previously captured and reported in the General Revenue Fund.
Concurrency	Accounts for activity resulting from the State's new concurrency requirements outlined in Chapter 163, F.S. This statute allows developers the opportunity to move forward with development despite concurrency constraints by contributing their fair share of the cost to improve the impacted transportation facilities.
State Housing Partnership	Accounts for State funding to be used as an incentive to produce and preserve affordable housing for very low, low, and moderate income families.
Debt Service	Accounts for the accumulation of resources for, and the payment of, interest and principal on all general long-term debt other than that payable from Proprietary Funds.
Capital Improvement	Accounts for general revenue used for the acquisition or construction of general fixed assets.
Capital Bonds	Accounts for bond proceeds used for the acquisition or construction of general fixed assets.
Sales Tax Construction	Accounts for tax proceeds used for the acquisition or construction of public safety and transportation improvements.
Gas Tax	Accounts for tax proceeds used for the acquisition or construction of transportation improvements.
Cemetery	To accumulate resources for the perpetual maintenance of the City's cemeteries which include the sale and maintenance of plots.

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025
(in thousands)

	Special Revenue Funds					
	Community Redevelopment Agency	Special Projects	Law Enforcement	Building Code Enforcement	Concurrency	State Housing Partnership
ASSETS						
Assets Unrestricted						
Cash, Cash Equivalents and Pooled Investments	$ -	$ 2,427	$ -	$ 4,000	$ 6,605	$ -
Investments	-	-	-	-	-	-
Securities Lending Collateral	-	31	-	51	84	-
Receivables:						
Accrued Interest	-	19	-	31	51	-
Customers and Others	-	1	-	-	-	-
Notes	-	863	-	-	-	-
Special Assessments	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Governments	-	3,821	-	-	-	-
Advances To Other Funds	-	-	-	-	-	-
Assets Restricted						
Cash, Cash Equivalents and Pooled Investments	30,798	186	1,011	-	-	2,470
Securities Lending Collateral	394	2	13	-	-	32
Receivables:						
Accrued Interest	236	1	8	-	-	19
Customers and Others	45	1	2	-	-	-
Notes	115	-	-	-	-	210
Due From Other Governments	547	2,272	-	-	-	-
Total Assets	$ 32,135	$ 9,624	$ 1,034	$ 4,082	$ 6,740	$ 2,731
LIABILITIES						
Liabilities Unrestricted						
Obligations Under Securities Lending	$ -	$ 31	$ -	$ 51	$ 84	$ -
Accounts and Retainage Payable	-	940	-	211	62	-
Due To Other Funds	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-
Unearned Revenue	-	1,095	-	-	-	-
Liabilities Restricted						
Obligations Under Securities Lending	394	2	13	-	-	32
Accounts and Retainage Payable	624	603	111	-	-	65
Unearned Revenue	-	-	268	-	-	2,096
Total Liabilities	1,018	2,671	392	262	146	2,193
DEFERRED INFLOWS OF RESOURCES						
Total Deferred Inflows of Resources	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	1,018	2,671	392	262	146	2,193
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Spendable:						
Restricted	31,117	2,084	2	3,820	6,594	538
Committed	-	4,869	640	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	31,117	6,953	642	3,820	6,594	538
Total Liabilities and Fund Balances	$ 32,135	$ 9,624	$ 1,034	$ 4,082	$ 6,740	$ 2,731

See Independent Auditors' Report

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025
(in thousands)

	Capital Project Funds				Permanent Fund	
Debt Service	Capital Improvement	Capital Bonds	Sales Tax Construction	Gas Tax	Cemetery	Total Nonmajor Governmental Funds
$ -	$ 6,316	$ -	$ 8,245	$ -	$ 297	$ 27,890
-	-	-	-	-	1,506	1,506
-	82	-	105	-	23	376
-	50	-	63	-	2	216
-	-	-	37	-	-	38
-	96	-	-	-	-	959
-	31	-	-	-	-	31
-	-	710	-	-	-	710
-	1,551	-	-	-	-	1,551
-	-	-	1,190	1,202	-	6,213
9,002	-	-	-	-	-	9,002
515	14,580	89,793	-	-	-	139,353
7	185	1,148	-	-	-	1,781
4	112	689	-	-	-	1,069
-	-	-	-	-	-	48
-	-	-	-	-	-	325
-	-	-	-	-	-	2,819
$ 9,528	$ 23,003	$ 92,340	$ 9,640	$ 1,202	$ 1,828	$ 193,887
$ -	$ 82	$ -	$ 105	$ -	$ 23	$ 376
-	969	-	210	38	2	2,432
-	-	-	-	1,551	-	1,551
-	3,000	-	-	-	-	3,000
-	-	-	-	-	-	1,095
7	185	1,148	-	-	-	1,781
-	749	11,211	-	-	-	13,363
-	-	-	-	-	-	2,364
7	4,985	12,359	315	1,589	25	25,962
-	-	-	-	-	-	-
7	4,985	12,359	315	1,589	25	25,962
-	-	710	-	-	-	710
9,521	-	79,271	9,325	-	-	142,272
-	18,018	-	-	-	1,803	25,330
-	-	-	-	(387)	-	(387)
9,521	18,018	79,981	9,325	(387)	1,803	167,925
$ 9,528	$ 23,003	$ 92,340	$ 9,640	$ 1,202	$ 1,828	$ 193,887

See Independent Auditors' Report

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2025
(in thousands)

	Special Revenue Funds					
	Community Redevelopment Agency	Special Projects	Law Enforcement	Building Code Enforcement	Concurrency	State Housing Partnership
REVENUES						
Taxes	$ 5,326	$ -	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	5,338	2,283	-
Intergovernmental Revenues	4,162	16,033	129	-	-	1,399
Charges for Services	464	409	-	335	-	-
Fines and Forfeitures	-	-	450	55	-	-
Net Investment Earnings	1,169	276	45	121	265	88
Securities Lending Income	10	-	-	-	-	-
Change in Fair Value of Investments	477	9	-	8	-	-
Miscellaneous Revenues	4	1,684	(2)	276	1	-
Total Revenues	11,612	18,411	622	6,133	2,549	1,487
EXPENDITURES						
Current						
General Government	-	524	13	-	-	-
Public Safety	-	1,645	511	4,885	-	-
Transportation	-	1,288	-	-	1,384	-
Human Services	-	4,090	-	-	-	22
Economic Environment	5,134	7,054	-	-	-	1,428
Physical Environment	-	2,680	-	-	27	-
Culture and Recreation	-	257	-	-	-	-
Securities Lending Expense						
Interest	8	-	-	-	-	-
Debt Service						
Principal Retired	565	-	-	-	-	-
Interest and Fiscal Charges	29	-	-	-	-	-
Total Expenditures	5,736	17,538	524	4,885	1,411	1,450
Excess of Revenues Over (Under) Expenses	5,876	873	98	1,248	1,138	37
OTHER FINANCING SOURCES (USES)						
Transfers In	-	1,999	43	51	-	-
Transfers Out	(2,020)	-	(206)	(120)	-	-
Issuance of Debt	-	-	-	-	-	-
Premium on Issuance of Debt	-	-	-	-	-	-
Refunding Debt	-	-	-	-	-	-
Payment to Refunded Bonds Escrow Agent	-	-	-	-	-	-
SBITAs	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(2,020)	1,999	(163)	(69)	-	-
Net Change in Fund Balances	3,856	2,872	(65)	1,179	1,138	37
Fund Balances - October 1	27,261	4,081	707	2,641	5,456	2,297
Prior Period Adjustment	-	-	-	-	-	(1,796)
Fund Balances Restated - October 1	27,261	4,081	707	2,641	5,456	501
Fund Balances - September 30	$ 31,117	$ 6,953	$ 642	$ 3,820	$ 6,594	$ 538

See Independent Auditors' Report

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended September 30, 2025
(in thousands)

	Capital Project Funds				Permanent Fund	
Debt Service	Capital Improvement	Capital Bonds	Sales Tax Construction	Gas Tax	Cemetery	Total Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ 5,326
-	-	-	-	-	-	7,621
-	4,433	-	6,503	7,164	-	39,823
-	51	-	-	-	89	1,348
-	-	-	-	-	-	505
331	989	2,269	398	16	71	6,038
-	10	29	-	-	-	49
-	-	-	-	-	29	523
-	131	191	56	-	1	2,342
331	5,614	2,489	6,957	7,180	190	63,575
-	1,444	1,430	-	-	-	3,411
-	2,359	23,130	-	-	-	32,530
69	6,590	6,132	4,950	907	-	21,320
-	72	-	-	-	-	4,184
-	278	-	100	-	-	13,994
-	676	2,066	331	2	276	6,058
-	835	15,550	727	-	-	17,369
-	8	25	-	-	-	41
5,475	-	-	-	-		6,040
7,443	16	-	-	-	-	7,488
12,987	12,278	48,333	6,108	909	276	112,435
(12,656)	(6,664)	(45,844)	849	6,271	(86)	(48,860)
11,059	2,854	-	-	-	-	16,006
-	-	-	(2,416)	(5,900)	(241)	(10,903)
536	-	62,479	-	-	-	63,015
-	-	2,621	-	-	-	2,621
28,281	-	-	-	-	-	28,281
(28,054)	-	-	-	-	-	(28,054)
-	72	-	-	-	-	72
11,822	2,926	65,100	(2,416)	(5,900)	(241)	71,038
(834)	(3,738)	19,256	(1,567)	371	(327)	22,178
10,355	21,756	60,725	10,892	(758)	2,130	147,543
-	-	-	-	-	-	(1,796)
10,355	21,756	60,725	10,892	(758)	2,130	145,747
$ 9,521	$ 18,018	$ 79,981	$ 9,325	$ (387)	$ 1,803	$ 167,925

See Independent Auditors' Report

Nonmajor Enterprise Funds

StarMetro	Accounts for the operations and maintenance of the City's public transit system.
Solid Waste	Accounts for the assets, operation and maintenance of the City-owned solid waste operation.
Golf Course	Accounts for the operations of the City's eighteen-hole Hilaman Park Golf Course.
Fire Services	Accounts for the operation and maintenance of the City-owned fire services department.

Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2025
(in thousands)

	StarMetro	Solid Waste	Golf	Fire Services	Total
ASSETS					
Current Assets					
Unrestricted					
Cash, Cash Equivalents and Pooled Investments	$ -	$ -	$ 921	$ -	$ 921
Securities Lending Collateral	-	-	12	-	12
Receivables:					
Accrued Interest	-	-	7	-	7
Customers and Others	13	5,705	-	6,701	12,419
Leases	69	-	-	-	69
Due From Other Governments	19,625	4	-	6	19,635
Less: Allowance for Doubtful Accounts	(31)	(1,015)	-	(1,141)	(2,187)
Inventory	1,001	-	43	-	1,044
Restricted					
Cash, Cash Equivalents and Pooled Investments	-	-	-	24,983	24,983
Securities Lending Collateral	-	-	-	320	320
Accrued Interest	-	-	-	192	192
Due From Other Governments	4,503	-	-	-	4,503
Total Current Assets	25,180	4,694	983	31,061	61,918
Noncurrent Assets					
Lease Receivables	143	-	-	-	143
Capital Assets					
Land and Construction in Progress	9,563	-	144	4,516	14,223
Other, Net of Accumulated Depreciation	29,617	9,084	449	10,037	49,187
Total Noncurrent Assets	39,323	9,084	593	14,553	63,553
Total Assets	64,503	13,778	1,576	45,614	125,471
DEFERRED OUTFLOW OF RESOURCES					
Pension Related Deferred Outflows	3,461	1,803	100	-	5,364
OPEB Related Deferred Outflows	771	401	19	1,929	3,120
Deferred Outflows on Fuel Hedging	53	-	-	-	53
Total Deferred Outflows of Resources	4,285	2,204	119	1,929	8,537
Total Assets and Deferred Outflows of Resources	$ 68,788	$ 15,982	$ 1,695	$ 47,543	$ 134,008
LIABILITIES					
Current Liabilities					
Unrestricted					
Accounts and Retainage Payable	$ 1,118	$ 1,737	$ 81	$ 853	$ 3,789
Due To Other Funds	21,383	4,405	1	803	26,592
Due To Other Governments	-	1	-	-	1
Compensated Absences	591	209	31	2,837	3,668
Lease Payable	382	-	-	-	382
SBITA Liability	69	-	-	-	69
Obligations Under Securities Lending	-	-	12	-	12
Unearned Revenue	166	-	-	-	166
Loans Payable	-	-	-	490	490
Bonds Payable	928	-	-	-	928
Restricted					
Accounts and Retainage Payable	2,438	-	-	-	2,438
Obligations Under Securities Lending	-	-	-	320	320
Total Current Liabilities	27,075	6,352	125	5,303	38,855
Noncurrent Liabilities					
Advances from Other Funds	-	5,152	226	5,554	10,932
Compensated Absences	345	435	74	554	1,408
Lease Payable	1,750	-	-	-	1,750
Net OPEB Liability	4,369	1,469	116	6,359	12,313
Loans Payable	-	-	-	26,325	26,325
Bonds Payable	1,920	-	-	-	1,920
Net Pension Liability	1,409	800	61	-	2,270
Derivative Instruments	53	-	-	-	53
Total Noncurrent Liabilities	9,846	7,856	477	38,792	56,971
Total Liabilities	36,921	14,208	602	44,095	95,826
DEFERRED INFLOWS OF RESOURCES					
Pension Related Deferred Inflows	2,049	1,003	46	-	3,098
OPEB Related Deferred Inflows	744	455	19	2,208	3,426
Lease Related Deferred Inflows	211	-	-	-	211
Total Deferred Inflows of Resources	3,004	1,458	65	2,208	6,735
NET POSITION					
Net Investment in Capital Assets	34,131	9,084	593	12,913	56,721
Restricted for:	-	-	743	635	1,378
Unrestricted	(5,268)	(8,768)	(308)	(12,308)	(26,652)
Total Net Position	28,863	316	1,028	1,240	31,447
Total Liabilities, Deferred Inflows, and Net Position	$ 68,788	$ 15,982	$ 1,695	$ 47,543	$ 134,008

See Independent Auditors' Report

Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
for the Fiscal Year Ended September 30, 2025
(in thousands)

	StarMetro	Solid Waste	Golf	Fire Services	Total
OPERATING REVENUES					
Charges for Services					
Residential Sales	$ -	$ 15,941	$ -	$ 29,298	$ 45,239
Commercial and Industrial Sales	-	24,061	-	16,173	40,234
County Government	-	-	-	3,731	3,731
Recreation Fees	-	-	1,497	-	1,497
Transportation Fees	6,369	-	-	-	6,369
Other Charges	149	17	-	1,659	1,825
Total Operating Revenues	6,518	40,019	1,497	50,861	98,895
OPERATING EXPENSES					
Personnel Services	13,298	6,878	769	37,850	58,795
Fossil Fuel	122	-	-	-	122
Contractual Services	6,560	28,760	292	15,529	51,141
Materials and Supplies	3,746	594	183	890	5,413
Other	495	1,361	103	627	2,586
Depreciation	3,404	1,218	45	1,066	5,733
Amortization	430	-	-	-	430
Total Operating Expenses	28,055	38,811	1,392	55,962	124,220
Operating Income (Loss)	(21,537)	1,208	105	(5,101)	(25,325)
NON-OPERATING REVENUES (EXPENSES)					
Net Investment Earnings	-	-	33	957	990
Change in Fair Value of Investments	-	32	3	-	35
Securities Lending					
Securities Lending Income	-	-	-	10	10
Interest Expense	-	-	-	(8)	(8)
Intergovernmental Revenues	7,978	-	-	-	7,978
Other Revenues	565	1,300	3	2,119	3,987
Interest Expense	(151)	(401)	(3)	(1,625)	(2,180)
Other Expenses	(1,773)	(5)	(10)	-	(1,788)
Total Non-Operating Revenues (Expenses)	6,619	926	26	1,453	9,024
Income (Loss) Before Capital Contributions and Operating Transfers	(14,918)	2,134	131	(3,648)	(16,301)
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital Contributions	23,990	-	-	-	23,990
Transfers In	12,768	-	-	-	12,768
Transfers Out	(84)	(2,883)	-	(549)	(3,516)
Total Operating Transfers	36,674	(2,883)	-	(549)	33,242
Change in Net Position	21,756	(749)	131	(4,197)	16,941
Net Position - October 1	7,107	1,065	897	5,437	14,506
Net Position - September 30	$ 28,863	$ 316	$ 1,028	$ 1,240	$ 31,447

See Independent Auditors' Report

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
for the Fiscal Year Ended September 30, 2025
(in thousands)

