City of Tarpon Springs, Florida

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2025

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CITY OF TARPON SPRINGS, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2025

MAYOR AND BOARD OF COMMISSIONERS

John Koulianos, Mayor

Panagiotis Koulias, Vice-Mayor

Michael Eisner, Commissioner

David Banther, Commissioner

Lori Weaver, Commissioner

ADMINISTRATION

Mark LeCouris, City Manager

Ashley Kimpton, Finance Director

Irene S. Jacobs, City Clerk

Andrew Salzman, City Attorney

Prepared by the City of Tarpon Springs Finance Department

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CITY OF TARPON SPRINGS, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2025

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INTRODUCTORY SECTION

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City of Tarpon Springs, Florida

June 30, 2026

To the Honorable Mayor, Board of Commissioners, and the Citizens of the City of Tarpon Springs, Florida.

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Tarpon Springs, Florida (the "City") for the Fiscal Year ended September 30, 2025.

This report consists of management's representations concerning the finances of the City of Tarpon Springs. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Tarpon Springs has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Tarpon Springs' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Tarpon Springs' comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, that this financial report is complete and reliable in all material respects.

The City of Tarpon Springs' financial statements have been audited by Mauldin & Jenkins LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Tarpon Springs for the Fiscal Year ended September 30, 2025, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Tarpon Springs' financial statements for the Fiscal Year ended September 30, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this report, (Page B-1).

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Tarpon Springs' MD&A can be found immediately following the Independent Auditor's Report.

Profile of the Government

The City of Tarpon Springs is a municipal corporation originally chartered by the State of Florida in 1887. The current City Charter was approved by referendum vote and was adopted in accordance with provisions of the Municipal Home Rule Powers Act, Florida Statutes, Chapter 166, in 1983. Tarpon Springs is located on Florida's West Coast 28 miles northwest of Tampa, 35 miles north of St. Petersburg, and 14 miles north of Clearwater. Tarpon Springs is virtually surrounded by the Gulf of Mexico to the west, Lake Tarpon to the east and the Anclote River which flows into the Gulf. Many bayous wind through the residential areas. The City of Tarpon Springs currently occupies a land area of 8.5 square miles and serves a population of 26,168. The City of Tarpon Springs is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the Mayor and Board of Commissioners.

The City operates under a commission-manager form of government. Policy-making and legislative authority are vested in the Mayor and Board of Commissioners consisting of four commissioners. The Mayor and Board of Commissioners are responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's Manager, City Attorney, City Clerk and Internal Auditor. The City Manager is responsible for carrying out the policies and ordinances of the Mayor and Board of Commissioners, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The Mayor and Board of Commissioners are elected on a non-partisan basis and may serve up to two three-year terms.

The City of Tarpon Springs provides a full range of services which include, municipal services of police and fire protection; construction and maintenance of streets, bridges, sidewalks, storm drainage, public parks and recreation facilities; City planning, zoning, subdivision and building code regulation and enforcement; supervised recreation programs; public libraries; redevelopment of declining commercial and residential neighborhoods; refuse, recycling and yard waste collection; water supply and distribution; waste water collection, treatment and disposal; re-use water, supply and distribution; and operation of the city-wide parking system.

The annual budget serves as a foundation for the City of Tarpon Springs' financial planning and control. All Departments of the City are required to submit requests for appropriation to the City Manager on or before the last day in April of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Mayor and Board of Commissioners for review in July of each year. The Mayor and Board of Commissioners are required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 30, the close of the City of Tarpon Springs' fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the Mayor and Board of Commissioners. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds, this comparison is presented on Pages B-24 through B-26 as part of the Basic Financial Statements for the governmental funds, and for the non-major governmental funds and major capital projects fund it is presented on Pages C-5 through C-11 as part of the Combining and Individual Fund Statements and Schedules for the governmental funds.

Factors Affecting Financial Condition

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

Local Economy. The City of Tarpon Springs has a diversified economy which is also bolstered by a well established tourist business and the sponge docks, which now enjoy the status of a designated National Historic Landmark. Tarpon Springs is the second largest commercial fishing port on Florida's west coast. Seafood processing plants handle both fresh and frozen fish and shellfish. Chamois and other leather products are processed in Tarpon Springs for sale in a number of local shops and also distributed throughout Pinellas County. We also have a large population of retirees, who have wisely chosen Tarpon Springs as the place in which to enjoy their retirement years.

The economic condition of the area during the past few years was declining or stagnant at best, the last couple of years have seen improvements. FY 2020 was challenging with the onset of COVID 19, the City experienced revenue losses in sales taxes, and cultural and recreation fees. The City also experienced additional expenditures related to COVID 19. At the onset of COVID 19 management directed departments to monitor their expenditures and not have any unnecessary expenditures. With limiting unnecessary expenditures and the potential for COVID 19 expenditure reimbursement funding the City experienced a slight decrease in fund balance. COVID 19 continued into FY 2021 with sales tax revenue losses through the first half of the fiscal year, the second half of the fiscal year saw an increase in revenues with the decline in COVID 19 and businesses opening up. Fiscal Year 2022 sales tax revenues increased with the further opening up of the economy. Fiscal Year 2023 revenues increased but started to level off during the latter part of FY 2023, we also experienced a sizeable increase in operating and capital costs. Fiscal Year 2024 and Fiscal Year 2025 revenues leveled off and the City is still experiencing the effects of inflation. The budget for FY 2026 was projected with a slight increase for sales tax revenues. Property tax valuations and property tax revenues increased but at a substantial decrease from the prior year due to uncertainty in the economy for FY 2026. The City is in receipt of American Rescue Plan Act (ARPA) funds which will be spent on projects as determined by the Board of Commissioners in following the guidelines of the ARPA. Adequate fund balances and a legal debt limit well below statutory limits continue to provide the City of Tarpon Springs with an additional margin of continued fiscal security. The City also experienced upwards of $10 million dollars in expenditures in Fiscal Year 2025 from Hurricanes Helene and Milton, mostly for debris removal. These expenditures are 100% reimbursable by FEMA and the City is still waiting for reimbursement.

Long-term Financial Planning. One of the biggest challenges facing the City is the maintenance and expansion of our infrastructure. Water, storm water and sewer lines are essential to every community and historically, the condition and extent to which they exist, have indicated the level of advancement of a society. For some time the City has methodically inventoried streets and sidewalks, then prioritized and funded street overlay and sidewalk replacement and expansion efforts as well as a program for street reconstruction of brick streets. In order to address the needs of our underground infrastructure, the City uses T.V. trucks to inventory main lines and implemented a systematic annual repair schedule. The City's utility rate consultant performs an annual revenue sufficiency analysis to compare actual revenue, expenses and capital outlay to the rate model. The water and sewer billing rates were approved for ten years through FY 2028. The rates were reevaluated in FY 2021 which produced a rate decrease of 2.2% for FY 2022 and no increases for FY 2023 and FY 2024. Due to the increase in operating and capital cost a revenue sufficiency study was performed in 2023 which resulted in a 9.9% rate increase for water, sewer and reclaimed rates effective December 1, 2023. The City had another water and sewer rate study performed in FY 2025 for water-sewer infrastructure improvements and annual rate increases of 7.75% were approved for FY 2026 through FY 2029. The City also had a stormwater rate study performed in FY 2025 and rates were increased per equivalent stormwater unit (ESU) from $10.65 per month to $13.15 in FY 2026, $15.65 in FY 2027 and $18.15 in FY 2028. The increase in stormwater rates are for improvements to the City's stormwater infrastructure system.

Internal and Budgetary Control. Effective internal accounting control is a major emphasis in the City's accounting system. Internal control seeks to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, and that financial records are reliable for preparing financial statements and maintaining accountability for assets.

Budgetary control is maintained at the departmental level by the encumbrance of estimated purchase amounts when purchase orders are released to vendors. Pursuant to activity delegated to the City Manager, budget transfers within a department are processed administratively. Budget transfers between departments and any other budget amendments that increase or decrease the total budget of a fund must be approved by the Board of Commissioners. Outstanding encumbrances are reported within fund balances at fiscal year-end based on the specific purpose for which the resources have been restricted, committed or assigned.