	StarMetro	Solid Waste	Golf	Fire Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	$ (6,960)	$ 40,223	$ 1,497	$ 53,385	$ 88,145
Cash Paid to Suppliers for Goods and Services	(4,143)	(20,740)	(440)	(4,817)	(30,140)
Cash Paid to Employees for Services	(13,996)	(7,234)	(749)	(38,033)	(60,012)
Cash Paid For Interfund Services	(4,808)	(10,239)	(108)	(13,421)	(28,576)
Net Cash Provided by (Used for) Operating Activities	(29,907)	2,010	200	(2,886)	(30,583)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from Other Funds	12,768	-	-	-	12,768
Grant Receipts	7,978	-	-	-	7,978
Cash Received (Paid) From (For) Other Financing Activities	(1,207)	1,295	(7)	2,119	2,200
Cash Received (Paid) From (For) Interfund Activity	4,348	1,247	(73)	340	5,862
Transfers To Other Funds	(84)	(2,883)	-	(549)	(3,516)
Net Cash Provided by (Used for) Noncapital Financing Activities	23,803	(341)	(80)	1,910	25,292
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Contributions	23,990	-	-	-	23,990
Cash Received (Paid) From Acquisition, Construction, and Sale of Capital Assets Activities	(16,828)	(1,300)	-	(2,247)	(20,375)
Principal Payments on Bonds and Loans	(907)	-	-	(185)	(1,092)
Interest Paid	(151)	(401)	(2)	(1,625)	(2,179)
Net Cash Provided by (Used for) Capital and Related Financing Activities	6,104	(1,701)	(2)	(4,057)	344
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received on Investments	-	-	30	920	950
Purchase of Investments	-	-	(1,799)	(48,792)	(50,591)
Sales of Investments	-	32	1,677	50,552	52,261
Net Cash Provided by (Used for) Investing Activities	-	32	(92)	2,680	2,620
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	26	(2,353)	(2,327)
Cash and Cash Equivalents - October 1	-	-	770	29,096	29,866
Revision to Cash and Cash Equivalents	-	-	(484)	(18,279)	(18,763)
Cash and Cash Equivalents Revised - October 1	-	-	286	10,817	11,103
Cash and Cash Equivalents - September 30	$ -	$ -	$ 312	$ 8,464	$ 8,776
Total Cash, Cash Equivalents, and Investments					
Cash and Cash Equivalents	$ -	$ -	$ 312	$ 8,464	$ 8,776
Investments	-	-	609	16,519	17,128
Total Cash, Cash Equivalents and Investments	$ -	$ -	$ 921	$ 24,983	$ 25,904
Classified As:					
Unrestricted Assets	$ -	$ -	$ 921	$ -	$ 921
Restricted Assets	-	-	-	24,983	24,983
	$ -	$ -	$ 921	$ 24,983	$ 25,904
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	$ (21,537)	$ 1,208	$ 105	$ (5,101)	$ (25,325)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation/Amortization	3,834	1,218	45	1,066	6,163
Net Pension and OPEB Liability changes	(775)	(396)	(18)	(410)	(1,599)
Changes in Lease Related Deferred Inflows	(16)	-	-	-	(16)
(Increase) Decrease in Accounts Receivable	18	85	-	1,070	1,173
(Increase) Decrease in Inventory	(29)	-	(3)	-	(32)
(Increase) Decrease in Lease Receivable	17	-	-	-	17
(Increase) Decrease in Due From Other Governments	(13,474)	6	-	607	(12,861)
Increase (Decrease) in Accounts Payable	1,950	(152)	34	(346)	1,486
Increase (Decrease) in Due to Other Governments	-	1	-	-	1
Increase (Decrease) in Compensated Absences	77	40	37	228	382
Increase (Decrease) in Unearned Revenue	28	-	-	-	28
Total Adjustments	(8,370)	802	95	2,215	(5,258)
Net Cash Provided by (Used for) Operating Activities	$ (29,907)	$ 2,010	$ 200	$ (2,886)	$ (30,583)

See Independent Auditors' Report

CITY OF TALLAHASSEE

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Internal Service Funds

800 MHz Communication	Supports the 800 MHz Radios Communications unit within the Information System Services. Revenues for the fund are derived from Leon County per agreement, and rentals from other users. The remaining cost is allocated to user departments. The allocation is based on the number of 800 MHz devices per department.
Technology and Innovation	Accounts for the costs of the City's data processing operations.
Human Resources	Accounts for the costs of the City's employee relations operations.
Internal Loan	Accounts for the loans received from the Sunshine State Governmental Financing Commission, which in turn are loaned to other funds to provide financing for capital projects.
Pension Administration	Accounts for the costs of the City's employee retirement plan's administrative operation.
Diversity and Inclusion	Accounts for the cost of the City's efforts to promote diversity and inclusion throughout the government.
Purchasing	Accounts for the costs of the City's procurement operations.
Accounting	Accounts for the costs of the City's accounting operations.
Garage	Accounts for the costs of maintaining and operating the City's fleet management operation.
Risk Management	Accounts for the costs of the City's risk management.
Revenue Collection	Accounts for the costs of the City's revenue collection services.
Utility Services	Accounts for the costs of centralizing safety and training, environmental, GIS, sales, rate design, and marketing functions of the City's utilities.
Environmental Services and Facilities Management (ESFM)	Accounts for the City's environmental policy development and initiatives and environmental regulatory compliance.
Wholesale Energy Services	Accounts for the costs of the purchase of power and fuel for the City's electric and gas utilities and off system sales and services of power and natural gas to other utilities and open market participants.
Community Relations	Accounts for the City's community relations function which serves to engage citizens through interactive educational outreach efforts focused on a variety of City services and programs ranging from utility services to transportation.

Combining Statement of Net Position
Internal Service Funds
September 30, 2025
(in thousands)

	800 Mhz Communication	Technology and Innovation	Human Resources	Internal Loan	Pension Administration	Diversity and Inclusion
ASSETS						
Current Assets						
Cash, Cash Equivalents and Pooled Investments	$ 1,148	$ 424	$ 32	$ 2,339	$ 157	$ 71
Securities Lending Collateral	15	5	-	30	2	1
Receivables:						
Accrued Interest	9	3	-	18	1	1
Customers and Others	2	4	2	-	-	-
Due From Other Governments	455	15	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Current Assets	1,629	451	34	2,387	160	73
Noncurrent Assets						
Advances To Other Funds	-	-	-	1,430	-	-
Deposits	-	-	-	-	-	-
Capital Assets						
Land and Construction in Progress	440	11,305	-	-	-	-
Other, Net of Accumulated Depreciation	1,222	28,279	20	-	-	7
Total Noncurrent Assets	1,662	39,584	20	1,430	-	7
Total Assets	$ 3,291	$ 40,035	$ 54	$ 3,817	$ 160	$ 80
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows on Fuel Hedging	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	$ 3,291	$ 40,035	$ 54	$ 3,817	$ 160	$ 80
LIABILITIES						
Current Liabilities						
Unrestricted						
Accounts and Retainage Payable	$ 27	$ 2,403	$ 95	$ -	$ 54	$ 20
Due To Other Funds	-	-	-	-	-	-
Due To Other Governments	112	-	-	-	-	-
Compensated Absences	13	575	254	-	54	46
Lease Payable	397	384	-	-	-	-
SBITA Liability	-	4,313	-	-	-	-
Obligations Under Securities Lending	15	5	-	30	2	1
Loans Payable	-	1,066	-	-	-	-
Bonds Payable	-	900	-	-	-	-
Total Current Liabilities	564	9,646	349	30	110	67
Noncurrent Liabilities						
Claims Payable	-	-	-	-	-	-
Compensated Absences	1	275	10	-	-	11
Lease Payable	836	522	-	-	-	-
SBITA Liability	-	4,965	-	-	-	-
Loans Payable	-	3,696	-	-	-	-
Bonds Payable	-	1,830	-	-	-	-
Derivative Instruments	-	-	-	-	-	-
Total Noncurrent Liabilities	837	11,288	10	-	-	11
Total Liabilities	1,401	20,934	359	30	110	78
Total Liabilities	1,401	20,934	359	30	110	78
NET POSITION						
Net Investment in Capital Assets	429	21,908	20	-	-	7
Unrestricted	1,461	(2,807)	(325)	3,787	50	(5)
Total Net Position	1,890	19,101	(305)	3,787	50	2
Total Liabilities and Net Position	$ 3,291	$ 40,035	$ 54	$ 3,817	$ 160	$ 80

See Independent Auditors' Report

See Independent Auditors' Report

Combining Statement of Net Position
Internal Service Funds
September 30, 2025
(in thousands)

Purchasing	Accounting	Garage	Risk Management	Revenue Collection	Utility Services	Environmental Services and Facilities Management (ESFM)	Wholesale Energy Services	Community Relations	Total
$ 236	$ 1,887	$ 14,044	$ 17,749	$ 230	$ 6,533	$ 4,823	$ 8,681	$ 278	$ 58,632
3	24	180	276	3	158	62	111	4	874
2	14	108	136	2	50	37	67	2	450
1	1	104	2	1	2	1	144	-	264
-	-	86	-	-	22	-	-	-	578
-	-	-	3,853	-	-	-	-	-	3,853
-	-	-	-	37	-	-	26,581	-	26,618
-	-	561	-	-	-	-	549	-	1,110
242	1,926	15,083	22,016	273	6,765	4,923	36,133	284	92,379
-	-	-	-	-	-	-	-	-	1,430
-	-	-	-	-	-	-	5,824	-	5,824
44	-	-	-	-	-	389	-	-	12,178
272	228	62,380	-	382	837	10,310	-	-	103,937
316	228	62,380	-	382	837	10,699	5,824	-	123,369
$ 558	$ 2,154	$ 77,463	$ 22,016	$ 655	$ 7,602	$ 15,622	$ 41,957	$ 284	$ 215,748
-	-	151	-	-	-	-	-	-	151
-	-	151	-	-	-	-	-	-	151
$ 558	$ 2,154	$ 77,614	$ 22,016	$ 655	$ 7,602	$ 15,622	$ 41,957	$ 284	$ 215,899
$ 89	$ 122	$ 2,280	$ 60	$ 45	$ 521	$ 1,372	$ 8,962	$ 56	$ 16,106
-	-	-	-	-	-	-	30,000	-	30,000
-	-	-	-	-	-	-	-	-	112
126	325	402	120	91	846	318	35	111	3,316
-	-	-	-	-	30	-	-	-	811
-	80	459	-	-	-	-	-	-	4,852
3	24	180	276	3	158	62	111	4	874
-	-	-	-	-	-	440	-	-	1,506
-	-	-	-	-	-	-	-	-	900
218	551	3,321	456	139	1,555	2,192	39,108	171	58,477
-	-	-	12,946	-	-	-	-	-	12,946
1	218	217	119	86	617	47	13	125	1,740
-	-	-	-	-	68	-	-	-	1,426
-	90	492	-	-	-	-	-	-	5,547
-	-	-	-	-	-	8,625	-	-	12,321
-	-	-	-	-	-	-	-	-	1,830
-	-	151	-	-	-	-	-	-	151
1	308	860	13,065	86	685	8,672	13	125	35,961
219	859	4,181	13,521	225	2,240	10,864	39,121	296	94,438
219	859	4,181	13,521	225	2,240	10,864	39,121	296	94,438
316	58	61,429	-	382	739	1,634	-	-	86,922
23	1,237	12,004	8,495	48	4,623	3,124	2,836	(12)	34,539
339	1,295	73,433	8,495	430	5,362	4,758	2,836	(12)	121,461
$ 558	$ 2,154	$ 77,614	$ 22,016	$ 655	$ 7,602	$ 15,622	$ 41,957	$ 284	$ 215,899

See Independent Auditors' Report

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
for the Fiscal Year Ended September 30, 2025
(in thousands)

	800 Mhz Communication	Technology and Innovation	Human Resources	Internal Loan	Pension Administration	Diversity and Inclusion
OPERATING REVENUES						
Charges for Services	$ 2,003	$ 33,766	$ 5,559	$ -	$ 1,169	$ 1,476
Total Operating Revenues	2,003	33,766	5,559	-	1,169	1,476
OPERATING EXPENSES						
Personnel Services	670	10,056	3,819	-	715	1,149
Contractual Services	1,804	28,061	1,023	-	429	152
Materials and Supplies	19	277	17	-	7	6
Other	315	1,899	43	-	16	88
Depreciation	11	1,766	3	-	-	-
Amortization	378	6,953	4	-	-	22
Total Operating Expenses	3,197	49,012	4,909	-	1,167	1,417
Operating Income (Loss)	(1,194)	(15,246)	650	-	2	59
NON-OPERATING REVENUES (EXPENSES)						
Net Investment Earnings	32	-	3	78	7	-
Change in Fair Value of Investments	14	-	-	-	2	-
Securities Lending Income	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Agent Fees	-	-	-	-	-	-
Intergovernmental Revenues	878	-	-	-	-	-
Other Revenues	435	7,505	4	-	-	22
Interest Income	-	-	-	52	-	-
Interest Expense	(76)	(1,014)	-	-	-	(1)
Debt Issuance Costs	-	-	-	-	-	-
Other Expenses	(202)	(341)	-	-	-	-
Total Non-Operating Revenues (Expenses)	1,081	6,150	7	130	9	21
Income (Loss) Before Capital Contributions and Operating Transfers	(113)	(9,096)	657	130	11	80
CAPITAL CONTRIBUTIONS AND TRANSFERS						
Transfers In	-	16,000	115	-	-	3
Transfers Out	(4)	-	(662)	-	-	(77)
Total Net Transfers	(4)	16,000	(547)	-	-	(74)
Change in Net Position	(117)	6,904	110	130	11	6
Net Position - October 1	2,007	12,197	(415)	3,657	39	(4)
Net Position - September 30	$ 1,890	$ 19,101	$ (305)	$ 3,787	$ 50	$ 2

See Independent Auditors' Report

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
for the Fiscal Year Ended September 30, 2025
(in thousands)

Purchasing	Accounting	Garage	Risk Management	Revenue Collection	Utility Services	Environmental Services and Facilities Management (ESFM)	Wholesale Energy Services	Community Relations	Total
$ 1,917	$ 7,686	$ 37,447	$ 12,660	$ 2,278	$ 24,205	$ 7,803	$ 136,093	$ 2,187	$ 276,249
1,917	7,686	37,447	12,660	2,278	24,205	7,803	136,093	2,187	276,249
1,959	4,903	6,955	1,762	1,554	16,767	3,828	542	1,755	56,434
426	1,636	3,313	439	500	6,893	3,113	225	346	48,360
5	12	12,166	6	144	306	373	136,924	44	150,306
41	607	253	10,361	25	435	66	7	21	14,177
22	-	8,735	-	28	63	154	-	-	10,782
10	99	448	-	-	54	-	-	-	7,968
2,463	7,257	31,870	12,568	2,251	24,518	7,534	137,698	2,166	288,027
(546)	429	5,577	92	27	(313)	269	(1,605)	21	(11,778)
2	41	611	773	15	180	171	1,378	-	3,291
1	17	-	218	6	88	-	628	-	974
-	-	10	10	-	19	-	-	-	39
-	-	(8)	(8)	-	(17)	-	-	-	(33)
-	-	-	-	-	(1)	-	-	-	(1)
-	-	-	-	-	-	-	-	-	878
510	175	2,494	368	36	59	18	-	1	11,627
-	-	-	-	-	-	-	-	-	52
(1)	(15)	(59)	-	-	(5)	-	-	(1)	(1,172)
-	-	-	-	-	-	(40)	-	-	(40)
-	-	(3,765)	-	-	-	(641)	-	-	(4,949)
512	218	(717)	1,361	57	323	(492)	2,006	-	10,666
(34)	647	4,860	1,453	84	10	(223)	401	21	(1,112)
-	-	-	-	1	-	-	190	-	16,309
-	-	(137)	-	(75)	(379)	-	-	(2)	(1,336)
-	-	(137)	-	(74)	(379)	-	190	(2)	14,973
(34)	647	4,723	1,453	10	(369)	(223)	591	19	13,861
373	648	68,710	7,042	420	5,731	4,981	2,245	(31)	107,600
$ 339	$ 1,295	$ 73,433	$ 8,495	$ 430	$ 5,362	$ 4,758	$ 2,836	$ (12)	$ 121,461

See Independent Auditors' Report

Combining Statement of Cash Flows
Internal Service Funds
for the Fiscal Year Ended September 30, 2025
(in thousands)