Cash Management Policies and Practices. As more completely described in Note III-A in the Notes to the Financial Statements, the City employs a consolidated cash/investment pool to facilitate short-term investments of liquid assets for all City funds. The Board of Commission approved a revised Investment Policy on July 14, 2020, which allows the City to diversify its investments and obtain a greater return on its investments. The Investment Policy allows the City to invest in State approved investments which include U.S. Treasury Bills/Notes, and Federal Agency Securities. In addition, the City utilizes the Florida Municipal Investment Trust Fund and the Prime Fund through the State Board of Administration. Over the years, the City has held to a conservative investment philosophy that the return of the investment principal is more important than the return on the principal. We believe that a conservative investment philosophy best serves the residents of Tarpon Springs.

During Fiscal Year 2025, the average cash/investment pool balance was $48,292,075 and the total annual earnings net of all bank charges was $2,345,092 (net of unrealized gain/loss at September 30, 2025) giving an average rate of return of 4.86% on the average balance. Total annual earnings including unrealized gains totaled $2.496,620 giving an average rate of return of 5.17%.

Debt Administration. At September 30, 2025, the City had total outstanding bonds payable of $25,646,194 representing the Utility System Revenue Bond Series 2013A. The City had a new debt issuance in FY 2025 in the amount of $5.3 million for the purchase of land that is available for government purposes, the balance at 9/30/25 is $4,953,000. The City also had two financed purchases for fire trucks with total outstanding financed purchase payable of $731,735 representing the 2021 fire truck $175,562 and the 2022 fire truck $556,173. For further details regarding the City's outstanding debt, please see Note III-F in the Notes to the Financial Statements.

The computation of the legal debt margin, which is indicated in the City's Comprehensive Plan, indicates a very low proportion of indebtedness at September 30, 2025, relative to property values at January 1, 2025 (see Schedules 10 through 14 in the Statistical Section for debt information). Schedule 14 demonstrates that coverage for the City's revenue bonds is more than adequate, and is in compliance with the related bond covenants. Schedule 11 shows that the City has no general obligation debt.

Significant Litigation. As explained in Note IV-E in the Notes to the Financial Statements, the City is a defendant in various legal actions which should not have a material adverse impact on the financial position of the City as reported herein.

Risk Management. The City converted to the Florida League of Cities $25,000 Stop/Loss Property and Liability Self-Insurance program on January 1, 1995, with a Risk Management - Internal Service Fund established for the administration of the City's "self-insurance" activities. Amounts estimated to be payable due to claims occurring on or before September 30, 2025, decreased to $137,641, insurance premiums increased which caused a decrease in the change in net position of $162,499 with a corresponding decrease in total Net Position to $384,395 as of September 30, 2025. For further information, please see Note IV-A in the Notes to the Financial Statements.

The City is not "self-insured" for workers' compensation, health, and dental insurance. Workers' compensation insurance is purchased through the Florida League of Cities. The insurance premium is adjusted from year to year based upon past experience, i.e., claims incurred. Health insurance is purchased through Florida Municipal Insurance Trust (FMIT). Dental insurance is purchased through Metropolitan Life. Life and long-term disability insurance was purchased through Hartford Life & Accident.

Pension and Other Post-employment Benefits. The General Employees', Police Officers', and Firefighters' pension plans are self-administered by their own separate Boards of Trustees. City contributions for the year were $1,342,846, $1,169,954 and $655,417 respectively. The City contributions for the Police Officers' and Firefighters' Defined Benefit pension plans were in accordance with actuarially determined funding requirements. In addition, the Police Officers' and Firefighters' pension plans are partially funded from excise taxes on certain insurance premiums covering property in Tarpon Springs, collected by the State and remitted to the City. The Police Officers and Firefighters contribute to their pension plans. The General Employees do not contribute to their pension, which is a Defined Contribution Plan administered by Mission Square formerly ICMA-RC (International City/County Management Association Retirement Corporation). For further information regarding these pension plans please see Note IV-G in the Notes to the Financial Statements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tarpon Springs, Florida for its annual comprehensive financial report (ACFR) for the Fiscal Year ended September 30, 2024. This was the thirty-fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

In addition, the City of Tarpon Springs also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2024. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would also like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Sincere appreciation is also extended to the City's external auditors, Mauldin & Jenkins LLC., for their advice and assistance in the preparation of this report. The Mayor and Board of Commissioners should be given significant credit for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Tarpon Springs finances.

Respectfully submitted,

Mark LeCouris
City Manager

Ashley Kimpton
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

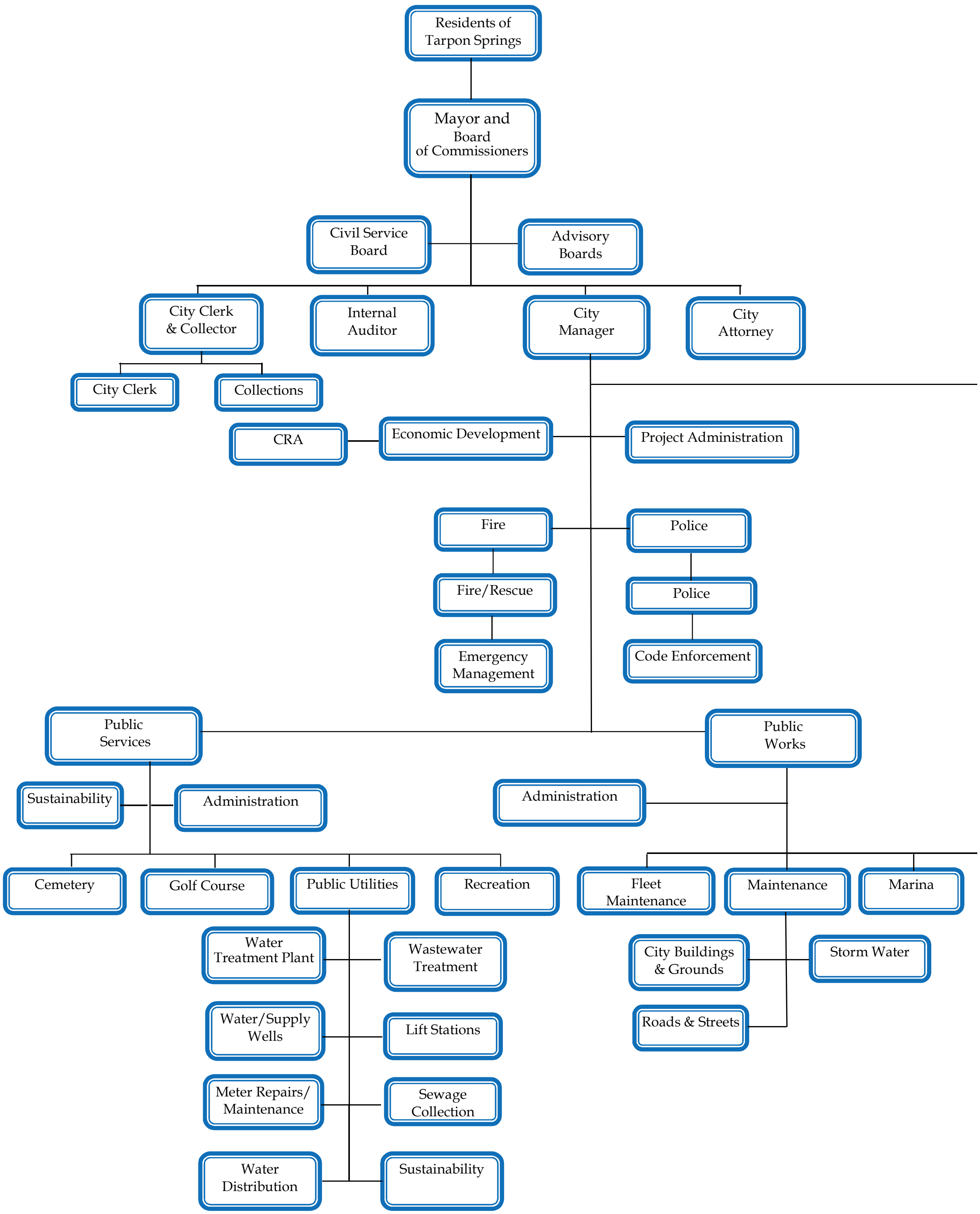
City of Tarpon Springs
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

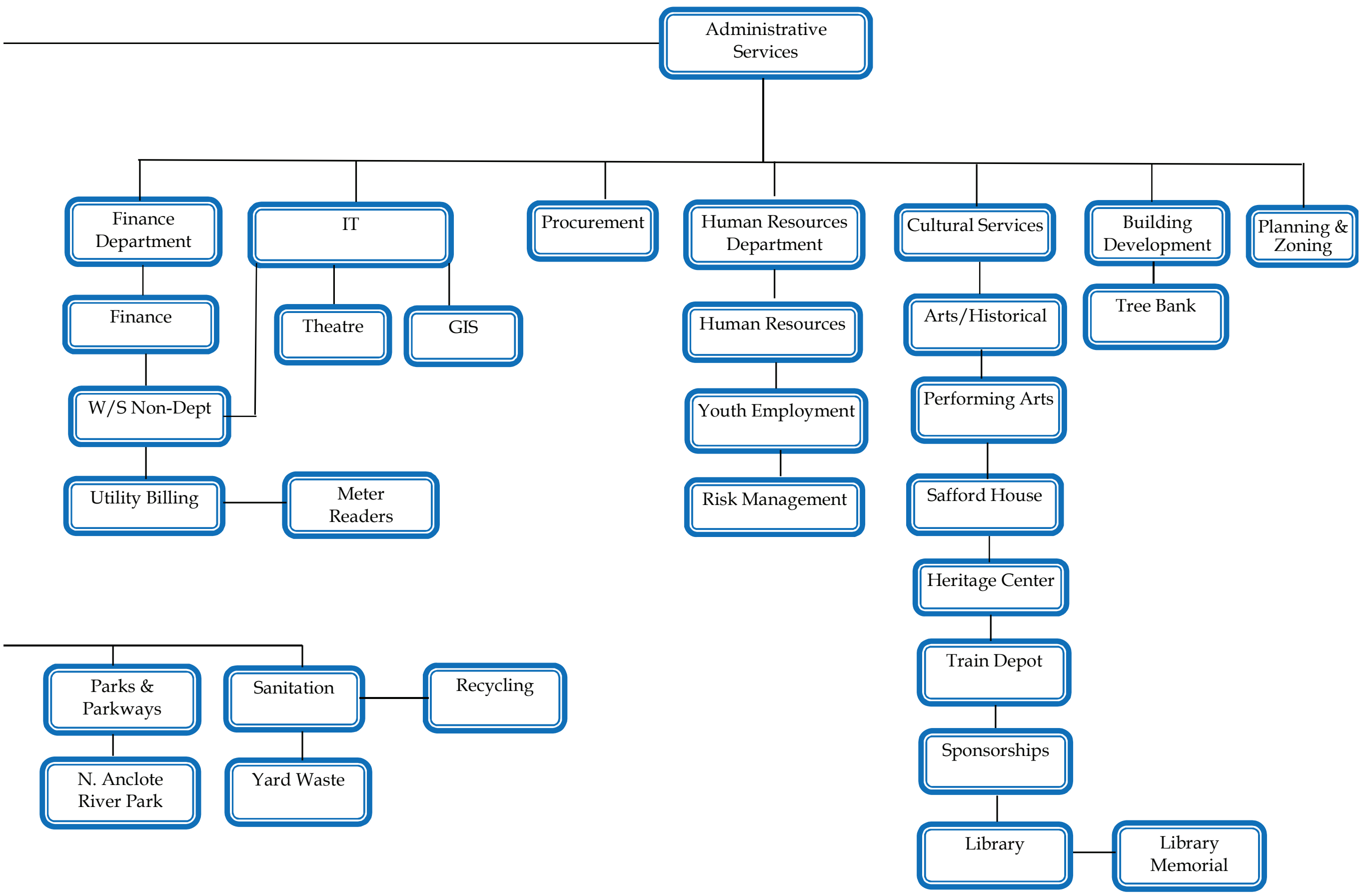
September 30, 2024

Christopher P. Morrill

Executive Director/CEO


Residents of Tarpon Springs
Mayor and Board of Commissioners
Civil Service Board
Advisory Boards
City Clerk & Collector
Internal Auditor
City Manager
City Attorney
City Clerk
Collections
CRA
Economic Development
Project Administration
Fire
Police
Fire/Rescue
Police
Emergency Management
Code Enforcement
Public Services
Public Works
Sustainability
Administration
Administration
Cemetery
Golf Course
Public Utilities
Recreation
Fleet Maintenance
Maintenance
Marina
Water Treatment Plant
Wastewater Treatment
City Buildings & Grounds
Storm Water
Water/Supply Wells
Lift Stations
Roads & Streets
Meter Repairs/ Maintenance
Sewage Collection
Water Distribution
Sustainability

City of Tarpon Springs, Florida
Organizational Chart
by Department
FY 2025



FINANCIAL SECTION

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information other than MD & A

Combining and Individual Fund Statements and Schedules

Other Supplementary Information

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MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report

Honorable Mayor and Members
of the City Commission
City of Tarpon Springs, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tarpon Springs, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, Community Redevelopment Agency Fund-Downtown, and Grants Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and pension and other post-employment benefit schedules on pages B-4 through B-17 and B-89 through B-94, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 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 City's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 24, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Tarpon Springs (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 ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages A-1 to A-5 of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $171,669,872 (net position). Of this amount, $8,367,452 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The City's total net position decreased by $294,377

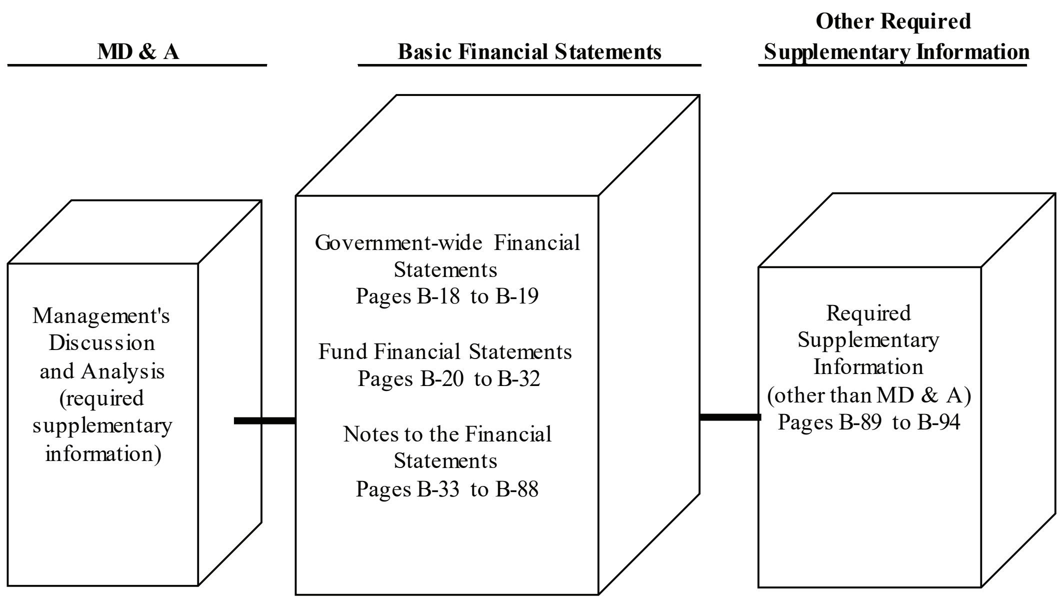
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $26,174,054, a decrease of $2,833,269 in comparison with the prior year. The portion of this total amount, $8,806,810, is available for spending at the government's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned fund balance for the general fund was $8,806,810, or 23% of the total General Fund expenditures.

- The City's total debt increased by $4,698,409 (16.0%) $5,300,000 of which was the new Non-Ad-Valorem Revenue Note, Series 2024 that was issued, also issued was a finance purchase in the amount of $1,129,000 for two Vac-Con trucks. Principal payments made by the City during fiscal year 2025 included $1,085,000 principal payment on the Utility System Revenue Bonds, Series 2013A; Non-Ad-Valorem Revenue Note, Series 2024 principal payment in the amount of $348,000; financed purchase principal payments on 2021 fire truck in the amount of $172,542 and on the 2022 fire truck in the amount of $174,458. Principal balances at September 30, 2025 include: The Utility System Revenue Bonds, Series 2013A $25,460,000; Non-Ad-Valorem Revenue Note, Series 2024 $4,952,000; 2021 fire truck $175,561, 2022 fire truck $556,173 and 2025 Vac-Con trucks $1,129,000. The City has $962,096 in Lease Liability at September 30, 2025 for various property and equipment leases and $644,250 in SBITA Liability at September 30, 2025 for a subscription-based information technology arrangement.