	800 Mhz Communication	Technology and Innovation	Human Resources	Internal Loan	Pension Administration	Diversity and Inclusion
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received for Interfund Services	$ 2,087	$ 33,768	$ 5,558	$ 12	$ 1,170	$ 1,476
Cash Paid to Suppliers for Goods and Services	(1,653)	(29,546)	(144)	-	(280)	(119)
Cash Paid to Employees for Services	(681)	(10,059)	(3,813)	-	(697)	(1,191)
Cash Paid For Interfund Services	(538)	(731)	(929)	-	(152)	(137)
Net Cash Provided by (Used for) Operating Activities	(785)	(6,568)	672	12	41	29
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from Other Funds	-	16,000	115	-	-	3
Grant Receipts	878	-	-	-	-	-
Cash Received (Paid) From (For) Other Financing Activities	233	7,164	4	-	-	22
Cash Received (Paid) From (For) Interfund Activity	-	(3,420)	(95)	169	(6)	-
Transfers To Other Funds	(4)	-	(662)	-	-	(77)
Net Cash Provided by (Used for) Noncapital Financing Activities	1,107	19,744	(638)	169	(6)	(52)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Debt Issuance Costs	-	-	-	-	-	-
Cash Received (Paid) From Acquisition, Construction, and Sale of Capital Assets Activities	(230)	(15,612)	(4)	-	-	(22)
Proceeds From Bonds and Loans	-	4,762	-	-	-	-
Principal Payments on Bonds and Loans	-	(885)	-	-	-	-
Interest Paid	(76)	(1,014)	-	-	-	(1)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(306)	(12,749)	(4)	-	-	(23)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received on Investments	29	(3)	2	123	7	-
Purchases of Investments	(2,242)	(828)	(62)	(4,568)	(307)	(139)
Sales of Investments	2,181	548	41	4,299	276	166
Net Cash Provided by (Used for) Investing Activities	(32)	(283)	(19)	(146)	(24)	27
Net Increase (Decrease) in Cash and Cash Equivalents	(16)	144	11	35	11	(19)
Cash and Cash Equivalents - October 1	1,089	-	-	2,035	113	117
Revision to Cash and Cash Equivalents	$ (684)	$ -	$ -	$ (1,278)	$ (71)	$ (74)
Cash and Cash Equivalents Revised - October 1	$ 405	$ -	$ -	$ 757	$ 42	$ 43
Cash and Cash Equivalents - September 30	$ 389	$ 144	$ 11	$ 792	$ 53	$ 24
Total Cash, Cash Equivalents, and Investments						
Cash and Cash Equivalents	$ 389	$ 144	$ 11	$ 792	$ 53	$ 24
Investments	759	280	21	1,547	104	47
Total Cash, Cash Equivalents and Investments	$ 1,148	$ 424	$ 32	$ 2,339	$ 157	$ 71
Classified As:						
Unrestricted Assets	$ 1,148	$ 424	$ 32	$ 2,339	$ 157	$ 71
Restricted Assets	-	-	-	-	-	-
	$ 1,148	$ 424	$ 32	$ 2,339	$ 157	$ 71
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Operating Income (Loss)	$ (1,194)	$ (15,246)	$ 650	$ -	$ 2	$ 59
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:						
Depreciation/Amortization	389	8,719	7	-	-	22
(Increase) Decrease in Accounts Receivable	-	3	(1)	-	1	-
(Increase) Decrease in Inventory	-	-	-	-	-	-
(Increase) Decrease in Deposits	-	-	-	-	-	-
(Increase) Decrease in Prepaid Expenses	-	-	-	-	-	-
(Increase) Decrease in Due From Other Governments	(28)	(1)	-	12	-	-
Increase (Decrease) in Accounts Payable	(53)	(40)	10	-	21	(9)
Increase (Decrease) in Due to Other Governments	112	-	-	-	-	-
Increase (Decrease) in Compensated Absences	(11)	(3)	6	-	17	(43)
Increase (Decrease) in Claims Payable	-	-	-	-	-	-
Total Adjustments	409	8,678	22	12	39	(30)
Net Cash Provided by (Used for) Operating Activities	$ (785)	$ (6,568)	$ 672	$ 12	$ 41	$ 29
Noncash Capital and Related Financing Activities:						
Increase of Assets and Liabilities as a result of Leases and SBITAs	$ 663	$ 4,995	$ -	$ -	$ -	$ -

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Combining Statement of Cash Flows
Internal Service Funds
for the Fiscal Year Ended September 30, 2025
(in thousands)

Purchasing	Accounting	Garage	Risk Management	Revenue Collection	Utility Services	Environmental Services and Facilities Management (ESFM)	Wholesale Energy Services	Community Relations	Total Internal Service Funds
$ 1,918	$ 7,686	$ 37,357	$ 12,725	$ 2,277	$ 24,206	$ 7,803	$ 136,381	$ 2,187	$ 276,611
(122)	(1,903)	(11,470)	(13,354)	(411)	(3,491)	(1,632)	(135,182)	(243)	(199,550)
(1,951)	(4,821)	(6,878)	(1,711)	(1,566)	(16,656)	(3,813)	(525)	(1,661)	(56,023)
(305)	(393)	(3,613)	(190)	(264)	(4,099)	(827)	(69)	(156)	(12,403)
(460)	569	15,396	(2,530)	36	(40)	1,531	605	127	8,635
$ -	-	-	-	1	-	-	190	-	16,309
-	-	-	-	-	-	-	-	-	878
509	175	(1,271)	369	36	59	(623)	-	1	6,678
(14)	(29)	-	(9)	16	-	(14)	(3,235)	(3)	(6,640)
-	-	(137)	-	(75)	(379)	-	-	(2)	(1,336)
495	146	(1,408)	360	(22)	(320)	(637)	(3,045)	(4)	15,889
-	-	-	-	-	-	(40)	-	-	(40)
(31)	(156)	(17,712)	-	-	(54)	(9,013)	-	-	(42,834)
-	-	-	-	-	-	9,065	-	-	13,827
-	-	-	-	-	-	-	-	-	(885)
(1)	(15)	(59)	-	-	(5)	-	-	(1)	(1,172)
(32)	(171)	(17,771)	-	-	(59)	12	-	(1)	(31,104)
2	34	595	739	14	166	154	1,359	(1)	3,220
(461)	(3,685)	(27,428)	(34,664)	(449)	(12,759)	(9,419)	(16,954)	(543)	(114,508)
450	3,266	28,968	35,059	426	12,735	8,594	17,580	458	115,047
(9)	(385)	2,135	1,134	(9)	142	(671)	1,985	(86)	3,759
(6)	159	(1,648)	(1,036)	5	(277)	235	(455)	36	(2,821)
230	1,292	17,232	18,962	196	6,698	3,763	9,134	157	61,018
$ (144)	$ (812)	$ (10,826)	$ (11,913)	$ (123)	$ (4,208)	$ (2,364)	$ (5,738)	$ (99)	$ (38,334)
$ 86	$ 480	$ 6,406	$ 7,049	$ 73	$ 2,490	$ 1,399	$ 3,396	$ 58	$ 22,684
$ 80	$ 639	$ 4,758	$ 6,013	$ 78	$ 2,213	$ 1,634	$ 2,941	$ 94	$ 19,863
$ 80	$ 639	$ 4,758	$ 6,013	$ 78	$ 2,213	$ 1,634	$ 2,941	$ 94	$ 19,863
156	1,248	9,286	11,736	152	4,320	3,189	5,740	184	38,769
$ 236	$ 1,887	$ 14,044	$ 17,749	$ 230	$ 6,533	$ 4,823	$ 8,681	$ 278	$ 58,632
$ 236	$ 1,887	$ 14,044	$ 17,749	$ 230	$ 6,533	$ 4,823	$ 8,681	$ 278	$ 58,632
-	-	-	-	-	-	-	-	-	-
$ 236	$ 1,887	$ 14,044	$ 17,749	$ 230	$ 6,533	$ 4,823	$ 8,681	$ 278	$ 58,632
$ (546)	$ 429	$ 5,577	$ 92	$ 27	$ (313)	$ 269	$ (1,605)	$ 21	$ (11,778)
32	99	9,183	-	28	117	154	-	-	18,750
1	-	(74)	-	-	1	-	207	-	138
-	-	47	-	-	-	-	1,172	-	1,219
-	-	-	-	-	-	-	81	-	81
-	-	-	66	-	-	-	-	-	66
-	-	(17)	-	-	-	-	-	-	(34)
45	(41)	603	6	(6)	44	1,093	733	12	2,418
-	-	-	-	-	-	-	-	-	112
8	82	77	50	(13)	111	15	17	94	407
-	-	-	(2,744)	-	-	-	-	-	(2,744)
86	140	9,819	(2,622)	9	273	1,262	2,210	106	20,413
$ (460)	$ 569	$ 15,396	$ (2,530)	$ 36	$ (40)	$ 1,531	$ 605	$ 127	$ 8,635
$ -	$ 176	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,834

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CITY OF TALLAHASSEE

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Pension and Other Employee Benefit Trust Funds

Pension Trust	Accounts for the accumulation of resources to be used for retirement annuity payments to City employees for the Defined Contribution Plan. The Defined Contribution Plan covers all employees.
Matched Annuity Pension Plan	Accounts for the accumulation of resources to be used for retirement annuity payments to City employees for the Defined Contribution Plan. The Defined Contribution Plan covers all employees.
OPEB Trust	Accounts for the accumulation of resources to be used for benefit payments for retirees' health care costs.

Combining Statement of Net Position
Pension and Other Employee Benefit Trust Funds
September 30, 2025
(in thousands)

	Pension Trust Fund	Matched Annuity Pension Plan	OPEB Trust	Total
ASSETS				
Cash and Cash Equivalents	$ 27,142	$ 13	$ 1,746	$ 28,901
Receivables				
Other Receivables	-	29	-	29
Accrued Interest	6,478	-	14	6,492
Total Receivables	6,478	29	14	6,521
Investments, at Fair Value				
Mutual Index Funds	-	198,667	-	198,667
Private Equities	273,791	-	-	273,791
Fixed Income Securities	388,582	-	-	388,582
Domestic Equities	968,832	-	18,285	987,117
International Equities	216,010	-	-	216,010
Private Credit Funds	153,305	-	-	153,305
Alternative Investments	305,844	-	-	305,844
Timber	117,364	-	-	117,364
Total Investments	2,423,728	198,667	18,285	2,640,680
Securities Lending Collateral	110,316	-	256	110,572
Due From Other Governments	641	-	-	641
Total Assets	$ 2,568,305	$ 198,709	$ 20,301	$ 2,787,315
LIABILITIES				
Obligations Under Securities Lending	$ 110,316	$ -	$ 256	$ 110,572
Total Liabilities	110,316	-	256	110,572
NET POSITION				
Net Position Restricted for Pensions	2,457,989	198,709	-	2,656,698
Net Position Restricted for OPEB	-	-	20,045	20,045
Total Net Position	2,457,989	198,709	20,045	2,676,743
Total Liabilities and Net Position	$ 2,568,305	$ 198,709	$ 20,301	$ 2,787,315

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Combining Statement of Changes in Net Position
Pension and Other Employee Benefit Trust Funds
For the Fiscal Year Ended September 30, 2025
(in thousands)

	Pension Trust Fund	Matched Annuity Pension Plan	OPEB Trust	Total
ADDITIONS				
Contributions				
Employer	$ 44,904	$ 1,153	$ 2,596	$ 48,653
Plan Members	14,676	-	-	14,676
Total Contributions	59,580	1,153	2,596	63,329
Investment Income (Loss) From Investment Activities				
Gain (Loss) on Sale of Investments	109,557	-	1,221	110,778
Change in Fair Value of Investments	85,176	13,555	283	99,014
Interest Income	26,498	5,380	452	32,330
Dividends	21,403	-	-	21,403
Total Investment Income (Loss)	242,634	18,935	1,956	263,525
Less Investment Expenses				
Investment Management Fees	7,341	-	8	7,349
Interest Expense	64	-	-	64
Net Income (Loss) from Investment Activities	235,229	18,935	1,948	256,112
From Securities Lending Activities				
Securities Lending Income	4,643	-	-	4,643
Less Securities Lending Expenses				
Investment Management Fees	4,349	-	-	4,349
Net Income (Loss) from Securities Lending Activities	294	-	-	294
Total Net Income (Loss) from Investment Activities	235,523	18,935	1,948	256,406
Total Additions	295,103	20,088	4,544	319,735
DEDUCTIONS				
Benefits	134,449	11,933	2,077	148,459
Refunds of Contributions	1,386	-	-	1,386
Administrative Expense	1,169	-	-	1,169
Total Deductions	137,004	11,933	2,077	151,014
Change in Net Position	158,099	8,155	2,467	168,721
Net Position - October 1	2,299,890	190,554	17,578	2,508,022
Net Position - September 30	$ 2,457,989	$ 198,709	$ 20,045	$ 2,676,743

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CITY OF TALLAHASSEE

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Supplemental Information

The following schedules provide a summary of the debt service requirements for the City's outstanding bond issues:

- Capital Refunding Revenue Bonds, Series 2009
- Capital Bonds, Series 2021
- Capital Refunding Bonds, Series 2022
- Capital Bonds, Series 2024
- Capital Refunding Bonds, Series 2025
- Energy System Refunding Revenue Bonds, Series 2020
- Energy System Refunding Revenue Bonds, Series 2023
- Energy System Refunding Revenue Bonds, Series 2024
- Energy System Refunding Revenue Bonds, Series 2025
- Consolidated Utility System Refunding Revenue Bonds, Series 2020
- Consolidated Utility System Refunding Revenue Bonds, Series 2023
- Consolidated Utility System Revenue Bonds, Series 2024
- Consolidated Utility System Refunding Revenue Bonds, Series 2024A
- Consolidated Utility System Refunding Revenue Bonds, Series 2025
- Transportation Improvement Bond, Series 2019

Capital Refunding Revenue Bonds, Series 2009
September 30, 2025
(in thousands)

Fiscal Year	Principal	Interest	Total
2026	1,195	155	1,350
2027	1,240	109	1,349
2028	550	76	626
2029	570	55	625
2030	590	34	624
2031	615	11	626
Totals	$ 4,760	$ 440	$ 5,200

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Capital Bonds, Series 2021
September 30, 2025
(in thousands)

Fiscal Year	Principal	Interest	Total
2026	900	34	934
2027	910	23	933
2028	920	11	931
Totals	$ 2,730	$ 68	$ 2,798

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Capital Refunding Bonds, Series 2022
September 30, 2025
(in thousands)

Fiscal Year	Principal	Interest	Total
2026	2,255	814	3,069
2027	2,335	735	3,070
2028	2,415	654	3,069
2029	2,500	570	3,070
2030	2,590	483	3,073
2031	2,680	393	3,073
2032	2,770	299	3,069
2033	2,870	203	3,073
2034	2,965	103	3,068
Totals	$ 23,380	$ 4,254	$ 27,634

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Capital Bonds, Series 2024
September 30, 2025
(in thousands)

Fiscal Year	Principal	Interest	Total
2026	75	3,252	3,327
2027	85	3,248	3,333
2028	415	3,244	3,659
2029	365	3,223	3,588
2030	380	3,205	3,585
2031	400	3,185	3,585
2032	1,050	3,165	4,215
2033	1,095	3,113	4,208
2034	1,160	3,058	4,218
2035	780	3,000	3,780
2036	820	2,961	3,781
2037	865	2,920	3,785
2038	905	2,877	3,782
2039	2,400	2,832	5,232
2040	2,515	2,712	5,227
2041	2,645	2,586	5,231
2042	2,775	2,454	5,229
2043	2,915	2,315	5,230
2044	3,060	2,169	5,229
2045	5,490	2,016	7,506
2046	5,760	1,742	7,502
2047	6,050	1,454	7,504
2048	6,355	1,151	7,506
2049	6,670	833	7,503
2050	1,810	500	2,310
2051	1,900	409	2,309
2052	1,995	314	2,309
2053	2,095	215	2,310
2054	2,200	110	2,310
Totals	$ 65,030	$ 64,263	$ 129,293

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Capital Bonds, Series 2025
September 30, 2025
(in thousands)

Fiscal Year	Principal	Interest	Total
2026	-	5,015	5,015
2027	450	4,514	4,964
2028	870	4,491	5,361
2029	1,910	4,447	6,357
2030	2,005	4,352	6,357
2031	2,105	4,252	6,357
2032	2,215	4,147	6,362
2033	2,320	4,036	6,356
2034	2,440	3,920	6,360
2035	4,310	3,798	8,108
2036	4,525	3,582	8,107
2037	4,755	3,356	8,111
2038	4,995	3,118	8,113
2039	2,130	2,869	4,999
2040	2,235	2,762	4,997
2041	2,345	2,650	4,995
2042	2,465	2,533	4,998
2043	2,590	2,410	5,000
2044	2,715	2,280	4,995
2045	2,855	2,145	5,000
2046	2,995	2,002	4,997
2047	3,155	1,845	5,000
2048	3,320	1,679	4,999
2049	3,495	1,505	5,000
2050	3,675	1,321	4,996
2051	3,870	1,128	4,998
2052	4,075	925	5,000
2053	4,285	711	4,996
2054	4,510	486	4,996
2055	4,750	249	4,999
Totals	$ 88,365	$ 82,528	$ 170,893

See Independent Auditors' Report

Energy System Refunding Revenue Bonds, Series 2020
September 30, 2025
(in thousands)

Fiscal Year	Principal	Interest	Total
2026	10,050	1,580	11,630
2027	10,540	1,077	11,617
2028	11,010	550	11,560
Totals	$ 31,600	$ 3,207	$ 34,807

See Independent Auditors' Report

Energy System Refunding Revenue Bonds, Series 2023
September 30, 2025
(in thousands)

Fiscal Year	Principal	Interest	Total
2026	6,570	1,307	7,877
2027	6,760	1,124	7,884
2028	6,940	937	7,877
2029	7,135	745	7,880
2030	7,330	547	7,877
2031	7,540	344	7,884
2032	4,890	135	5,025
Totals	$ 47,165	$ 5,139	$ 52,304

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Energy System Refunding Revenue Bonds, Series 2024
September 30, 2025
(in thousands)