USING THIS ANNUAL REPORT

The following graphic provides information and location on the Basic Financial Statements and the Required Supplementary Information.



OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise 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 themselves.

Government-Wide Financial Statements

The Government-Wide Statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business, in that all governmental and business-type activities are consolidated into columns which add up to a total for the primary government.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases 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 government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and inter-governmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Governmental Activities reflects the City's basic services, including general government, police, fire, protective inspections, public works, cultural and recreation. Property taxes, utility services taxes, gas taxes, and sales taxes, along with the City's utilities contribution, finance the majority of these services. The Business-type Activities reflect private sector-type operations, including water, wastewater, reclaimed water, storm water, marina, golf course and solid waste management, where the fee for service typically covers all or most of the cost of operation including depreciation.

The government-wide financial statements can be found on pages B-18 to B-19 of this report.

Fund Financial Statements

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

Governmental funds.

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

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

The City maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Community Redevelopment Agency-Downtown Fund, Grants Fund and the Local Option Sales Tax Fund, all of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided for the major governmental funds and budgetary comparison schedules have been provided for the non-major governmental funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages B-20 to B-26 of this report.

Proprietary funds.

The City maintains two different types of proprietary funds, enterprise and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sanitation, water and sewer, storm water, marina and golf course operations. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its vehicle maintenance and risk management activities. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the sanitation fund and the water and sewer fund, both of which are considered to be major funds of the City. Data from the other three enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements in the combining and individual financial statements and schedules section of this report. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages B-27 to B-30 of this report.

Fiduciary funds.

The City maintains one type of fiduciary fund, a pension trust fund. Employee retirement funds are used to report the functions of the pension trust fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Individual fund data for the fiduciary funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic fiduciary fund financial statements can be found on pages B-31 to B-32 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages B-33 to B-88 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other postemployment benefits (OPEB) to its employees. Required supplementary information can be found on pages B-89 to B-94 of this report.

The combining and individual fund statements and schedules section referred to earlier in connection with non-major governmental funds, non-major enterprise funds, internal service funds and fiduciary funds are presented immediately following the required supplementary information on pensions and other postemployment benefits. Combining and individual fund statements and schedules can be found on pages C-1 to C-20 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $171,669,872 at the close of fiscal year September 30, 2025.

By far the largest portion of the City's net position (85%) reflects its net investment in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, infrastructure and lease assets), less any related debt used to acquire those assets that is still outstanding. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Position compared to the prior fiscal year.

Statement of Net Position
as of September 30

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	$ 37,863,866	$ 43,053,082	$ 13,797,421	$ 19,974,132	$ 51,661,287	$ 63,027,214
Capital assets	78,137,878	66,992,088	104,217,556	103,123,224	182,355,434	170,115,312
Total assets	116,001,744	110,045,170	118,014,977	123,097,356	234,016,721	233,142,526
Deferred Outflows of Resources						
Deferred Outflows of Resources	4,541,865	2,548,491	88,089	98,344	4,629,954	2,646,835
Liabilities						
Current and other liabilities	7,333,847	9,246,991	4,572,137	4,897,350	11,905,984	14,144,341
Long-term debt outstanding:						
Due within one year	1,257,233	811,176	1,449,702	1,105,342	2,706,935	1,916,518
Due in more than one year	14,023,538	11,497,547	26,562,745	26,379,131	40,586,283	37,876,678
Total liabilities	22,614,618	21,555,714	32,584,584	32,381,823	55,199,202	53,937,537
Deferred Inflows of Resources						
Deferred Inflows of Resources	11,624,041	9,770,813	153,560	116,762	11,777,601	9,887,575
Net Position						
Net investment in capital assets	69,664,850	62,484,447	76,261,589	75,446,365	145,926,439	137,930,812
Restricted	10,734,227	13,116,444	6,641,754	6,503,362	17,375,981	19,619,806
Unrestricted	5,905,873	5,666,243	2,461,579	8,747,388	8,367,452	14,413,631
Total net position	$ 86,304,950	$ 81,267,134	$ 85,364,922	$ 90,697,115	$171,669,872	$ 171,964,249

An additional portion of the City's net position (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($8,367,452) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Tarpon Springs is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year. Total government net position decreased by $294,377 during the current fiscal year.

For more detailed information see the Statement of Net Position (page B-18).

Statement of Activities

The following schedule compares the revenues and expenses for the current and previous fiscal year.

Changes in Net Position

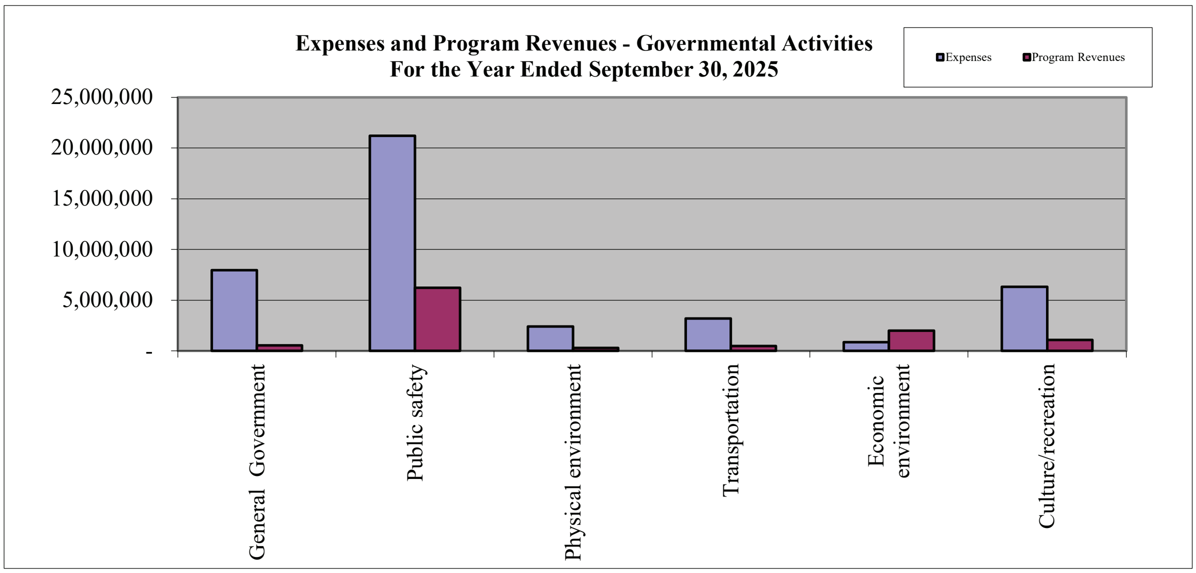
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program Revenues:						
Charges for services	$ 6,161,680	$ 5,141,706	$ 33,651,131	$ 32,352,091	$ 39,812,811	$ 37,493,797
Operating grants and contributions	1,194,430	1,404,332	-	237,946	1,194,430	1,642,278
Capital grants and contributions	3,232,383	9,633,741	4,108,781	2,483,311	7,341,164	12,117,052
General revenues:						
Property taxes	15,662,184	14,388,608	-	-	15,662,184	14,388,608
Property taxes-TIF County portion	460,321	418,249	-	-	460,321	418,249
Utility taxes	4,372,353	3,960,570	-	-	4,372,353	3,960,570
Communication service taxes	990,336	957,290	-	-	990,336	957,290
Sales, gas and other taxes	6,263,395	6,274,734	-	-	6,263,395	6,274,734
Franchise fees	2,516,951	2,321,987	-	-	2,516,951	2,321,987
State revenue sharing	1,225,640	1,213,674	-	-	1,225,640	1,213,674
Investment income	1,947,532	2,657,130	556,557	899,449	2,504,089	3,556,579
Miscellaneous	346,262	239,800	92,922	-	439,184	239,800
Total revenues	44,373,467	48,611,821	38,409,391	35,972,797	82,782,858	84,584,618
EXPENSES						
Program Activities						
Primary Government:						
Governmental Activities:						
General government	7,037,429	7,569,700	-	-	7,037,429	7,569,700
Public safety	22,110,239	21,287,785	-	-	22,110,239	21,287,785
Physical environment	2,389,954	2,001,661	-	-	2,389,954	2,001,661
Transportation	3,181,055	2,957,189	-	-	3,181,055	2,957,189
Economic environment	852,572	591,748	-	-	852,572	591,748
Culture/recreation	6,310,486	5,798,308	-	-	6,310,486	5,798,308
Interest on long-term debt	11,509	68,234	-	-	11,509	68,234
Business-Type Activities:						
Water/sewer	-	-	21,194,143	19,235,042	21,194,143	19,235,042
Sanitation	-	-	16,053,147	7,645,240	16,053,147	7,645,240
Storm water	-	-	1,988,857	1,882,361	1,988,857	1,882,361
Golf Course	-	-	1,794,817	1,581,424	1,794,817	1,581,424
Marina	-	-	153,027	159,492	153,027	159,492
Total expenses	41,893,244	40,274,625	41,183,991	30,503,559	83,077,235	70,778,184
Increase (decrease) in Net Position before Transfers	2,480,223	8,337,196	(2,774,600)	5,469,238	(294,377)	13,806,434
Transfers	2,557,593	2,140,266	(2,557,593)	(2,140,266)	-	-
Change in Net Position	5,037,816	10,477,462	(5,332,193)	3,328,972	(294,377)	13,806,434
Net Position - Beginning of year	81,267,134	70,789,672	90,697,115	87,368,143	171,964,249	158,157,815
Net Position - End of year	$ 86,304,950	$ 81,267,134	$ 85,364,922	$ 90,697,115	$ 171,669,872	$ 171,964,249

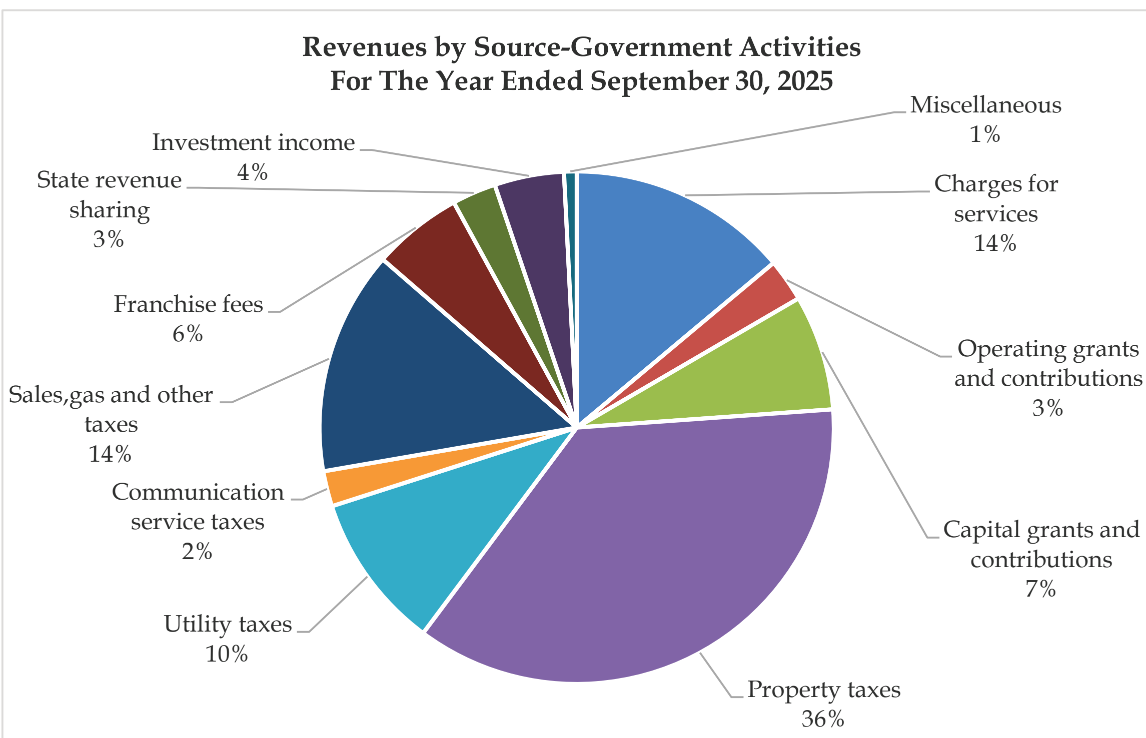
Governmental activities.

Governmental activities increased the City's net position by $5,037,816 accounting for the gain portion of the total loss in the net position of the City. The change in net position decreased in comparison to the change noted in the previous fiscal year. Key elements of this change are as follows:

Total Governmental activity revenues decreased $4,238,354 in comparison to the previous year. The major decrease was due to revenue recognition for American Rescue Plan Act (ARPA) being $5,607,381 less in fiscal year 2025.

Total Governmental activity expenses increased $1,618,619 in comparison to the previous year. The majority of this increase was due to an increase in salary and benefits which included the salaries expended for Hurricanes Helene and Milton, which the City is still waiting on reimbursement from FEMA.



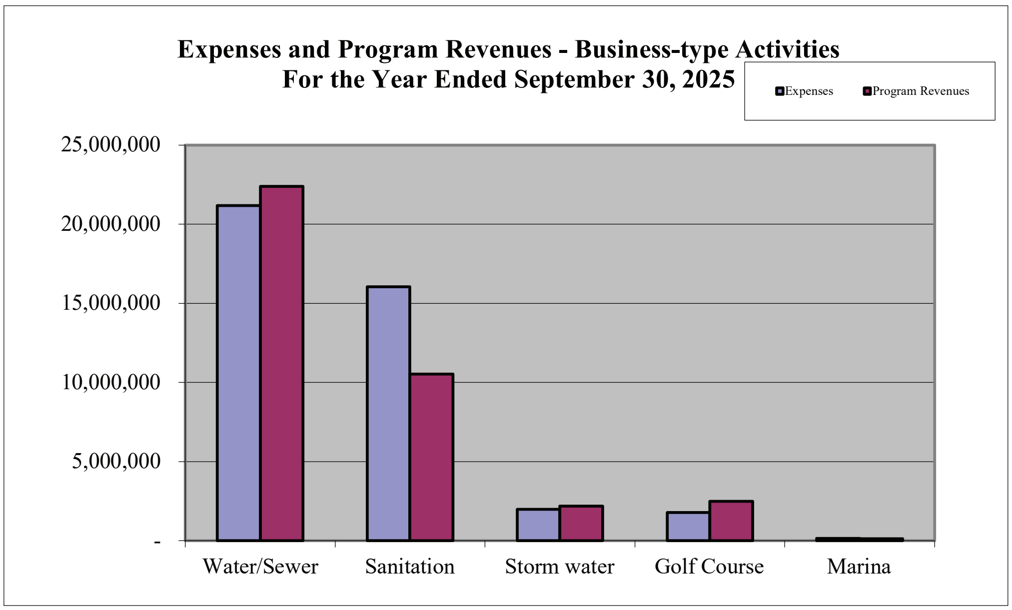


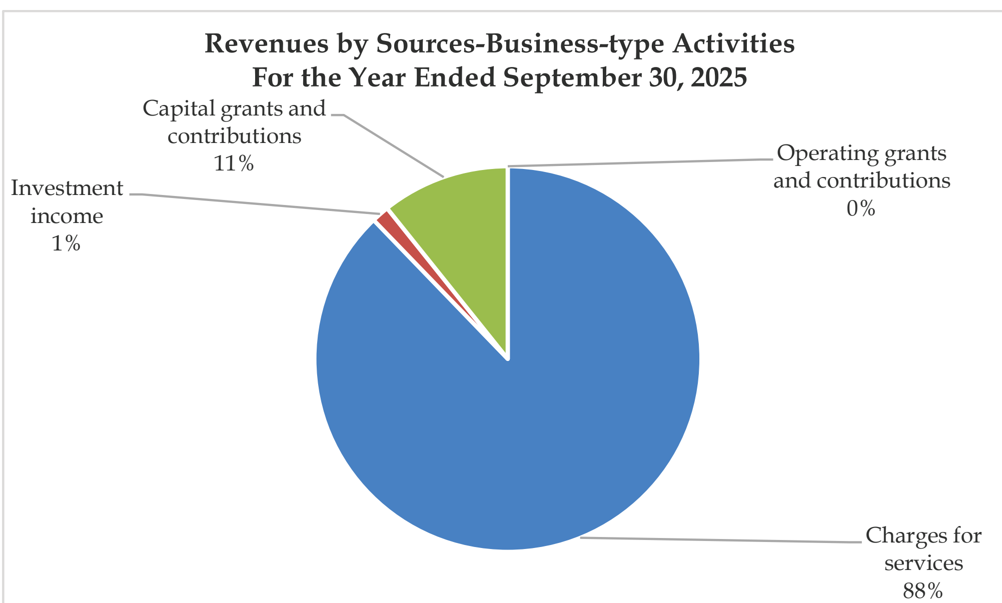
Business-type activities.