Fiscal Year	Principal	Interest	Total
2026	1,885	9,937	11,822
2027	1,995	9,842	11,837
2028	2,110	9,743	11,853
2029	11,185	9,637	20,822
2030	13,315	9,078	22,393
2031	10,410	8,412	18,822
2032	8,415	7,891	16,306
2033	13,535	7,471	21,006
2034	10,515	6,794	17,309
2035	19,270	6,268	25,538
2036	21,130	5,305	26,435
2037	16,630	4,248	20,878
2038	17,465	3,417	20,882
2039	18,335	2,543	20,878
2040	19,255	1,627	20,882
2041	6,480	664	7,144
2042	6,800	340	7,140
Totals	$ 198,730	$ 103,217	$ 301,947

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Energy System Refunding Revenue Bonds, Series 2025
September 30, 2025
(in thousands)

Fiscal Year	Principal	Interest	Total
2025	$ 0	$ 1,055	$ 1,055
2026	5,385	5,427	10,812
2027	5,640	5,158	10,798
2028	5,975	4,876	10,851
2029	8,860	4,577	13,437
2030	7,735	4,134	11,869
2031	11,685	3,748	15,433
2032	13,495	3,163	16,658
2033	14,495	2489	16,984
2034	14,995	1764	16,759
2035	7,515	1014	8,529
2036	6,995	638	7,633
2037	5,770	289	6,059
Totals	$ 108,545	$ 38,332	$ 146,877

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Consolidated Utility System Refunding Revenue Bonds, Series 2020
September 30, 2025
(in thousands)

Fiscal Year	Principal	Interest	Total
2026	2,810	141	2,951
Totals	$ 2,810	$ 141	$ 2,951

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Consolidated Utility System Refunding Revenue Bonds, Series 2023
September 30, 2025
(in thousands)

Fiscal Year	Principal	Interest	Total
2026	3,130	830	3,960
2027	3,215	740	3,955
2028	3,370	647	4,017
2029	3,530	549	4,079
2030	3,700	447	4,147
2031	2,015	341	2,356
2032	2,175	282	2,457
2033	2,350	219	2,569
2034	2,530	151	2,681
2035	2,710	78	2,788
Totals	$ 28,725	$ 4,284	$ 33,009

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Consolidated Utility System Revenue Bonds, Series 2024
September 30, 2025
(in thousands)

Fiscal Year	Principal	Interest	Total
2026	1,845	2,145	3,990
2027	1,935	2,053	3,988
2028	2,035	1,956	3,991
2029	2,130	1,854	3,984
2030	2,240	1,748	3,988
2031	2,350	1,636	3,986
2032	2,470	1,518	3,988
2033	2,595	1,395	3,990
2034	2,725	1,265	3,990
2035	2,860	1,129	3,989
2036	3,000	986	3,986
2037	3,150	836	3,986
2038	3,305	678	3,983
2039	815	513	1,328
2040	855	472	1,327
2041	900	429	1,329
2042	945	384	1,329
2043	990	337	1,327
2044	1,040	288	1,328
2045	1,095	236	1,331
2046	1,150	181	1,331
2047	1,205	123	1,328
2048	1,265	63	1,328
Totals	$ 42,900	$ 22,225	$ 65,125

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Consolidated Utility System Refunding Revenue Bonds, Series 2024A
September 30, 2025
(in thousands)

Fiscal Year	Principal	Interest	Total
2026	4,520	8,835	13,355
2027	7,700	8,609	16,309
2028	8,020	8,224	16,244
2029	8,365	7,823	16,188
2030	8,715	7,404	16,119
2031	10,940	6,969	17,909
2032	11,380	6,422	17,802
2033	11,840	5,853	17,693
2034	12,315	5,261	17,576
2035	12,830	4,645	17,475
2036	16,265	4,003	20,268
2037	17,075	3,190	20,265
2038	17,930	2,336	20,266
2039	25,125	1,440	26,565
2040	3,675	184	3,859
Totals	$ 176,695	$ 81,198	$ 257,893

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Consolidated Utility System Refunding Revenue Bonds, Series 2025
September 30, 2025
(in thousands)

Fiscal Year	Principal	Interest	Total
2025	-	435	435
2026	350	3,264	3,614
2027	-	4,953	4,953
2028	525	4,953	5,478
2029	1,050	4,927	5,977
2030	1,730	4,875	6,605
2031	2,880	4,788	7,668
2032	3,020	4,644	7,664
2033	3,175	4,493	7,668
2034	3,330	4,334	7,664
2035	3,500	4,168	7,668
2036	3,670	3,993	7,663
2037	3,855	3,809	7,664
2038	4,050	3,617	7,667
2039	-	-	-
2040	-	3,414	3,414
2041	2,515	3,414	5,929
2042	2,645	3,288	5,933
2043	2,775	3,156	5,931
2044	2,915	3,017	5,932
2045	3,060	2,871	5,931
2046	3,210	2,718	5,928
2047	3,380	2,550	5,930
2048	3,560	2,372	5,932
2049	5,075	2,186	7,261
2050	5,340	1,919	7,259
2051	5,620	1,639	7,259
2052	5,915	1,344	7,259
2053	6,225	1,033	7,258
2054	6,555	706	7,261
2055	6,900	362	7,262
Totals	$ 96,825	$ 93,242	$ 190,067

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Transportation Improvement Bond, Series 2019
September 30, 2025
(in thousands)

Fiscal Year	Principal	Interest	Total
2026	928	65	993
2027	949	44	993
2028	971	22	993
Totals	$ 2,848	$ 131	$ 2,979

See Independent Auditors' Report

STATISTICAL SECTION



Annual Comprehensive Financial Report
CITY OF TALLAHASSEE, FLORIDA

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

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Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net Investment in Capital Assets	$ 632,816	$ 560,847	$ 696,039	$ 652,995	$ 683,773	$ 718,180	$ 731,038	$ 729,969	$ 762,798	$ 729,307
Restricted	201,327	179,073	96,363	94,221	93,264	82,797	83,814	114,361	100,167	99,999
Unrestricted	(188,920)	(128,678)	(164,917)	(124,652)	(164,776)	(150,599)	(113,386)	(121,288)	(65,648)	(56,664)
Total governmental activities net position	$ 645,223	$ 611,242	$ 627,485	$ 622,564	$ 612,261	$ 650,378	$ 701,466	$ 723,042	$ 797,317	$ 772,642
Business activities										
Net Investment in Capital Assets	$ 973,941	$ 927,864	$ 884,406	$ 829,331	$ 866,359	$ 895,189	$ 899,679	$ 884,077	$ 863,179	$ 840,415
Restricted	338,097	292,847	288,277	263,086	233,085	195,053	231,785	219,942	202,210	194,185
Unrestricted	148,241	145,483	140,128	159,214	162,577	194,659	170,891	152,743	198,232	199,519
Total Business activities net position	$ 1,460,279	$ 1,366,194	$ 1,312,811	$ 1,251,631	$ 1,262,021	$ 1,284,901	$ 1,302,355	$ 1,256,762	$ 1,263,621	$ 1,234,119
Primary government										
Net Investment in Capital Assets	$ 1,606,757	$ 1,488,711	$ 1,580,445	$ 1,482,326	$ 1,550,132	$ 1,613,369	$ 1,630,717	$ 1,614,046	$ 1,625,977	$ 1,569,722
Restricted	539,424	471,920	384,640	357,307	326,349	277,850	315,599	334,303	302,377	294,184
Unrestricted	(40,679)	16,805	(24,789)	34,562	(2,199)	44,060	57,505	31,455	132,584	142,855
Total primary government net position	$ 2,105,502	$ 1,977,436	$ 1,940,296	$ 1,874,195	$ 1,874,282	$ 1,935,279	$ 2,003,821	$ 1,979,804	$ 2,060,938	$ 2,006,761

See Independent Auditors' Report

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental Activities:										
General Government	$ 32,864	$ 39,794	$ 28,106	$ 21,134	$ 37,418	$ 43,265	$ 32,747	$ 21,049	$ 26,625	$ 15,295
Public Safety	93,422	99,454	75,137	64,359	92,546	95,816	70,088	55,737	77,197	68,901
Transportation	21,849	31,420	24,746	16,628	18,692	23,029	24,197	42,106	20,164	20,530
Human Services	17,117	17,782	15,126	13,436	10,398	9,073	4,893	4,971	4,652	3,565
Economic Development	14,302	11,229	19,538	2,630	15,709	10,933	6,587	6,956	7,238	8,996
Physical Environment	4,807	20,153	6,486	5,691	6,683	7,217	16,786	5,530	7,693	7,943
Culture and Recreation	34,950	29,839	24,958	23,637	21,187	22,188	26,536	24,331	27,620	26,396
Unallocated Depreciation on Infrastructure	25,933	35,835	35,525	35,031	34,173	33,277	32,395	31,810	28,297	29,228
RTU Amortization Expense	-	282	279	284	-	-	-	-	-	-
SBITA Amortization Expense	-	214	247	-	-	-	-	-	-	-
Interest on Long-Term Debt	8,415	4,935	3,472	3,563	3,542	3,890	4,635	3,610	3,572	4,058
Total governmental activities expenses	253,659	290,937	233,620	186,393	240,348	248,688	218,864	196,100	203,058	184,912
Business-type activities										
Electric	311,215	290,774	283,254	292,336	252,323	272,743	252,552	240,872	228,137	247,370
Gas	28,969	23,706	23,558	24,611	21,751	21,927	21,741	21,019	20,962	20,744
Sewer	73,609	82,440	78,491	74,193	77,383	83,571	52,753	76,701	51,629	53,274
Water	48,982	44,881	42,121	40,512	40,472	36,486	36,345	31,888	32,093	29,401
Airport	27,478	24,457	22,249	21,163	20,658	20,784	19,851	18,517	18,053	16,885
StarMetro	29,962	34,438	35,100	30,007	27,085	26,962	23,869	21,547	20,753	22,018
Solid Waste	37,330	43,864	32,288	28,876	29,798	27,654	26,441	24,551	21,285	20,874
Golf	1,387	1,234	1,394	1,279	1,057	926	968	1,271	864	927
Stormwater Management	22,774	22,571	20,842	20,186	20,965	14,886	19,618	16,893	15,440	14,944
Fire Services	57,820	54,880	52,308	50,547	48,090	48,437	45,836	43,698	42,475	40,797
Total business-type activities expenses	639,526	623,245	591,605	583,710	539,582	554,376	499,974	496,957	451,691	467,234
Total primary government expenses	$ 893,185	$ 914,182	$ 825,225	$ 770,103	$ 779,930	$ 803,064	$ 718,838	$ 693,057	$ 654,749	$ 652,146

See Independent Auditors' Report

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	$ 4,784	$ 3,302	$ 2,470	$ 2,360	$ 2,259	$ 2,293	$ 2,310	$ 2,230	$ 2,991	$ 2,520
Public Safety	7,590	1,631	1,435	1,623	1,263	1,537	1,261	1,876	2,026	2,051
Transportation	4,114	5,130	3,515	4,082	3,181	3,388	2,961	2,572	2,550	2,698
Human Services	1,583	1,509	1,377	1,143	1,143	1,745	1,421	1,072	953	1,022
Economic Development	317	342	288	224	56	3	8	11	10	14
Physical Environment	2,377	2,843	2,251	2,642	2,286	1,072	1,323	1,133	1,174	1,004
Culture and Recreation	4,827	4,595	4,449	3,971	3,125	2,598	3,846	3,755	3,745	3,903
Operating Grants and Contributions	23,551	24,534	23,339	13,485	20,234	13,251	7,173	4,384	10,270	8,250
Capital Grants and Contributions	4,035	4,988	4,393	3,609	5,118	4,243	1,160	-	-	-
Total Governmental Activities Program Revenues	53,178	48,874	43,517	33,139	38,665	30,130	21,463	17,033	23,719	21,462
Business-type Activities:										
Charges for Services:										
Electric	363,056	316,297	314,398	322,217	275,631	271,250	284,736	281,375	269,704	268,262
Gas	37,144	31,225	32,058	32,228	27,034	27,035	26,984	29,122	25,889	26,963
Sewer	87,019	82,265	87,647	79,708	73,002	71,413	69,325	68,180	63,351	61,759
Water	53,758	47,211	49,142	44,303	40,725	41,481	38,226	35,293	34,342	33,290
Airport	19,775	17,613	16,406	15,164	11,396	11,012	14,466	13,176	13,241	14,090
StarMetro	6,518	6,904	7,524	6,075	4,261	4,048	4,757	5,786	5,007	5,548
Solid Waste	40,020	38,233	34,587	32,327	31,144	29,393	25,686	24,674	24,215	22,508
Golf	1,497	1,387	1,533	1,608	1,146	759	955	765	794	786
Stormwater Management	21,007	24,136	24,267	20,871	21,043	21,110	22,722	19,250	18,198	17,946
Fire Services	50,861	55,724	53,693	52,853	46,310	45,553	45,239	43,021	42,777	41,469
Operating Grants and Contributions	11,557	6,166	21,114	9,346	8,390	26,101	4,620	4,853	4,825	8,977
Capital Grants and Contributions	52,008	24,902	37,374	37,099	15,160	15,496	10,332	14,251	13,347	12,865
Total Business-type Activities Program Revenues	744,220	652,063	679,743	653,799	555,242	564,651	548,048	539,746	515,690	514,463
Total Primary Government Program Revenues	$ 797,398	$ 700,937	$ 723,260	$ 686,938	$ 593,907	$ 594,781	$ 569,511	$ 556,779	$ 539,409	$ 535,925
Net (Expenses) Revenues										
Governmental Activities	$ (200,481)	$ (242,063)	$ (190,103)	$ (153,254)	$ (201,683)	$ (218,558)	$ (197,401)	$ (179,067)	$ (179,339)	$ (163,450)
Business-Type Activities	104,694	28,818	88,138	70,089	15,660	10,275	48,074	42,789	63,999	47,229
Total Primary Government Net Expenses	$ (95,787)	$ (213,245)	$ (101,965)	$ (83,165)	$ (186,023)	$ (208,283)	$ (149,327)	$ (136,278)	$ (115,340)	$ (116,221)

See Independent Auditors' Report

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes, Levied for General Purposes	$ 72,581	$ 67,247	$ 57,918	$ 51,416	$ 50,169	$ 47,198	$ 44,152	$ 41,485	$ 39,430	$ 38,908
Public Service Tax	29,347	28,005	25,720	24,756	24,432	24,385	24,263	23,692	22,812	22,950
Permits and Fees	-	6,641	6,097	4,291	3,582	3,484	4,229	4,441	5,817	6,182
Grants and Contributions Not Restricted to Specific Programs	41,628	41,770	40,968	40,335	35,095	35,173	33,306	32,478	85,024	30,154
Unrestricted Investment Earnings	6,699	4,848	2,740	1,186	1,997	3,062	3,352	2,763	2,438	3,204
Net Securities Lending Income	10	13	5	6	3	3	2	2	2	5
Net Increase (Decrease) in Fair Value of Investments	539	2,340	325	(3,231)	(619)	450	1,248	(806)	(526)	178
Miscellaneous	26,308	22,214	14,040	3,943	7,834	3,844	7,781	8,828	14,251	14,475
Transfers	59,146	52,742	47,211	40,855	41,073	57,371	56,756	36,971	34,766	35,459
Total Governmental Activities	236,258	225,820	195,024	163,557	163,566	174,970	175,089	149,854	204,014	151,515
Business-Type Activities:										
Grants and Contributions, not restricted to specific programs	-	4,445	2,078	2,008	2,008	2,004	1,997	1,989	1,983	1,985
Unrestricted Investment Earnings	21,201	18,492	10,783	2,436	6,430	14,063	12,415	7,234	5,539	7,525
Net Securities Lending Income	63	108	58	19	12	14	10	7	5	11
Net Increase (Decrease) in Fair Value of Investments	6,485	33,059	4,367	(46,942)	(6,544)	5,856	16,446	(8,700)	(3,418)	739
Miscellaneous	20,788	21,203	2,967	2,855	627	205	1,856	23,655	(337)	1,094
Transfers	(59,146)	(52,742)	(47,211)	(40,855)	(41,073)	(57,371)	(56,756)	(36,971)	(34,766)	(35,459)
Total Business-type Activities	(10,609)	24,565	(26,958)	(80,479)	(38,540)	(35,229)	(24,032)	(12,786)	(30,994)	(24,105)
Total Primary Government	$ 225,649	$ 250,385	$ 168,066	$ 83,078	$ 125,026	$ 139,741	$ 151,057	$ 137,068	$ 173,020	$ 127,410
Change in Net Position										
Governmental Activities	$ 35,777	$ (16,243)	$ 4,921	$ 10,303	$ (38,117)	$ (43,588)	$ (22,312)	$ (29,213)	$ 24,675	$ (11,935)
Business Activities	94,085	53,383	61,180	(10,390)	(22,880)	(24,954)	24,042	30,003	33,005	23,124
Total Primary Government	$ 129,862	$ 37,140	$ 66,101	$ (87)	$ (60,997)	$ (68,542)	$ 1,730	$ 790	$ 57,680	$ 11,189