Business-type activities (enterprise funds) decreased the City's net position by $5,332,193, accounting for the loss portion of the total loss in the government's net position. The change in net position decreased in comparison to the change noted in the previous fiscal year. Key elements of this change are as follows:

Total Business-type activity revenues increased $2,436,594 in comparison to the previous year. The major increases were from water, sewer and stormwater rate increases, increase in water and sewer impact fee revenue and American Rescue Plan Act (ARPA) revenue recognition.

Total Business-type activity expenses increased $10,680,432 in comparison to the previous year. This increase is due mostly to debris removal expenses in the amount of $8 million from Hurricanes Helene and Milton, and another $1 million in salaries and repairs related to the hurricanes. The City received $2,5 million from FEMA for debris removal but is still waiting on the balance to be reimbursed.





FUND FINANCIAL STATEMENT ANALYSIS

As noted earlier, the City of Tarpon Springs 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 the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $26,174,054, a decrease of $2,833,269 in comparison with the prior year. The majority of this total amount ($8,806,810) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted, committed or assigned to indicate that it is not available for new spending because it has already been restricted, committed or assigned. Major restrictions, commitments or assignments include: (1) restricted for capital projects ($6,895,288) and CRA ($2,321,925), (2) committed for sidewalks ($1,431,585) and perpetual care of the cemetery ($642,195), and (3) assigned for compensated absences ($1,372,456).

General Fund.

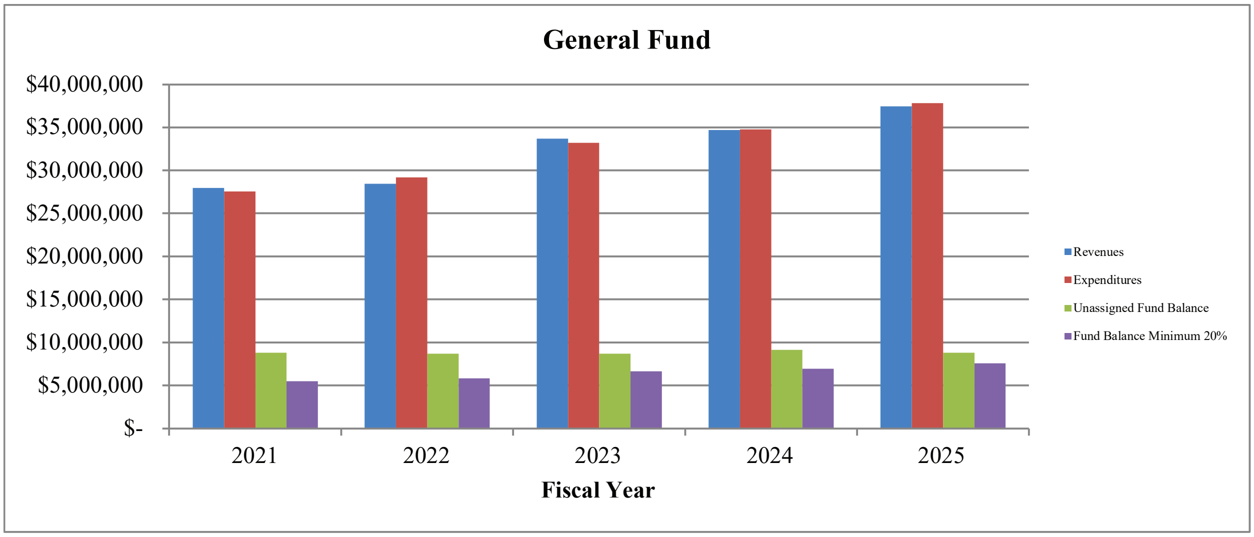
The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $8,806,810, while total fund balance was $14,358,822. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 23% of total General Fund expenditures.

The fund balance of the City's General Fund decreased by $404,014 during the current fiscal year, a decrease in comparison to the change in fund balance from the previous fiscal year. Key factors in this change are a combination of factors:

Revenues including Transfers In (2,757,593) totaled $37,419,088, an increase of $2,736,752 over the previous fiscal year. The major increase was property tax revenue an increase of $1,273,576.

Expenditures totaled $37,823,102, an increase of $3,056,595 over the previous fiscal year. The major increases were for personnel increases related to salaries and benefits (which also include the costs of Hurricanes Helene and Milton) and the increase in the costs of operating supplies.

The chart below list the General Fund revenues, expenditures, unassigned fund balance and fund balance minimum.



Community Redevelopment Agency Fund.

The fund balance of the City's Community Redevelopment Agency Fund increased by $462,863 during the current fiscal year. Key factors in this change are as follows:

- Revenues were $1,100,393 an increase of $104,212 over the previous fiscal year. Property Tax receipts (City portion) increased $62,937 and Tax Increment Financing receipts (County portion) increased $42,072.

- Expenditures were $637,530, an increase of $347,728 over the previous fiscal year.

Grants Fund.

The fund balance of the City's Grants Fund decreased $94,596 during the current fiscal year. Key factors in this change are as follows:

- Revenues were $2,449,625 a decrease of $5,916,254 under the previous fiscal year due to American Rescue Plan Act (ARPA) revenues recognized decreasing as the projects are being completed.

- Expenditures were $2,544,221, a decrease of $5,437,955 under the previous fiscal year. The decrease is due to ARPA related projects being completed.

Optional Sales Tax Fund.

The fund balance of the City's Optional Sales Tax Fund decreased by $3,114,346 during the current fiscal year. Key factors in this change are as follows:

- Revenues were $4,549,795 a decrease of $1,407,466 under the previous fiscal year. One cent sales tax receipts (Penny for Pinellas) increased by $79,840 over the previous fiscal year. Intergovernmental grants received decreased by $1,671,477 under the previous fiscal year.

- Expenditures were $12,964,141, an increase of $6,893,669 over the previous fiscal year. The major Capital items were for land acquisition for Dredge Site land, Fire Station 70 construction, Police Vehicles, Fire Vehicles and Park Improvements.

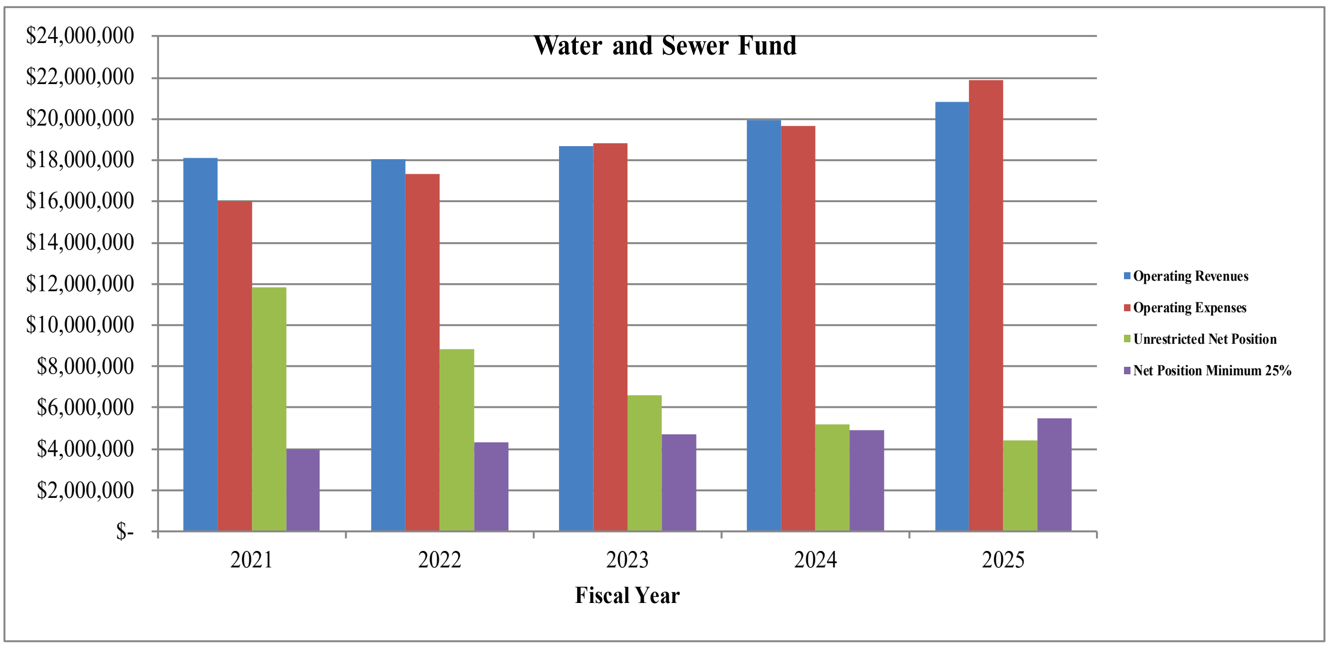
Proprietary Funds.