See Independent Auditors' Report

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)
(in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	$ 1,798	$ 1,962	$ 1,661	$ 1,553	$ 1,241	$ 1,154	$ 1,500	$ 1,186	$ 1,147	$ 1,513
Spendable:										
Committed	29,145	27,243	25,070	21,033	21,011	16,846	-	23,306	26,492	25,251
Assigned	-	2,755	1,150	251	2,012	2,578	-	3,076	5,192	2,479
Unassigned	1,423	1,207	2,271	1,972	2,565	2,481	1,541	804	2,952	6,544
Total General Fund	$ 32,366	$ 33,167	$ 30,152	$ 24,809	$ 26,829	$ 23,059	$ 3,041	$ 28,372	$ 35,783	$ 35,787
All Other Governmental Funds Unreserved, reported in:										
Non-Spendable	$ 710	$ -	$ 11,960	$ 503	$ 205	$ -	$ 594	$ -	$ 620	$ 584
Spendable:										
Restricted	142,272	60,252	39,260	48,743	54,465	44,290	59,785	58,904	39,487	39,331
Committed	25,330	89,775	29,725	27,737	27,826	16,033	21,256	25,322	23,160	24,227
Assigned	-	-	-	-	-	-	-	1,990	57	161
Unassigned	(387)	(2,484)	(14,734)	(6,916)	(1,172)	(613)	-	283	1,060	(91)
Total all Other Governmental Funds	$ 167,925	$ 147,543	$ 66,211	$ 70,067	$ 81,324	$ 59,710	$ 81,635	$ 86,499	$ 64,384	$ 64,212

Note: In accordance with requirements of GASB Statement 54, which was effective for periods beginning after June 15, 2010, fund balances are classified based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Taxes	$ 101,928	$ 95,252	$ 83,632	$ 76,170	$ 74,602	$ 71,582	$ 68,419	$ 65,174	$ 62,243	$ 61,858
Licenses and Permits	9,606	9,502	8,375	6,964	5,819	4,455	5,574	5,576	6,978	7,168
Intergovernmental Revenues	66,307	70,157	65,906	56,720	59,133	52,907	40,116	42,405	49,151	42,605
Charges for Services	15,670	16,167	14,209	12,640	10,745	9,620	10,044	9,151	8,830	9,385
Fines and Forfeitures	1,622	1,066	923	1,082	879	998	726	826	970	1,119
Net Investment Earnings	6,525	4,681	2,595	1,091	1,956	2,736	3,174	2,602	2,169	2,841
Securities Lending Income	59	101	35	15	3	6	8	4	6	11
Net Inc (Dec) in the Fair Value of Investments	523	2,221	299	(2,939)	(584)	422	1,163	(822)	(429)	145
Miscellaneous Revenues	17,475	13,796	14,166	11,360	10,881	16,881	13,770	13,209	14,889	16,070
Total Revenues	219,715	212,943	190,140	163,103	163,434	159,607	142,994	138,125	144,807	141,202
Expenditures										
General Government	35,342	33,953	34,371	32,516	40,905	33,918	44,974	28,938	28,611	28,589
Public Safety	124,309	93,491	86,580	83,748	74,633	74,553	70,743	69,665	66,808	64,603
Transportation	44,722	38,874	33,842	34,047	27,996	43,221	35,952	38,194	31,212	32,026
Human Services	17,286	17,394	15,200	14,005	9,690	8,507	4,718	4,954	4,487	3,415
Economic Environment	14,250	11,042	16,735	8,155	15,641	10,903	7,296	8,837	7,178	8,093
Physical Environment	11,838	26,416	6,851	6,590	6,852	6,712	21,843	5,670	9,681	9,515
Cultural and Recreation	46,714	29,782	27,565	23,878	20,479	20,405	25,527	23,948	23,306	23,770
Securities Lending Expense:										
Interest	49	88	28	7	-	1	6	1	2	2
Agent Fees	-	-	2	-	-	-	-	-	-	1
Debt Service:										
Principal Retired	6,040	8,715	8,814	10,215	9,266	8,873	8,189	7,325	8,119	7,530
Interest and Fiscal Charges	7,618	4,211	2,926	4,309	4,339	4,624	5,315	3,948	4,226	4,502
Bond Issuance Costs	-	-	-	40	84	-	-	210	5	-
Total Expenditures	308,168	263,966	232,914	217,510	209,885	211,717	224,563	191,690	183,635	182,046
Excess of Revenues Over (Under) Expenditures	(88,453)	(51,023)	(42,774)	(54,407)	(46,451)	(52,110)	(81,569)	(53,565)	(38,828)	(40,844)
Other Financing Sources (Uses):										
Transfers In	74,036	69,466	64,756	65,909	71,147	86,390	73,682	62,845	60,433	59,942
Transfers Out	(30,266)	(30,038)	(23,238)	(24,777)	(29,959)	(28,874)	(27,674)	(26,383)	(24,283)	(24,823)
Proceeds from Sale of Capital Assets	125	862	2,743	-	3,641	187	4,630	838	2,846	5,370
Proceeds from Loans from Other Funds			-	-	11,260	-	-	-	-	1,736
Issuance of Debt	63,015	90,110	-	-	-	-	-	-	-	-
Premium on Issuance of Debt	2,621	4,970	-	-	-	-	-	-	-	-
Refunding Debt	28,281	-	-	-	-	-	-	30,969	-	-
Payment to Refunded Bonds Escrow Agent	(28,054)									
SBITAs	72									
Total Other Financing Sources (Uses)	109,830	135,370	44,261	41,132	56,089	57,703	50,638	68,269	38,996	42,225
Net Change in Fund Balances	21,377	84,347	1,487	(13,275)	9,638	5,593	(30,931)	14,704	168	1,381
Prior period adjustments	(1,796)	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances (restated)	19,581	84,347	1,487	(13,275)	9,638	5,593	(30,931)	14,704	168	1,381
Debt Services as a Percentage of Noncapital Expenditures	5.56%	5.32%	5.54%	6.99 %	6.78 %	6.73 %	5.62 %	6.60 %	10.05 %	7.22 %

See Independent Auditors' Report

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Real Property	Personal Property	Centrally Assessed Property	Less: Tax- Exempt Property	Total Taxable Assessed Value [1]	Total Direct Tax Rate	Estimated Actual Taxable Value [2]	Taxable Assessed Value as a Percentage of Actual Taxable Value [3]
2016	$ 15,744,126	$ 1,701,380	$ 6,175	$ 7,857,175	$ 9,594,506	4.20%	$ 20,531,389	46.73%
2017	16,904,533	1,637,177	6,532	8,074,382	10,473,860	4.10	21,821,461	48.00
2018	16,898,065	1,635,772	6,447	8,077,231	10,463,053	4.10	21,812,098	47.97
2019	18,947,903	1,732,595	6,539	8,741,897	11,945,140	4.10	24,337,690	49.08
2020	20,053,175	1,731,585	2,647	9,059,939	12,727,468	4.10	21,787,407	58.42
2021	20,954,844	1,748,069	2,706	9,442,398	13,263,221	4.10	26,712,493	49.65
2022	23,273,656	1,773,526	2,086	10,562,193	14,487,075	4.10	29,470,575	49.16
2023	25,971,668	1,857,123	2,847	12,134,580	15,697,058	4.10	23,656,892	66.35
2024	27,804,144	1,914,091	3,004	12,661,980	17,059,259	4.45	25,263,053	67.53
2025	29,390,230	1,969,165	3,529	12,909,453	18,453,471	4.42	25,263,053	73.05

Source: Leon County Property Appraiser

Note: Assessed values are determined as of January 1 for each fiscal year.

[1] Total assessed values less exemptions

[2] Estimated actual value is based on the assumption that the assessed values is 85% of the actual value.

[3] Calculated Figure

See Independent Auditors' Report

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per 1,000 of assessed value)

	Direct	Overlapping				
	City of Tallahassee	Leon County School Board		Leon County	N.W . Fla Water Management	
Fiscal Year	Operating	Operating	Debt Service	Operating	Operating	Total
2016	4.20	7.20	-	8.81	0.04	20.25
2017	4.10	6.85	-	8.31	0.04	19.30
2018	4.10	6.34	-	8.31	0.04	18.79
2019	4.10	6.17	-	8.31	0.04	18.62
2020	4.10	6.17	-	8.31	0.04	18.62
2021	4.10	6.25	-	8.31	0.03	18.69
2022	4.10	5.84	-	8.31	0.03	18.28
2023	4.10	5.81	-	8.31	0.02	18.59
2024	4.45	5.46	-	8.31	0.02	18.24
2025	4.42	5.29	-	8.31	0.02	18.04

Source: Leon County Tax Collector

See Independent Auditors' Report

Principal Property Taxpayers
Current Year and Nine Years Ago
(in thousands)

		2025			2016		
Tax payer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Smith Interest General Partnership	Retail	$ 177,328	1	0.96%	$ 141,284	1	1.47%
Tallahassee Medical Center, Inc.	Medical	92,672	2	0.49	-		-
510 West Virginia Street	Real Estate	86,451	3	0.47	-		-
District Joint Venture, LLC	Real Estate	78,914	4	0.43	57,316	6	0.60
CSDC 440 N Monroe Street, LLC	Real Estate	78,896	5	0.43	-		-
LMP Tallahassee Property Owner, LLC	Real Estate	76,807	6	0.42	-		-
Chapel Drive East, LLC	Real Estate	69,225	7	0.38	-		-
Lakeside Grand, LLC	Real Estate	66,300	8	0.36	-		-
Campbell Tallahassee, LLC	Real Estate	65,378	9	0.35	-		-
Quantum LL, LLC	Financial Services	64,578	10	0.35	-		-
Talquin Electric Cooperative	Utilities	-		-	59,893	5	0.62
Comcast Cablevision, Inc.	Communications	-		-	48,932	9	0.51
DRA CRT Tallahassee Centre	Retail	-		-	55,743	7	0.58
Woodlands of Tallahassee	Real Estate	-		-	39,398	10	0.41
Embarq/Century Link	Communications	-		-	116,392	2	1.21
Capital Regional Medical Center	Medical	-		-	69,312	4	0.72
Florida Gas Transmission Company	Utilities	-		-	77,028	3	0.80
Walmart	Retail	-		-	50,904	8	0.53
Total		**$ 856,549**		**4.64%**	**$ 716,202**		**7.45%**

Source: Leon County Tax Collector

See Independent Auditors' Report

Property Tax Levies and Collections
Last Ten Fiscal Years
(in thousands)

Fiscal Year Ended September 30,	Total Tax Levy Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	$ 40,352	$ 38,837	96.2%	$ 0	$ 38,837	96.2%
2017	40,857	39,628	97.0	71	39,699	97.2
2018	42,942	41,410	96.4	72	41,482	96.6
2019	45,712	44,123	96.5	29	44,152	96.6
2020	48,975	47,197	96.4	13	47,210	96.4
2021	52,075	50,042	96.1	27	50,069	96.1
2022	54,379	52,254	96.1	29	52,283	96.1
2023	59,297	57,039	96.2	32	57,071	96.2
2024	69,852	67,206	96.2	41	67,247	96.3
2025	75,402	72,537	96.2	43	72,580	96.3

Source: Leon County Property Appraiser

Note: Assessed values are determined as of January 1 for each fiscal year.

(1) Total assessed values less exemptions

(2) Estimated actual value is based on the assumption that the assessed values is 85% of the actual value.

(3) Calculated Figure

See Independent Auditors' Report

Assessed Valuations, Millage, and Taxes Levied and Collected Last Ten Fiscal Years (in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Valuations	$31,362,924	$29,721,239	$27,831,638	$25,049,989	$22,705,619	$21,787,407	$20,687,037	$18,540,284	$18,548,241	$ 17,451,681
Exemptions										
Agricultural Adjustment	82,951	88,379	84,842	83,771	79,918	64,748	44,422	46,859	46,859	49,272
Government Exemption	6,759,302	6,511,950	6,097,813	5,765,135	5,557,954	5,498,771	5,291,477	5,042,044	5,040,624	4,963,425
Institutional Exemption	1,258,560	1,162,263	1,044,324	1,000,453	848,798	776,875	740,842	629,419	631,059	616,233
Individual/Homestead Exemptions	1,551,942	1,527,910	1,508,662	1,459,440	1,455,966	1,421,990	1,394,483	1,347,750	1,347,729	1,322,310
Other Exemptions & Adjustments	3,256,699	3,371,478	3,398,939	2,253,395	1,499,762	1,297,554	1,270,673	1,011,159	1,008,110	905,934
Total Exemption and Adjustments	12,909,453	12,661,980	12,134,580	10,562,194	9,442,398	9,059,938	8,741,897	8,077,231	8,074,381	7,857,174
Taxable Valuation	18,453,471	17,059,259	15,697,058	14,487,795	13,263,221	12,727,469	11,945,140	10,463,053	10,473,860	9,594,507
Millage Levied	4.420	4.450	4.100	4.100	4.100	4.100	4.100	4.100	4.100	4.200
Total Taxes Levied	81,789	75,462	69,916	59,361	52,138	49,015	48,975	42,914	40,857	40,352
Less: Adjustments & Discount	408	377	684	615	1,882	1,753	1,644	1,545	1,457	1,433
Net Taxes Levied	$ 81,381	$ 75,085	$ 69,232	$ 58,746	$ 50,256	$ 47,262	$ 47,331	$ 41,369	$ 39,400	$ 38,919
Net Collected [1] [2]	$ 72,580	$ 67,247	$ 57,071	$ 52,254	$ 50,042	$ 47,197	$ 44,123	$ 41,410	$ 39,431	$ 38,908

Source: Leon County Property Appraiser

[1] Florida Statutes provide for a discount of up to four percent for early payment of ad valorem taxes. All unpaid taxes become delinquent on April 1 and are sold at auction on June 1 of each year as tax certificates. The City, after all tax certificates are sold, has fully collected all ad valorem tax revenues.

[2] Net collected includes penalties or late payments.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities:										
General Revenue Bonds	$ 184,265	$ 122,070	$ 65,990	$ 75,205	$ 78,585	$ 87,595	$ 96,215	$ 104,155	$ 83,915	$ 91,825
Unamortized Premiums/ Discounts	10,515	7,951	3,127	8,786	10,230	11,610	12,928	14,143	11,317	12,343
Bank of America Loan Payable	-	-	-	264	525	780	1,033	1,282	1,527	1,736
Public Improvement Revenue Note 2020	-	7,310	7,310	7,310	7,310	-	-	-	-	-
Public Improvement Revenue Note 2024	24,050	25,000	-	-	-	-	-	-	-	-
Redevelopment Revenue Note	1,735	2,300	2,860	3,410	3,950	-	-	-	-	-
Lease Payables	6,978	3,963	3,689	4,971	-	-	-	-	-	-
Subscription Liability	9,534	2,955	5,284	-	-	-	-	-	-	-
Total Governmental Activities	237,077	171,549	88,260	99,946	100,600	99,985	110,176	119,580	96,759	105,904
Business-Type Activities:										
Energy System	386,040	418,315	459,650	479,945	498,025	515,690	564,335	582,427	494,988	539,447
Consolidated Utility System	347,955	298,955	287,975	299,060	308,585	318,295	330,350	339,185	330,495	338,180
Transportation Improvement Bond	2,848	3,754	4,641	5,508	6,356	7,185	7,995	-	-	-
Unamortized Premiums/ Discounts	80,589	94,488	67,908	73,386	92,059	96,783	86,236	89,164	52,974	29,857
AMI Loan Payable	-	-	3,233	6,345	9,335	12,211	14,977	17,639	20,634	23,514
Bank of America Loan Payable	-	-	-	128	254	378	500	621	739	840
Republic Parking Loan	-	-	-	-	-	-	331	367	401	-
Fire Improvement Revenue Note	26,815	27,000	-	-	-	-	-	-	-	-
Lease Payables	2,233	2,668	2,953	-	-	-	-	-	-	-
Subscription Liability	1,289	1,544	530	-	-	-	-	-	-	-
Total Business-Type Activities	847,769	846,724	826,890	864,372	914,614	950,542	1,004,724	1,029,403	900,231	931,838
Total Primary Government	$ 1,084,846	$ 1,018,273	$ 915,150	$ 964,318	$ 1,015,214	$ 1,050,527	$ 1,114,900	$ 1,148,983	$ 996,990	$ 1,037,742
Per Capita	$ 5,290	$ 5,000	$ 4,531	$ 4,815	$ 5,118	$ 5,289	$ 5,697	$ 5,258	$ 5,249	$ 5,471

See Independent Auditors' Report

Ratios of General Bonded Debt Outstanding
For the Fiscal Year Ended September 30, 2025
Last Ten Fiscal Years
(in thousands)

Fiscal Year ended Sept. 30	General Revenue Bonds	Percentage of Actual Taxable Value of Property [1]	Per Capita [2]
2016	$ 91,825	0.45	$ 484
2017	83,915	0.38	443
2018	104,155	0.54	615
2019	96,215	0.45	558
2020	87,595	0.46	499
2021	78,585	0.29	396
2022	75,205	0.26	375
2023	65,990	0.28	327
2024	122,070	0.48	599
2025	184,265	0.73	898

Source: City of Tallahassee, Accounting Services

[1] See Assessed Value and Estimated Actual Trend Value of Taxable Property Schedule for Property Value Data.

[2] See Demographic and Economic Statistics for Population Data.