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Water and Sewer Fund.

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to $4,434,443, and total change in net position for the year was a decrease of $16,546, a decrease under the change noted in the previous fiscal year. This year operating revenues increased $846,100, of this amount water sales increased $463,912 or 4.2% and sewer sales increased $461,855 or 6.2%. Water and sewer rates were increased on 12/1/2023 by 9.9% and annual increases of 7.75% were approved beginning October 1, 2025. Expenses increased $1,963,842 the majority of the increase due to salary and benefit increases (which included Hurricanes Helene and Milton) and the cost of operating expenses increasing and also the expenses for operating and capital related to Hurricanes Helene and Milton.

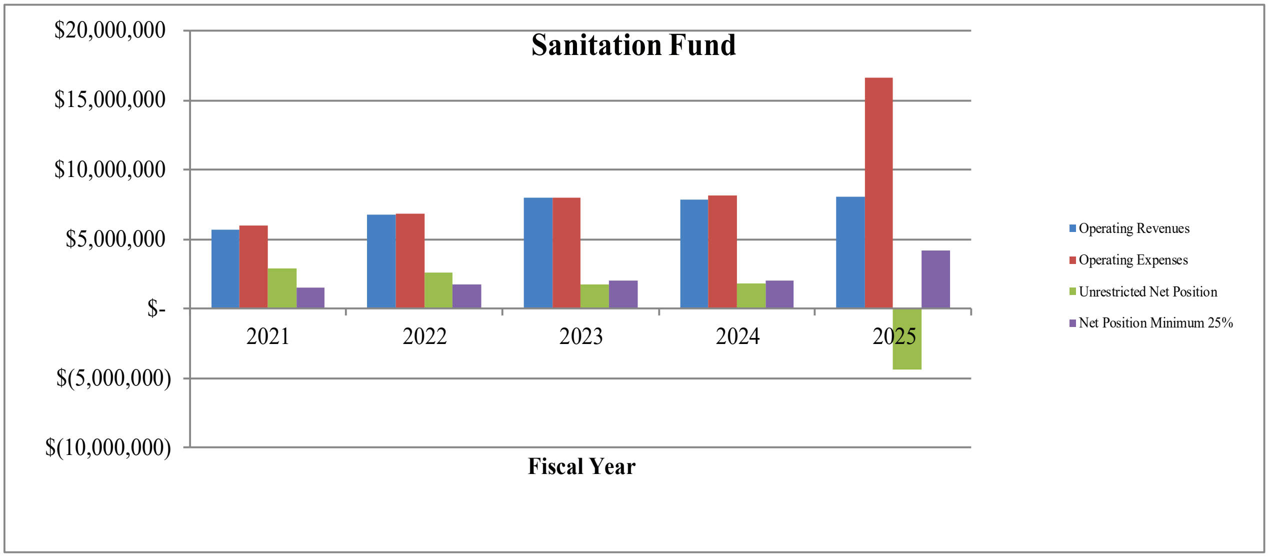
The chart below list the Water and Sewer Fund revenues, expenses, unrestricted net position and unrestricted net position minimum. The Unrestricted Net Position is under the 25% minimum fund balance, FEMA reimbursements from Hurricane Helene once received will bring the balance back to 25% and approved annual water, sewer and reclaimed rate increases of 7.75% will bring the percentage above 25%.



Sanitation Fund.

Unrestricted net position of the Sanitation Fund at the end of the year amounted to a negative $4,387,091, and total change in net position for the year was a decrease of $6,143,081, a decrease under the change noted in the previous fiscal year. The City has not received reimbursement from FEMA for approximately $5.5 to $6 million related to Hurricanes Helene and Milton, the majority of this was related to debris removal. The current five-year sanitation contract was effective March 31, 2022. This year operating revenues increased $191,673. Operating expenses increased $8,399,721 due to Hurricanes Helene and Milton.

The chart below list the Sanitation Fund revenues, expenses, unrestricted net position and unrestricted net position minimum. The Unrestricted Net Position is under the 25% minimum fund balance, FEMA reimbursements upwards of $6 million from Hurricanes Helene and Milton once received will offset this deficit along with approved rate increases for sanitation, recycling and yard waste.



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

GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the final amended budget for appropriations (expenditures) in the General Fund was an increase of $2,862,078. Significant budgetary changes between the original budget and the final amended budget in the General Fund involved:

- An increase of $262,814 for outstanding encumbrances from fiscal year 2024 carried over to fiscal year 2025.
- An increase of $373,734 for outstanding donations from fiscal year 2024 carried over to fiscal year 2025.
- An increase of $217,189 for Hurricane Helene expenditures.
- An increase of $475,908 for Hurricane Milton expenditures.
- An increase of $720,000 for transfer from Perpetual Exclusive Easement.

The differences between the final amended budget for appropriations (expenditures) and actual expenditures in the General Fund was a positive variance of $1,176,651. Significant changes between the final amended budget for expenditures and the actual expenditures in the General Fund involved:

- A positive variance of $230,535 in Capital Outlay due to items budgeted but not expensed as of fiscal year-end.
- A positive variance of $169,140 in Non-departmental due to the budgeting for an increase to reserves.
- A positive variance of $279,882 in IT due to the reallocation of expenditures to user departments.
- A positive variance of $124,430 in the Tree Bank due to budgeted expenditures to be expensed in fiscal year 2025.

Funding for the projects was from current revenues, transfers and the available fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounts to $182,355,434 (net of accumulated depreciation). This investment in capital assets includes land and land rights, buildings, improvements, machinery and equipment, infrastructure and lease assets. The total increase in the City's investment in capital assets for the current fiscal year was 7.20% ($12,240,122). Separately there was a 16.64% ($11,145,790) increase for governmental activities and a 1.06% ($1,094,332) increase for business-type activities.

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

Governmental activities – Dredge Site Land, Fire Station 70, Police Vehicles and Fire Vehicles.

Business-type activities – Pent and Grosse Stormwater, Water Pipe Replacement, Manhole and Sewer Line Replacement and Rehabilitation of Lift Stations.

Capital Assets at Year-End
Net of Depreciation

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land and land rights	$ 15,137,929	$ 9,901,638	$ 3,917,567	$ 3,892,472	$ 19,055,496	$ 13,794,110
Buildings and improvements	6,144,299	6,831,121	1,064,317	1,145,532	7,208,616	7,976,653
Improvements other than buildings	17,275,605	14,869,720	83,115,031	83,860,106	100,390,636	98,729,826
Machinery and equipment	5,024,829	3,370,869	1,653,322	1,943,668	6,678,151	5,314,537
Infrastructure	22,600,414	20,351,820	-	-	22,600,414	20,351,820
Lease assets	507,724	652,682	427,573	-	935,297	652,682
SBITA assets	622,497	848,859	-	-	622,497	848,859
Total	67,313,297	56,826,709	90,177,810	90,841,778	157,491,107	147,668,487
Construction in progress	10,824,581	10,165,379	14,039,746	12,281,446	24,864,327	22,446,825
Total	$ 78,137,878	$ 66,992,088	$ 104,217,556	$ 103,123,224	$ 182,355,434	$ 170,115,312

The following reconciliation summarizes the change in capital assets, which is presented in detail in Note III-C in the notes.

Change in Capital Assets

	Governmental Activities	Business-type Activities	Total
Beginning Balance	$ 66,992,088	$ 103,123,224	$ 170,115,312
Additions	15,676,694	4,864,641	20,541,335
Construction in progress	659,202	1,758,300	2,417,502
Net Retirements	(8,551)	(14,488)	(23,039)
Adjustments	-	-	-
Depreciation/amortization	(5,181,555)	(5,514,121)	(10,695,676)
Ending Balance	$ 78,137,878	$ 104,217,556	$ 182,355,434

Long-Term Debt

At the end of the current fiscal year, the City had total debt outstanding of $34,065,275 the majority of which comprises bonds secured solely by specified revenue sources.