See Independent Auditors' Report

Direct and Overlapping Governmental Activities Debt
September 30, 2025
(in thousands)

Government Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Leon County School Board [2]	$ 79,175	67	$ 53,047
Debt repaid with non self-supporting revenue debt:			
Leon County [3]	6,191	67	4,148
Subtotal, Overlapping Debt			57,195
City Direct Debt	237,077	100	237,077
Total Direct and Overlapping Debt			$ 294,272

[1] The applicable percentage is based on the geographical boundaries within Leon County

[2] Leon County School Board

[3] Leon County

See Independent Auditors' Report

Legal Debt Margin
September 30, 2025
(in thousands)

The City has no legal debt margin requirements set forth by either State Statute or City Ordinance.

See Independent Auditors' Report

Revenue Bond Coverage
Energy System Revenue Bonds
Last Ten Fiscal Years
(in thousands)

Fiscal Year Ending	Gross Revenue [1]	Operating Expenses [2]	Net Revenue Available for Debt Service	Debt Service Requirements [3]			
				Principal	Interest	Total	Coverage
2016	$ 298,689	$ 202,714	$ 95,975	$ 17,898	$ 28,794	46,692	2.06
2017	326,028	170,978	155,050	19,908	25,734	45,642	3.40
2018	314,604	198,297	116,307	17,536	29,854	47,390	2.45
2019	318,751	202,032	116,719	18,092	29,795	47,887	2.44
2020	304,599	203,585	101,014	22,082	29,486	51,568	1.96
2021	301,294	192,562	108,732	17,665	27,582	45,247	2.40
2022	354,134	231,229	122,905	19,925	25,153	45,078	2.73
2023	350,598	231,899	118,699	20,295	24,289	44,584	2.66
2024	355,632	234,312	121,320	21,750	22,834	44,584	2.72
2025	410,627	262,272	148,355	21,950	20,901	42,851	3.46

[1] Total operating revenues plus operating interest earned.

[2] Total operating expenses exclusive of depreciation and amortization.

[3] Includes principal and interest of revenue bonds only.

See Independent Auditors' Report

Revenue Bond Coverage
Consolidated Utility System Revenue Bonds
Last Ten Fiscal Years
(in thousands)

Fiscal Year Ending	Gross Revenues [1]	Operating Expenses [2]	Net Revenue Available for Debt Service	Debt Service Requirements [3]			
				Principal	Interest	Total	Coverage
2016	$ 103,063	$ 54,501	$ 48,562	$ 7,275	$ 17,251	$ 24,526	1.98
2017	106,599	59,553	47,046	7,685	16,878	24,563	1.92
2018	112,656	59,843	52,813	19,780	15,008	34,788	1.52
2019	120,573	59,337	61,236	8,835	17,103	25,938	2.36
2020	125,598	66,943	58,655	10,063	16,915	26,978	2.17
2021	127,617	71,207	56,410	9,710	16,211	25,921	2.18
2022	136,955	70,634	66,321	10,390	15,010	25,400	2.61
2023	149,217	79,278	69,939	11,085	14,688	25,773	2.71
2024	155,552	88,486	67,066	11,870	16,928	28,798	2.33
2025	160,824	88,273	72,551	13,615	14,712	28,327	2.56

[1] Total operating revenues of the Sewer, Water, and Stormwater Utilities Funds plus operating interest earned and transferred water and sewer system charges.

[2] Total operating expenses of water and sewer funds exclusive of depreciation and amortization.

[3] Includes principal and interest of revenue bonds only.

See Independent Auditors' Report

Demographic Statistics
Last Ten Fiscal Years

Year	Estimated [1] Population	Airline Passengers	Electric KWH Sold (000's)	Water Consumed (Gals) (Millions)	Gas Used (Cu. Ft.) (Millions)	Housing Units	Leon County School [2] Enrollment
2016	189,675	699,035	2,623,259	8,705	2,719	89,252	33,300
2017	189,625	717,559	2,693,286	9,145	2,705	89,798	33,993
2018	192,381	796,214	2,798,286	8,578	2,916	91,703	34,012
2019	195,713	851,689	2,857,242	8,643	2,953	92,349	34,085
2020	198,627	513,719	2,787,057	10,070	2,767	93,295	34,000
2021	198,371	539,609	2,784,362	9,534	3,006	96,521	32,000
2022	200,289	607,645	2,891,167	8,724	2,912	94,161	33,952
2023	201,997	837,337	3,041,692	9,629	2,803	91,766	32,562
2024	203,650	944,835	3,128,322	10,305	3,096	93,499	31,760
2025	205,091	936,448	3,032,269	10,372	3,161	101,562	31,638

Year	City Personal Income [3] (Thousands)	Per Capita Personal Income [3]	Number of Labor Force [4]	Number of Employed [4]	Numbered of Unemployed [4]	Unemployment Rate (Percent) [4]
2016	$ 11,259,764	$ 39,168	99,879	94,852	5,027	5.0
2017	11,670,115	40,621	101,300	95,674	5,626	4.0
2018	12,227,696	42,590	101,793	98,162	3,631	3.6
2019	12,875,766	44,586	102,904	99,510	3,394	3.3
2020	13,518,721	47,474	90,583	86,053	4,530	4.7
2021	14,449,504	52,041	99,280	95,606	3,673	3.8
2022	15,755,987	52,359	104,912	101,738	3,174	3.0
2023	16,022,231	N/A	202,142	195,773	6,369	3.2
2024	17,414,167	55,363	164,208	158,864	5,344	3.3
2025	18,603,875	56,511	208,449	198,290	10,159	4.9

Source: City records, except as noted.

[1]Censusreporter.org, 2024 data

[2]Leon County School Board

[3]Bureau of Economic Analysis, U.S. Department of Commerce.

[4]FloridaJobs.Org

N/A - Not Available

Principal Employers
Current and Nine Years Ago

	2025 [1]				2016 [2]		
Employer	Type of Business	Number of Employees	Rank	% age of Total	Number of Employees	Rank	% age of Total
State of Florida	Government	26,831	1	39.70	19,136	1	35.10
Florida State University	Education	16,207	2	23.97	14,378	2	26.36
Tallahassee Memorial Hospital	Healthcare	5,696	3	8.42	4,583	4	8.40
Leon County School Board	Education	4,300	4	6.36	5,383	3	9.87
City of Tallahassee	Government	4,000	5	5.92	2,811	5	5.15
Amazon	Retail	2,256	6	3.34	-		-
Leon County	Government	1,957	7	2.89	1,712	8	3.14
Florida A&M University	Education	1,794	8	2.65	1,767	7	3.24
Walmart Stores, Inc.	Retail	1,700	9	2.51	-		-
Tallahassee State College (3)	Education	1,468	10	2.17	1,518	9	2.78
Publix Super Markets	Retail	1,400	11	2.07	2,200	6	4.03
Capital Regional Medical Center	Healthcare			-	1,051	10	1.93
Total		67,609		100.00	54,539		100.00

Note: In previous years, data was presented for Leon County rather than City of Tallahassee.

[1] Data from employers or Website

[2] Data from City of Tallahassee ACFR 2016.

[3] Formerly known as the “Tallahassee Community College”.

See Independent Auditors’ Report

Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City Commission & Appointed Officials	123	123	123	123	123	114	110	111	124	134
Administration & Professional Services	125	76	76	75	72	72	70	67	62	184
Aviation	58	57	54	54	54	54	54	55	55	55
Communications	9	9	9	9	9	9	9	9	8	14
Customer Services	157	158	157	162	130	126	130	17	17	1
Human Resources & Workforce Development	31	31	30	30	28	35	35	35	35	-
Technology and Innovations	100	100	101	101	98	96	99	99	100	-
Real Estate Management	7	7	7	7	7	8	8	7	11	-
Housing and Community Services	42	42	42	32	17	17	16	18	20	36
Economic Vitality/Minority & Women Business Enterprise	-	-					8			
Energy Services - Electric & Gas	330	330	330	330	330	330	325	328	336	303
Emergency Preparedness & Facilities Security	1	1	1	1	1	3	4	4	5	1
Energy Services	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Environmental Services & Facilities Management	-	26	26	26	23	23	22	22	12	14
Ethics	2	2	2	2	2	2	2	2	N/A	1
Fire	313	301	301	301	301	300	299	299	297	296
Fleet	85	83	83	84	82	81	82	82	82	80
TEMPO	-	-	-	10	9	3	-	-	-	-
Growth Management	68	72	72	72	71	71	77	77	80	63
Community Relations	11	11	11	11	9	9	10	-	-	-
Parks & Recreation & Neighborhood Affairs	221	220	220	208	177	180	178	177	173	173
Planning/PLACE	22	23	23	23	24	25	25	25	27	26
Police	507	507	485	485	482	483	483	483	466	466
Public Works	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	286
Community Beautification & Waste Management	151	152	152	152	147	146	151	151	148	83
Sustainability & Community Prepardeness	-	-	-	-	15	15	-	-	-	-
StarMetro	144	144	145	146	140	140	139	140	141	148
Utility Services	-	-	-	-	-	-	-	129	135	148
Underground Utilities & Public Infrastructure	491	506	506	507	505	513	516	514	531	362
Total	2,997	2,981	2,956	2,951	2,856	2,855	2,852	2,851	2,865	2,874

Source: City of Tallahassee Budget

Note: The City was reorganized in FY 2009, combining some departments and creating new departments. Deleted departments are shown with "0" FTE employees.

"N/A" = not applicable

See Independent Auditors' Report

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police										
Arrests	5,948	5,965	5,989	4,243	3,459	3,145	5,828	6,267	7,044	5,998
Traffic violations	14,942	12,677	12,696	11,654	5,352	5,663	10,990	9,710	15,459	14,716
Parking violations	14,529	16,975	18,192	18,722	13,924	11,144	10,470	13,804	14,891	18,886
Fire										
Emergency responses	37,731	18,105	34,394	33,739	30,957	27,687	19,789	28,015	27,379	27,849
Fires reported	1,080	1,008	1,092	1,088	906	926	1,041	1,033	989	1,225
Gas										
Daily average consumption (MCF)	8,775	8,483	7,679	7,978	8,236	7,582	8,090	7,988	7,411	7,450
Number of service connections	32,336	32,453	28,719	34,890	34,342	33,378	32,528	31,471	30,638	30,355
Water										
Daily average consumption (MGD)	28	28	26	24	26	28	27	25	26	26
Number of service connections	87,057	84,830	81,413	88,183	87,891	87,007	86,299	86,528	84,783	75,334
Electric										
Net System Energy Generated (K W H) (Millions)	3,032	3,128	3,042	2,891	2,784	2,787	2,857	2,798	2,693	2,630
Average number residential customers	105,371	106,380	101,963	107,327	92,342	91,805	91,125	89,798	89,070	99,793
Average residential monthly bill	129	124	124	127	119	117	117	119	108	113
Sewage										
Daily average treatment (MDG)	18	17	17	17	16	16	19	16	17	17
Number of service connections	72,270	72,846	71,869	75,927	75,741	74,892	74,146	74,322	72,614	72,070
Transit										
Total revenue miles	1,368,239	1,847,243	1,889,745	1,919,608	1,870,628	1,932,618	2,267,715	2,141,697	2,133,772	2,254,316
Passengers trips	1,707,759	2,653,621	2,449,136	2,269,186	1,095,127	2,014,966	3,448,266	3,289,053	3,302,667	3,759,543
Solid Waste										
Number of customers	76,792	73,135	67,581	64,291	65,017	57,389	64,117	61,547	52,528	63,455
Refuse collected (in tons)	149,064	153,647	149,624	152,341	156,743	151,366	153,907	149,560	149,560	139,778
Recyclables collected (in tons)	10,217	10,193	10,668	11,478	12,577	12,337	12,491	13,297	13,297	24,474
Airport										
Number of passengers	936,448	944,835	835,567	822,709	539,609	513,719	851,689	796,214	717,559	699,035

Source: Various city departments and Utility Rates Monthly Report (URMR)

N/A - Not Available

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function / Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicular units										
Marked vehicles	320	305	305	299	306	356	326	309	300	306
Motorcycles	10	10	9	9	9	9	9	9	9	9
Unmarked vehicles	143	158	157	161	164	167	144	150	152	153
Bicycle patrol units	29	29	29	27	25	25	25	25	16	16
Fire stations	16	16	16	16	16	16	16	16	16	16
Gas										
Gas lines (in miles)	1,000	1,000	975	975	963	950	930	923	910	905
Plant Capacity (MCF)	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Water										
Water mains (in miles)	1,255	1,247	1,246	1,211	1,211	1,211	1,211	1,211	1,202	1,201
Deep Wells	27	27	27	22	27	27	27	27	27	27
Plant Capacity (MGD)	79	79	79	79	79	79	76	76	76	76
Electric										
Generating plants	4	4	4	4	4	3	3	3	3	3
Generating capacity (MW)	799	799	799	799	799	702	702	711	711	746
Transmission lines (in miles)	219	219	219	219	219	219	219	214	214	214
Number of street lights	21,591	20,135	20,135	20,073	19,660	19,302	19,302	18,825	18,825	18,710
Distribution lines (in miles)	2,058	2,049	2,049	2,044	2,044	2,023	2,023	1,995	1,995	1,942
Sewage										
Number of lift stations	120	112	112	112	110	110	110	110	107	107
Sanitary sewers (in miles)	1,101	1,083	1,083	1,077	1,064	1,064	1,059	1,050	1,039	1,039
Number of disposal plants	1	1	1	1	1	1	1	1	1	1
Capacity of treatment plans (MGD)	27	27	27	27	27	27	27	27	27	27
Transit										
Bus Plaza	1	1	1	1	1	1	1	1	1	1
Buses	58	66	55	55	55	55	55	58	65	65
Refuse Collection										
Collection trucks	102	94	90	83	83	82	73	73	73	69
Parks and recreation										
Community centers and specialty center	12	12	12	12	12	12	12	11	11	11
Summer playgrounds and camps	66	77	77	65	46	46	46	43	43	43
Athletic fields	90	90	90	86	86	86	86	86	86	86
Golf courses	2	2	2	2	2	2	2	2	2	2
Swimming pools	11	11	11	11	11	11	11	11	11	11
Park acreage	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,529
Fitness trails	75	75	75	75	30	30	30	30	30	30
Tennis/racquetball/ pickleball courts	76	76	76	70	67	67	67	67	67	67
Gymnasiums, center sites	9	9	9	9	9	9	9	7	7	7
Gymnasiums, school sites	5	5	5	5	5	5	5	5	5	4
Airport	1	1	1	1	1	1	1	1	1	1
Other public works										
Traffic signals(1)	85	85	85	88	85	85	85	73	73	73

Source: Various city departments

(1) The department did not have asset tracking database prior to FY 04. Only City owned signals are counted.

See Independent Auditors' Report

Miscellaneous Statistical
Data September 30, 2025

Governance

Date of Incorporation	1825
Date Present Charter Adopted	1996
Form of Government: Commission-Manager	
Commission Composed of: Mayor and Four Commissioners	

Terms of Office:

Mayor - Five Years (Elected by Tallahassee Citizens)	
Commissioners - Five Years (Elected by Tallahassee Citizens)	
Manager (Appointed by Commission)	

Transportation:

Airlines, Bus Lines, and Railroad Freight and Passenger

Communications:

Newspapers, Radio Stations, Television Stations;
Cable Television and Telephone Service

Climate

Average Annual Temperature - in °F	68.5
Average Annual Rainfall - in inches	63.5
Area - in square miles	104.74

Education:

Number of Public Schools [1]	51
Number of Public School Instructors [1]	2,043
Number of Public School Students, (PK-12) [1]	31,638
Number of Vocational-Technical Schools [1]	3
Number of Community Colleges	2
Number of Universities	5
Number of College-level Instructors [4]	2,043
Number of College-level Students [2]	68,667

Major Annual Events:

Springtime Tallahassee Festival
Fourth of July “Celebrate America”
North Florida Fair
Market Days
Winter Festival

Culture, Recreation, and Health:

Conference Center, Civic Center, and Theaters	
Seating Capacity (Leon County Civic Center and	13,375
Museums	15
Libraries (including branches)	20
Skating Rinks	2
Golf Courses	11
Hospital Beds [3]	1,060

Source: City of Tallahassee Records except as noted below:

[1] Leon County /School Board

[2] Tallahassee State College; Florida State University; Florida A & M University

[3] Tallahasse Memorial Healthcare and Capital Regional Medical Center

[4] Full Time Faculty at Tallahasse State College, Florida State University, and Florida A&M University

Schedule of Insurance
September 30, 2025

Line of Coverage	Carrier	Limits/Coverage	Deductible/Retention	Effective	Expiration	Premium	Policy #
Terrorism	Lloyd's of London	First Loss USD 350,000,000 each and every occurrence in respect of Terrorism only Active Assailant – Extension Coverage USD 1,000,000 each and every Occurrence and in the aggregate, across all heads of Sub-limits. Sub-limits, as follows: A. Physical damage – USD 1,000,000 B. Business interruption – USD 1,000,000 C. Extra expense – USD 1,000,000 D. Response fees – USD 1,000,000Annual Aggregate - $1,000,000 Excess Property Damage: Annual Aggregate - $100,000,000 excess of $250,000,000	$0.00 Retention	5/1/2025	5/1/2026	**Total Premium Paid $111,241**	B0621MCITY006125
Property	Factory Mutual Insurance Company - UTILITY ONLY	Policy Limit $100,000,000 TIV: $1,517,338,458 (as of binding) Automatic Coverage - 90 days, but not to exceed $100,000,000 Earth Movement - $250,000,000, Aggregate Errors and Omissions - $100,000,000 Expediting Costs - $50,000,000 Extra Expense - $50,000,000 Flood - $50,000,000 Service Interruption - Property Damage & Time Element - $25,000,000 Sublimits are noted in the proposal & policies	$100,000 - per occurrence $100,000 - Wastewater Treatment Plant $250,000 - Transformers not at Power Generation locations $1,075,000 - Steam Turbine Generators $1,500,000 - Gas Turbine Generators $500,000 - Flood for property at locations identified in policy Named Storm Deductible per schedule Refer to policy for full explanation of deductibles	5/1/2025	5/1/2026	Total Premium $5,946,993 Membership Credit -$712,033 Resilience Credit - $284,813 **Premium Paid $5,002,307**	1149870
Property	Various Carriers - MUNICIPAL ONLY	Policy Limit - $250,000,000 Total Insurable Value - $452,161,436 (as of binding) Automatic Coverage - 90 days, but not to exceed $100,000,000 Computer Systems Non Physical Damage and Data, Programs or Software combined -$1,000,000, Aggregate Earth Movement - $250,000,000, Aggregate Errors and Omissions - $100,000,000 Expediting Costs - $50,000,000 Extra Expense - $50,000,000 Flood -$250,000,000 Service Interruption - Property Damage &Time Element - $25,000,000Service Interruption - Property Damage 8 Time Element - $25,000,000	$100,000 - per occurrence Named Storm Deductible per schedule Refer to policy for full explanation of deductibles	5/1/2025	5/1/2026	**Total Premium Paid $1,467,091**	Various
Fine Arts	Travelers Property and Casualty Company of America	$123,500	$1,000 - per occurrence	8/19/2025	8/19/2026	**Total Premium Paid $3,228.00**	QT-660-5T508694-TIL-25
Surety	Auto-Owners Insurance Co	Treasurer-Clerk Cooke Bond $100,000	$0.00 Retention	9/8/2025	9/8/2026	**Total Premium Paid $259.00**	66117834
Property - Boiler & Machinery Equipment Breakdown	Liberty Mutual	Blanket Limits $100,000,000 Property Damage Included Business Income with Extra	Property Damage $25,000 Business Income 24 Hours	5/1/2025	5/1/2026	**Total Premium Paid $24,055**	YB2L9L474411015
Airport Operators Liability	ACE Property & Casualty Insurance Company	Per Occurrence - $100,000,000 Damage to Premises Rented to You - $1,000,000 Personal and Advertising Injury Aggregate - $25,000,000 Products-Completed Operations Aggregate - $100,000,000 Hangarkeepers' Each Accident - $100,000,000 Hangarkeepers' Each Aircraft - $100,000,000 Non-Owned Aircraft - $100,000,000"	$50,000 Hangarkeepers Liability Any One Aircraft $50,000 Hangarkeepers Liability Any One Occurrence	10/1/2025	10/1/2026	**Total Premium Paid $47,217.50**	AAP N11108155 001

See Independent Auditors' Report

Schedule of Insurance
September 30, 2025

Cyber Liability	AIG Specialty Insurance Company	$1,000,000 - Maximum Aggregate Limit $1,000,000 - Security and Privacy $1,000,000 - Network Interruption Insurance $1,000,000 - Event Management $1,000,000 - Cyber Extortion $50,000 - Reputation Guard	$350,000 Each Incident	10/1/2025	10/1/2026	**Total Premium Paid $57,578.15**	02-310-26-82
EMS Liability	General Star Indemnity Company	$6,000,000/$8,000,000 - Professional Liability $1,000,000/$1,000,000 - Abuse Molestation	$0.00 Retention	10/1/2025	10/1/2026	**Total Premium Paid $93,290**	IJG927317I
XS Workers' Comp	Safety National Casualty Corp	Statutory - Workers' Compensation $1,000,000 - Employers Liability	$1,500,000 Per Occurrence Retention	10/1/2025	10/1/2026	**Total Premium Paid $290,711**	4067373
Commercial Crime	Travelers Casualty and Surety Company of America	$1,000,000 - Employee Theft Per Loss Coverage $1,000,000 - Employee theft Per Employee Coverage $1,000,000 - Forgery or Alteration $1,000,000 - On Premises $1,000,000 - In Transit $1,000,000 - Money Orders & Counterfeit Money $1,000,000 - Computer Crime $1,000,000 - Funds Transfer Fraud EXCLUDED - Social Engineering Fraud $25,000 - Personal Accounts Protection $25,000 - Identity Fraud Expense Reimbursement $5,000 - Claim Expense	$75,000 Single Loss Retention except Personal Account Proptection, Identity Fraud, and Claim Expense ($0.00)	10/1/2025	10/1/2026	**Total Premium Paid $11,701.56**	106175065
Firefighter Cancer Benefit	Chubb Limited / ACE American Insurance Company	$25,000 - First Diagnosis Cancer Benefit $75,000 - Cancer Death Benefit	$0.00 Retention	10/1/2025	10/1/2026	**Total Premium Paid $56,434**	PTP N17937674
Fiduciary Firefighters	Travelers Casualty and Surety Company of America	$1,000,000 for all Claims Settlement Program Limit of Liability $250,000 HIPAA Limit of Liability $1,000,000 502 (c) Penalties Limit of Liability $250,000	$0.00 Retention	10/1/2024	10/1/2027	**Total Premium Paid - Installment $4,605.12**	106176744
Fiduciary General Employees	Travelers Casualty and Surety Company of America	$1,000,000 for all Claims Settlement Program Limit of Liability $250,000 HIPAA Limit of Liability $1,000,000 502 (c) Penalties Limit of Liability $250,000	$0.00 Retention	10/1/2025	10/1/2026	**Total Premium Paid $29,526.72**	106176742
Fiduciary Police Officers	Travelers Casualty and Surety Company of America	$1,000,000 for all Claims Settlement Program Limit of Liability $250,000 HIPAA Limit of Liability $1,000,000 502 (c) Penalties Limit of Liability $250,000	$0.00 Retention	10/1/2024	10/1/2027	**Total Premium Paid - Installment $5,858.88**	106176738
AD&D	Chubb Limited / ACE American Insurance Company	Statutory AD&D Coverage	$0.00 Retention	10/1/2025	10/1/2027	**Total Premium Paid $57,087**	ADD N17938459
Appointed Officials Auto	Preferred Government Insurance Trust	Liability Coverage $1,000,000 per accident	$0.00 Retention	9/26/2025	9/26/2026	**Total Premium Paid $9,722**	PA FL1 0372001 24-1
Unmanned Aircraft Liability	Global Aerospace Inc.	Bodily Injury and Property Damage Liability $1,000,000	$0.00 Retention	10/1/2025	10/1/2026	**Total Premium Paid $4,473.74**	9063188

Total Premiums $ 7,276,386.67

SINGLE AUDIT AND OTHER REPORTS



Annual Comprehensive Financial Report
CITY OF TALLAHASSEE, FLORIDA

Forvis Mazars, LLP
307 West Park Avenue, Suite 202
Tallahassee, FL 32301
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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Honorable Mayor and City Commission
City of Tallahassee, Florida
Tallahassee, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Tallahassee, Florida (the "City") as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 20, 2026.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Honorable Mayor and City Commission
City of Tallahassee, Florida

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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.

Forvis Mazars, LLP

Tallahassee, Florida
May 20, 2026

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Report on Compliance for Each Major Federal Program, Major State Project, and the Passenger Facility Charge Program and on Internal Control over Compliance

Independent Auditor's Report

Honorable Mayor and City Commission
City of Tallahassee, Florida
Tallahassee, Florida

Report on Compliance for Each Major Federal Program, Major State Project, and the Passenger Facility Charge Program

Opinion on Each Major Federal Program, Major State Project, and the Passenger Facility Charge Program

We have audited the City of Tallahassee, Florida (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement, the requirements identified as subject to audit in the Department of Financial Services State Projects Compliance Supplement and the requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration (the Guide") that could have a direct and material effect on its major federal programs, major state projects, and the passenger facility charge program for the year ended September 30, 2025. The City's major federal program and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs, major state projects, and the passenger facility charge program for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program, Major State Project, and the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.550, *Rules of the Auditor General;* and the Guide. Our responsibilities under those standards and the Uniform Guidance, Chapter 10.550, Rules of the Auditor General, and the Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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Honorable Mayor and City Commission
City of Tallahassee, Florida

Responsibility of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City'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, Chapter 10.550, *Rules of the Auditor General*; and the Guide 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, major state project, and the passenger facility charge program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, Uniform Guidance, Chapter 10.550, *Rules of the Auditor General*, and the Guide, 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, Chapter 10.550, *Rules of the Auditor General*, and the Guide, 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, state project or a passenger facility program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program, state project or a passenger facility program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program, state project or passenger facility program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Honorable Mayor and City Commission
City of Tallahassee, Florida

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General,* and the Guide. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

Tallahassee, Florida
May 20, 2026

City of Tallahassee, Florida
Schedule of Findings & Questioned Costs
Year Ended September 30, 2025

Section I – Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

Material weakness(es) identified?	☐ Yes	☒ No
Significant deficiency(ies) identified?	☐ Yes	☒ None reported

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards and State Financial Assistance

4. Internal control over major federal programs:

Material weakness(es) identified?	☐ Yes	☒ No
Significant deficiency(ies) identified?	☐ Yes	☒ None reported

5. Type of auditor's report issued on compliance for major federal program(s):

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

7. Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
14.239	Home Investment Partnerships Program
20.507 & 20.526	Federal Transit Cluster
20.106	Airport Improvement Program

CSFA Numbers	Name of State Projects
37.102	Diesel Emissions Mitigation Program – Volkswagen Settlement
55.004	Aviation Development Grants
55.010	Public Transit Block Grant Program

8. Dollar threshold used to distinguish between Type A and Type B programs:

   Federal: $1,594,366
   State: $750,000

9. Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

City of Tallahassee, Florida
Schedule of Findings & Questioned Costs
Year Ended September 30, 2025

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

City of Tallahassee, Florida
Schedule of Findings & Questioned Costs
Year Ended September 30, 2025

Section IV – Prior Year Audit Findings

Reference Number	Finding
2024-001	Significant Deficiency – Matching Federal Assistance Listing No. 20.933 U.S. Department of Transportation Fiscal Year 2023 RAISE Program Current Year Status – Fully Resolved

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2025

ALN/CSFA #	Federal /State Program Title	FAIN/State Grant #	Flow Through Agency	Sum of Current FY Expenditures	FN	Subrecipient Expenditures
Federal Financial Assistance Awards						
U.S. Department of Agriculture						
10.175	Farmers Market and Local Food Promotion Program	23FMPPFL1164		$ 16,389		
10.175 Total	**Farmers Market and Local Food Promotion Program**			16,389		
U.S. Department of Housing & Urban Development						
CDBG - Entitlement Grants Cluster						
14.218	Community Development Block Grants/ Entitlement Grants	B-15-MC-12-0019		525		
	Community Development Block Grants/ Entitlement Grants	B-18-MC-12-0019		3,605		
	Community Development Block Grants/ Entitlement Grants	B-19-MC-12-0019		4,875		
	Community Development Block Grants/ Entitlement Grants	B-20-MC-12-0019		(171,322)		
	Community Development Block Grants/ Entitlement Grants	B-20-MW-12-0019		369,383		128,990
	Community Development Block Grants/ Entitlement Grants	B-21-MC-12-0019		(40,920)		
	Community Development Block Grants/ Entitlement Grants	B-22-MC-12-0019		230,177		1,220
	Community Development Block Grants/ Entitlement Grants	B-23-MC-12-0019		227,409		70,754
	Community Development Block Grants/ Entitlement Grants	B-24-MC-12-0019		1,378,946		185,496
14.218 Total	**CDBG Entitlement Cluster**			2,002,678		386,460
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	M0099	Florida Department of Commerce	35,665		
14.228 Total	**CDBG/State's Program and Non-Entitlement Grants in Hawaii**			35,665		
14.231	Emergency Solutions Grant Program	E24-MC-12-0019		168,138		168,138
14.231	Emergency Solutions Grant Program	E25-MW-12-0019		102,203		102,203
Total 14.231	**Emergency Solutions Grant Program**			270,341		270,341
14.239	Home Investment Partnerships Program	M-17-MC-12-0221		4,000		4,000
14.239	Home Investment Partnerships Program	M-18-MC-12-0221		61,345		61,345
14.239	Home Investment Partnerships Program	M-19-MC-12-0221		47,955		38,655
14.239	Home Investment Partnerships Program	M-20-MC-12-0221		512,709		500,800
14.239	Home Investment Partnerships Program	M-21-MC-12-0221		152,553		152,359
14.239	Home Investment Partnerships Program	M-21-MP-12-0221		996,500		34,984
14.239	Home Investment Partnerships Program	M-22-MC-12-0221		120,540		74,500
14.239	Home Investment Partnerships Program	M-23-MC-12-0221		283,523		186,785
14.239	Home Investment Partnerships Program	M-24-MC-12-0221		5,154		69,620
Total 14.239	**Home Investment Partnerships Program**			2,184,279		1,123,048

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2025

ALN/CSFA #	Federal /State Program Title	FAIN/State Grant #	Flow Through Agency	Sum of Current FY Expenditures	FN	Subrecipient Expenditures
14.905	Lead Hazard Reduction Demonstration Grant Program	FLLHB07832		374,393		
Total 14.905	**Lead Hazard Reduction Demonstration Grant Program**			374,393		
U.S. Department of Justice						
16.710	Public Safety Partnership and Community Policing Grants	15JCOPS-24-GG-01412-LEMH		15,646		
16.710	Public Safety Partnership and Community Policing Grants	15JCOPS-24-GG-05378-DETU		175,000		
Total 16.710	**Public Safety Partnership and Community Policing Grants**			190,646		
16.738	Edward Byrne Memorial Justice Assistance Grant Program	15PBJA-21-GG-01353-JAGX		2,726		
16.738	Edward Byrne Memorial Justice Assistance Grant Program	15PBJA-22-GG-02142-JAGX		76,141		69,457
16.738	Edward Byrne Memorial Justice Assistance Grant Program	15PBJA-23-GG-03304-JAGX		45,990		28,859
16.738	Edward Byrne Memorial Justice Assistance Grant Program	15PBJA-24-GG-05210-JAGX		9,386		
16.738	Edward Byrne Memorial Justice Assistance Grant Program	6N148	Florida Dept of Law Enforcement	34,615		
Total 16.738	**Edward Byrne Memorial Justice Assistance Grant Program**			168,858		98,316
16.922	Equitable Sharing Program	N/A		45,560		
Total 16.922	**Equitable Sharing Program**			45,560		
U.S. Department of Transportation						
20.106	Airport Improvement Program	3-12-0077-49-2022		43,223		
20.106	Airport Improvement Program	3-12-0077-50-2022		3,343,363		
20.106	Airport Improvement Program	3-12-0077-53-2023		38,193		
20.106	Airport Improvement Program	3-12-0077-54-2024		36,098		
20.106	Airport Improvement Program	3-12-0077-55-2024		124,096		
20.106	Airport Improvement Program	3-12-0077-56-2024		2,829,814		
20.106	Airport Improvement Program	3-12-0077-58-2024		1,695		
20.106	Airport Improvement Program	3-12-0077-59-2024		2,458,056		
20.106	Airport Improvement Program	3-12-0077-60-2024		6,473,879		
20.106	Airport Improvement Program	3-12-0077-61-2025		2,524,117		
Total 20.106	**Airport Improvement Program**			17,872,534		
20.205	Highway Planning and Construction	G1C59	Florida Dept of Transportation	6,201		
20.205	Highway Planning and Construction	G2G94	Florida Dept of Transportation	33,509		
20.205	Highway Planning and Construction	G2X22	University of North Florida	29,206		
20.205	Highway Planning and Construction	G3758	Florida Dept of Transportation	496,287		
Total 20.205	**Highway Planning and Construction**			565,203		

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2025

ALN/CSFA #	Federal /State Program Title	FAIN/State Grant #	Flow Through Agency	Sum of Current FY Expenditures	FN	Subrecipient Expenditures
20.219	Recreational Trails Program	T2306	Florida Dept of Environmental Protection	40,000		
Total 20.219	**Recreational Trails Program**			40,000		
Federal Transit Cluster						
20.507	Federal Transit Formula Grants	FL-2016-020		(1)		
20.507	Federal Transit Formula Grants	FL-2020-089		3,016		
20.507	Federal Transit Formula Grants	FL-2021-038-01		12,410		
20.507	Federal Transit Formula Grants	FL-2022-054		41,682		
20.507	Federal Transit Formula Grants	FL-2023-006		2,152		
20.507	Federal Transit Formula Grants	FL-2023-007		3,807		
20.507	Federal Transit Formula Grants	FL-2025-026		4,631,457	6	
Total 20.507	**Federal Transit Formula Grants**			4,694,523		
20.526	Buses and Bus Facilities Formula Programs	FL-2020-100		3,428		
20.526	Buses and Bus Facilities Formula Programs	FL-2021-038-02		51,317		
20.526	Buses and Bus Facilities Formula Programs	FL-2023-006		149,511		
20.526	Buses and Bus Facilities Formula Programs	FL-2025-026		149,511		
20.526	Buses and Bus Facilities Formula Programs	FL-2025-037		7,028,040		
Total 20.526	**Buses and Bus Facilities Formula Programs**			7,381,807		
Total	**Federal Transit Cluster**			12,076,330		
20.509	Formula Grants for Rural Areas and Tribal Transit Program	G2S87	Florida Dept of Transportation	121,640		
20.509	Formula Grants for Rural Areas and Tribal Transit Program	G3688	Florida Dept of Transportation	114,511		
Total 20.509	**Formula Grants for Rural Areas and Tribal Transit Program**			236,151		
Transit Services Cluster						
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	FL-2017-078-01		(1,665)		
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	FL-2021-045-00		84,379		
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	FL-2024-043-00		188,028		
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	FL-2024-069-00		15,538		
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	FL-2025-039		122,418		
Total 20.513	**Transit Services Cluster**			408,698		
Highway Safety Cluster						
20.600	State and Community Highway Safety	G2S05	Florida Dept of Transportation	386		
20.600	State and Community Highway Safety	G3360	Florida Dept of Transportation	64,806		
20.600	State and Community Highway Safety	G3403	Florida Dept of Transportation	48,989		
20.600	State and Community Highway Safety	G3412	Florida Dept of Transportation	19,770		
Total 20.600	**State and Community Highway Safety**			133,951		

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2025

ALN/CSFA #	Federal /State Program Title	FAIN/State Grant #	Flow Through Agency	Sum of Current FY Expenditures	FN	Subrecipient Expenditures
20.616	National Priority Safety Programs	G2P58	Florida Dept of Transportation	707		
Total 20.616	**National Priority Safety Programs**			707		
Total	**Highway Safety Cluster**			134,658		
20.708	Natural Gas Distribution Infrastructure Safety and Modernization Grant Program	693JK32440048NGDI		257,047		
20.708	Natural Gas Distribution Infrastructure Safety and Modernization Grant Program	693JK32540097NGDI		15,260		
Total 20.708	**Natural Gas Distribution Infrastructure Safety and Modernization Grant Program**			272,307		
20.933	FY2023 National Infrastructure Investments (RAISE)	FL-2024-080		4,710,378		
20.933 Total	**National Infrastructure Investments**			4,710,378		
U.S. Department of Treasury						
21.016	Equitable Sharing Program	N/A		58,777		
Total 21.016	**Equitable Sharing Program**			58,777		
21.027	Coronavirus State and Local Fiscal Recovery Fund	23PLN58	Florida Dept of Environmental Protection	59,986		
21.027	Coronavirus State and Local Fiscal Recovery Fund	23SA900116	Florida Department of State	(600)		
21.027	Coronavirus State and Local Fiscal Recovery Fund	LPS0109	Florida Dept of Environmental Protection	766,114		
21.027	Coronavirus State and Local Fiscal Recovery Fund	SLF-6650		4,295,193		2,468,388
21.027	Coronavirus State and Local Fiscal Recovery Fund	WG040	Florida Dept of Environmental Protection	(261)		
Total 21.027	**Coronavirus State and Local Fiscal Recovery Fund**			5,120,432		2,468,388
U.S. Department of Homeland Security						
97.036	Disaster Grants-Public Assistance	4280	Florida Office of the Governor	755,769	6	
97.036	Disaster Grants-Public Assistance	4337	Florida Office of the Governor	188,803	6	
97.036	Disaster Grants-Public Assistance	4486	Florida Office of the Governor	506,335	6	
97.036	Disaster Grants-Public Assistance	4734	Florida Office of the Governor	1,976,427	6	
97.036	Disaster Grants-Public Assistance	4828	Florida Office of the Governor	827,431	6	
Total 97.036	**Disaster Grants-Public Assistance**			4,254,765		

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2025

ALN/CSFA #	Federal /State Program Title	FAIN/State Grant #	Flow Through Agency	Sum of Current FY Expenditures	FN	Subrecipient Expenditures
97.039	Hazard Mitigation Grant	H0575	Florida Office of the Governor	99,021		
97.039	Hazard Mitigation Grant	H0620	Florida Office of the Governor	145,568		
97.039	Hazard Mitigation Grant	H0649	Florida Office of the Governor	19,725		
97.039	Hazard Mitigation Grant	H0652	Florida Office of the Governor	392,836		
97.039	Hazard Mitigation Grant	H0698	Florida Office of the Governor	881,523		
97.039	Hazard Mitigation Grant	H0897	Florida Office of the Governor	30,470		
97.039	Hazard Mitigation Grant	H1066	Florida Office of the Governor	3,979		
97.039	Hazard Mitigation Grant	H1082	Florida Office of the Governor	13,798		
Total 97.039	**Hazard Mitigation Grant**			1,586,920		
97.067	Homeland Security Grant Program	R0584	Florida Office of the Governor	67,770		
97.067	Homeland Security Grant Program	R0585	Florida Office of the Governor	16,912		
97.067	Homeland Security Grant Program	R0586	Florida Office of the Governor	(3)		
97.067	Homeland Security Grant Program	R0902	Florida Office of the Governor	31,941		
97.067	Homeland Security Grant Program	R0906	Florida Office of the Governor	85,861		
97.067	Homeland Security Grant Program	R0907	Florida Office of the Governor	75,753		
97.067	Homeland Security Grant Program	R1134	Florida Office of the Governor	6,724		
97.067	Homeland Security Grant Program	R1135	Florida Office of the Governor	3,895		
97.067	Homeland Security Grant Program	R1297	Florida Office of the Governor	230,727		
Total 97.067	**Homeland Security Grant Program**			519,580		
Total Federal Financial Assistance Expenditures				**$53,145,542**		**$ 4,346,553**

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2025

ALN/CSFA #	Federal /State Program Title	FAIN/State Grant #	Flow Through Agency	Sum of Current FY Expenditures	FN	Subrecipient Expenditures
State of Florida Financial Assistance Awards						
Florida Department of Environmental Protection						
37.039	Statewide Water Quality Restoration Projects	LPS0109		$ 4,545		
37.039	Statewide Water Quality Restoration Projects	NS100		500,000		
Total 37.039	**Statewide Water Quality Restoration Projects**			504,545		
37.052	Florida Springs Grant Program	17-056	Northwest Florida Water Management District	58,189		
37.052	Florida Springs Grant Program	LPS0109		2,772		
Total 37.052	**Florida Springs Grant Program**			60,961		
37.102	Diesel Emissions Mitigation Program - Volkswagen Settlement	VW306		2,400,000		
Total 37.102	**Diesel Emissions Mitigation Program - Volkswagen Settlement**			2,400,000		
37.118	Division of Recreation and Parks - The Local Trail Management Grant Program	TG030		10,186		
37.118	Division of Recreation and Parks - The Local Trail Management Grant Program	TG037		21,272		
37.118	Division of Recreation and Parks - The Local Trail Management Grant Program	TG045		200,000		
Total 37.118	**Division of Recreation and Parks - The Local Trail Management Grant Program**			231,458		
Florida Housing Finance Corporation						
40.901	State Housing Initiatives Partnership Program (SHIP)	SHIP2023		227,577		194,375
40.901	State Housing Initiatives Partnership Program (SHIP)	SHIP2024		477,342		256,665
40.901	State Housing Initiatives Partnership Program (SHIP)	SHIP2025		481,113		228,732
Total 40.901	**State Housing Initiatives Partnership Program (SHIP)**			1,186,032		679,772
Florida Department of Transportation						
55.001	Florida Commission for the Transportation Disadvantaged Trip And Equipment Grant Program	G2A22		(4,730)		
55.001	Florida Commission for the Transportation Disadvantaged Trip And Equipment Grant Program	G2K61		83,213		
55.001	Florida Commission for the Transportation Disadvantaged Trip And Equipment Grant Program	G2L86		(7,188)		
55.001	Florida Commission for the Transportation Disadvantaged Trip And Equipment Grant Program	G2Z27		662,089		
55.001	Florida Commission for the Transportation Disadvantaged Trip And Equipment Grant Program	G3E01		158,807		
Total 55.001	**Florida Commission for the Transportation Disadvantaged Trip And Equipment Grant Program**			892,191		

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2025

ALN/CSFA #	Federal /State Program Title	FAIN/State Grant #	Flow Through Agency	Sum of Current FY Expenditures	FN	Subrecipient Expenditures
55.004	Aviation Grant Programs	G1C03		329,204		
55.004	Aviation Grant Programs	G1O66		3,467		
55.004	Aviation Grant Programs	G2820		219,241		
55.004	Aviation Grant Programs	G2H08		662,115		
55.004	Aviation Grant Programs	G2H06		359,177		
55.004	Aviation Grant Programs	G3B08		136,559		
55.004	Aviation Grant Programs	G3B53		755,933		
Total 55.004	**Aviation Grant Programs**			2,465,696		
55.01	Public Transit Block Grant Program	G3757		1,512,772		
Total 55.010	**Public Transit Block Grant Program**			1,512,772		
55.039	Local Transportation Projects	G3098		411,508		
Total 55.039	**Local Transportation Projects**			411,508		
55.045	Florida Commission for the Transportation Disadvantaged Innovation And Service Development Grant Program	G3083		19,725		
Total 55.045	**Florida Commission for the Transportation Disadvantaged Innovation And Service Development Grant Program**			19,725		
Florida Department of Law Enforcement						
71.042	Identify Theft and Fraud Grant Program	ZF005		250		
Total 71.042	**Identify Theft and Fraud Grant Program**			250		
71.092	FDLE Drone Replacement Program	3X100		150,000		
71.092	FDLE Drone Replacement Program	3X115		75,000		
Total 71.092	**FDLE Drone Replacement Program**			225,000		
71.122	State Assistance For Fentanyl Eradication (SAFE) In Florida	2023-SAFE-SF-030		1,820		
Total 71.122	**State Assistance For Fentanyl Eradication (SAFE) In Florida**			1,820		
71.161	Forensic Investigative Genetic Genealogy Grant Program	GG004		19,998		
Total 71.161	**Forensic Investigative Genetic Genealogy Grant Program**			19,998		
Florida Department of Juvenile Justice						
80.029	Delinquency Prevention	10804		68,684		
Total State Financial Assistance Expenditures				**$10,000,640**		**$ 679,772**

NOTES

1) The accompanying Schedule of Federal and State Financial Assistance of Expenditures (Schedule) presents the activity of all federal programs and state projects of the City of Tallahassee for the year ended September 30, 2025. All expenditures related to federal awards and state projects received directly from federal and state agencies, as well as federal awards and state projects passed through other governmental agencies, are included in the accompanying Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2, US 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 Florida Auditor General.

Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended September 30, 2025

ALN/CSFA #	Federal /State Program Title	FAIN/State Grant #	Flow Through Agency	Sum of Current FY Expenditures	FN	Subrecipient Expenditures

2) The Schedule was prepared on the modified accrual basis of accounting.

3) No federal or state financial assistance was expended in non-cash assistance.

4) The City has not elected to use the 15 percent de minimis indirect cost rate allowed under the Uniform Guidance.

5) The housing loans have no continuing disclosure requirements. Therefore, only current year activity is included on the SAFSA. Housing loan balances outstanding at year end:

Community Development Block Grant – Entitlement	14.218		497,382
Home Investment Partnerships Program	14.239		3,850,845
State Housing Initiatives Partnership Program	40.901		1,681,642
			$ 6,029,869

6) Expenditures for the following awards included expenditures incurred through September 30, 2024:

Disaster Grants	97.036	4280	755,769
Disaster Grants	97.036	4337	188,803
Disaster Grants	97.036	4486	506,335
Disaster Grants	97.036	4734	1,976,427
Disaster Grants	97.036	4828	827,431
Federal Transit Formula Grants	20.507	FL-2025-026	4,362,801
			$ 8,617,566

7) Statement in accordance with Chapter 341.052, Florida Statutes, Florida Department of Transportation, Public Transit Block Grant funds did not exceed local revenue; were not expended for depreciation or amortization of capital assets; and did not supplant local tax revenues made available for operations in the previous year.

Schedule of Expenditures of Passenger Facility Charges
For the Year Ended September 30, 2025

Program Title	Expenditures
Passenger Facility Charges Used:	
Passenger Facility Charge Application #06-06-C-00-TLH:	
Passenger Facility Charge Application #16-07-C-00-TLH:	
Project 2: Terminal PLB Design, Acquisition and Installation	76,650
	$ 76,650
Passenger Facility Charge Application #23-08-C-00-TLH:	
Project 1: Taxiway B Rehabilitation	359,660
Project 2: Taxiway B Connectors Construction	132,848
Project 3: Terminal Modernization - Main Terminal Chiller Plant Replacement	45,311
Project 4: Terminal Front Entrance Pedestrian and Traffic Safety Improvement	13,788
	$ 551,607
Total Passenger Facility Charges Used	$ 628,257

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Independent Accountant's Report

Honorable Mayor and City Commission
City of Tallahassee, Florida
Tallahassee, Florida

We have examined the compliance of the City of Tallahassee, Florida's (the "City") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2025. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with those requirements, in all material respects. An examination involves performing procedures to obtain evidence about the City's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

Forvis Mazars, LLP

Tallahassee, Florida
May 20, 2026

Forvis Mazars, LLP is an independent member of Forvis Mazars Global Limited

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Independent Auditor's Management Letter

Honorable Mayor and City Commission
City of Tallahassee, Florida
Tallahassee, Florida

Report on the Financial Statements

We have audited the basic financial statements of the City of Tallahassee, Florida (the "City") as of and for the year ended September 30, 2025, and have issued our report thereon dated May 20, 2026.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditor's Report on Compliance for Each Major Federal Program, Major State Project, and the Passenger Facility Charge Program and on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance and Schedule of Passenger Facility Charges Required by the Uniform Guidance, Chapter 10.550, *Rules of the Auditor General,* and *Passenger Facility Charge Audit Guide for Public Agencies;* Schedule of Findings and Questioned Costs, and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards,* AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General.* Disclosures in those reports and schedule, which are dated May 20, 2026, 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. In connection with the proceeding audit, all findings were fully resolved.

Official Title and Legal Authority

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

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Honorable Mayor and City Commission
City of Tallahassee, Florida

Financial Condition and Management

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

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

Section 10.554(1)(i)2., *Rules of the Auditor General,* requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c, *Rules of the Auditor General,* requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statues, and Section 10.554(1)(i)6, *Rules of the Auditor General*, see Attachment A for required information on the dependent special districts that are included in the reporting entity. The information in Attachment A has not been subject to auditing procedures, therefore no assurance is given on the provided information.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the City's geographical boundaries during the fiscal year under audit.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General,* requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we had no such communication.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Mayor, City Commission, and applicable management and is not intended to be, and should not be, used by anyone other than these specified parties.

Forvis Mazars, LLP

Tallahassee, Florida
May 20, 2026

Attachment A

Special District Component Units-Reporting Requirements required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General

	Blended Component Unit	Discretely Presented Component Unit
Reporting Rquirements from Section 218.39 (3)(b), Florida Statutes	**Community Redevelopment Agency**	**Downtown Improvement Authority**
The total number of district employees compensated in the last pay period of the district's fiscal year as of September 30, 2024.	5	3
The total number of independent contractors to whom the nonemployee compensation was paid in the last month of the district's fiscal year as of September 30, 2024.	6	4
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as of September 30, 2024.	$508,112	$208,942
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as of September 30, 2024.	$4,131,775	$99,600
Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as of September 30, 2024.	Freight Yard $148,700 Sushi Sake $200,000 Bicentennial Square $516,000 N. Adams St. Pedestrian Improvement $1.5M MDL Tallahassee Icon $1.6M	None
A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as of September 30, 2024.	Refer to separately issued Financial Statements	See Attachment B

Budgetary Comparison Schedule
Downtown Improvement Authority
September 30, 2025

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance - October 1	$ -	$ -	$ -	$ -
Resources				
Taxes	340	340	345	5
Licenses and Permits	-	-	-	-
Intergovernmental Revenues	58	58	8	(50)
Charges for Services	140	140	120	(20)
Fines and Forfeitures	-	-	-	-
Interest Earned	2	2	16	14
Miscellaneous	10	10	2	(8)
Transfers from Other Funds	-	-	8	8
Amounts Available for Appropriations	550	550	499	(51)
Charges to Appropriations				
General Government	-	-	-	-
Public Safety	-	-	-	-
Transportation	-	-	-	-
Human Services	-	-	-	-
Economic Development	550	550	422	128
Physical Environment	-	-	-	-
Culture and Recreation	-	-	-	-
Debt Service	-	-	-	-
Transfers to Other Funds	-	-	-	-
Total Charges to Appropriations	550	550	422	128
Budgetary fund balance, September 30	$ -	$ -	$ 77	$ 77

CITY OF TALLAHASSEE

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CITY OF
TALLAHASSEE