The City's total debt increased by $4,698,409 (16.0%), during the current fiscal year.

New debt issuance during fiscal year 2025 consisted of $5,300,000 of which was the new Non-Ad-Valorem Revenue Note, Series 2024 that was issued, also issued was a finance purchase in the amount of $1,129,000 for two Vac-Con trucks. Principal payments made by the City during fiscal year 2025 included $1,085,000 principal payment on the Utility System Revenue Bonds, Series 2013A; Non-Ad-Valorem Revenue Note, Series 2024 principal payment in the amount of $348,000; financed purchase principal payments on 2021 fire truck in the amount of $172,542 and on the 2022 fire truck in the amount of $174,458.

The City has no outstanding general obligation (G.O.) debt.

Outstanding Debt at Year-End

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Financed Purchase	$ 731,735	$ 1,078,735	$ 1,129,000	$ -	$ 1,860,735	$ 1,078,735
SBITA Liability	644,250	865,169	-	-	644,250	865,169
Lease Liability	527,226	672,566	434,870	-	962,096	672,566
Non Ad-Valorem Revenue Note, Series 2024	4,952,000	-	-	-	4,952,000	-
Utility Revenue Bonds, Including Premium	-	-	25,646,194	26,750,396	25,646,194	26,750,396
Total	$ 6,855,211	$ 2,616,470	$ 27,210,064	$ 26,750,396	$ 34,065,275	$ 29,366,866

The City received a rating from Standard & Poor's of AA-/Stable on February 14, 2013 on the Utility System Revenue Bonds, Series 2013A. On November 16, 2022 Standard & Poor's Global Ratings affirmed its AA- long-term rating on Tarpon Springs, Florida's series 2013A-1 and 2013A-2 utility system revenue bonds with a stable outlook.

Additional information on the City's long-term debt can be found in Note III-F in the notes.

ECONOMIC FACTORS

The State of Florida, by constitution, does not have a state personal income tax and therefore the State operates primarily using sales, gasoline, and corporate income taxes. Local governments (cities, counties, and school boards) primarily rely on property and a limited array of permitted other taxes (sales, gasoline, utility services, etc.) and fees (franchise, permits, etc.) for their governmental activities. There are a limited number of state-shared revenues and recurring and nonrecurring (one-time) grants from the State of Florida, federal government and other grantor agencies.

For the business-type and certain governmental activities (permitting, recreational programs, etc) the user pays a related fee or charge associated with the service.

The level of taxes, fees and charges for services (including development related impact fees) will have a bearing on the City's specific competitive ability to: (a) annex additional land into their corporate limits, and (b) encourage development (office, retail, residential and industrial) to choose to be located in their jurisdiction. The City places significant emphasis on encouraging both annexation and economic development. The City now competes with unincorporated Pinellas County for new regional development. In areas of concern affecting all Pinellas County municipalities, City officials regularly meet with other members of Pinellas County Governments.

Construction activity within the City decreased slightly in fiscal year 2025. The number of building permits pulled has decreased slightly over the previous fiscal years. Property values have also been increasing within the City.

FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional information, contact the City Finance Director or Assistant Finance Director, offices located on the Second Floor of City Hall, 324 East Pine Street, Tarpon Springs, Florida, 34689.

BASIC FINANCIAL STATEMENTS

This section contains the following subsections:

Government-Wide Financial Statements

Statement of Net Position
Statement of Activities

Fund Financial Statements

Governmental Fund Financial Statements
Balance Sheet - Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position - Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:
General Fund
Community Redevelopment Agency Fund - Downtown
Grants Fund

Proprietary Fund Financial Statements
Statement of Net Position - Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
Statement of Cash Flows - Proprietary Funds

Fiduciary Fund Financial Statements
Statement of Fiduciary Net Position - Fiduciary Funds
Statement of Changes in Fiduciary Net Position - Fiduciary Funds

Notes to the Financial Statements

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CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 14,388,284	$ 5,635,748	$ 20,024,032
Investments	12,541,109	-	12,541,109
Receivables (net of allowance)	4,958,739	2,947,901	7,906,640
Due from other governments	1,345,245	32,600	1,377,845
Internal balances	4,289,071	(4,289,071)	-
Inventories	62,105	424,328	486,433
Prepaid items	279,313	355,740	635,053
Restricted assets:			
Cash and cash equivalents	-	3,662,057	3,662,057
Investments	-	5,028,118	5,028,118
Capital Assets:			
Non-depreciable	25,962,510	17,957,313	43,919,823
Depreciable, net	52,175,368	86,260,243	138,435,611
Total Assets	116,001,744	118,014,977	234,016,721
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to OPEB.	508,676	88,089	596,765
Deferred outflows of resources related to pension plans.	4,033,189	-	4,033,189
Total Deferred Outflows of Resources	4,541,865	88,089	4,629,954
LIABILITIES			
Accounts payable	2,425,903	1,109,517	3,535,420
Accrued liabilities	418,498	139,530	558,028
Contracts payable	350,967	1,058,561	1,409,528
Deposits	18,462	-	18,462
Unearned revenue	4,120,017	43,603	4,163,620
Payable from restricted assets:			
Accounts payable	-	79,987	79,987
Contracts payable	-	89,906	89,906
Customer deposits	-	2,047,991	2,047,991
Unearned revenue	-	3,042	3,042
Non Current Liabilities			
Due Within One Year:			
Bonds payable	460,000	1,120,000	1,580,000
Financed purchase payable	355,375	206,000	561,375
SBITA liability	227,911	-	227,911
Leases liability	106,269	103,118	209,387
Compensated absences	93,678	20,584	114,262
Claims payable	14,000	-	14,000
Due In More Than One Year:			
Bonds payable	4,492,000	24,526,194	29,018,194
Financed purchase payable	376,360	923,000	1,299,360
Total OPEB liability	2,256,126	390,708	2,646,834
SBITA liability	416,339	-	416,339
Lease liability	420,957	331,752	752,709
Compensated absences	1,770,900	391,091	2,161,991
Net pension liability	4,167,215	-	4,167,215
Claims payable	123,641	-	123,641
Total Liabilities	22,614,618	32,584,584	55,199,202
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to OPEB	886,716	153,560	1,040,276
Deferred inflows of resources related to Leases	3,827,724	-	3,827,724
Deferred inflows of resources related to pension plans	6,909,601	-	6,909,601
Total Deferred Inflows of Resources	11,624,041	153,560	11,777,601
NET POSITION			
Net investment in capital assets	69,664,850	76,261,589	145,926,439
Restricted for :			
Capital projects - optional sales tax	4,848,817	-	4,848,817
Capital projects - impact fee programs	1,915,220	3,576,570	5,491,790
Transportation	131,251	-	131,251
Community redevelopment	2,322,422	-	2,322,422
Law enforcement programs	231,206	-	231,206
Grant and special programs	893,465	-	893,465
Other contractual obligations	391,846	-	391,846
Bond reserve	-	2,045,894	2,045,894
Bond renewal and replacement	-	1,019,290	1,019,290
Unrestricted	5,905,873	2,461,579	8,367,452
Total Net Position	$ 86,304,950	$ 85,364,922	$ 171,669,872

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

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Function/Program Activities							
Primary Government:							
Governmental Activities:							
General government	$ 7,037,429	$ 422,425	$ 79,518	$ 50,304	$ (6,485,182)	$ -	$ (6,485,182)
Public safety	22,110,239	5,224,115	405,292	569,060	(15,911,772)	-	(15,911,772)
Physical environment	2,389,954	71,429	33,329	176,688	(2,108,508)	-	(2,108,508)
Transportation	3,181,055	-	155,781	332,382	(2,692,892)	-	(2,692,892)
Economic environment	852,572	-	31,674	1,955,735	1,134,837	-	1,134,837
Culture/recreation	6,310,486	443,711	488,836	148,214	(5,229,725)	-	(5,229,725)
Interest on long-term debt	11,509	-	-	-	(11,509)	-	(11,509)
Total governmental activities	41,893,244	6,161,680	1,194,430	3,232,383	(31,304,751)	-	(31,304,751)
Business-Type Activities:							
Water/Sewer	21,194,143	20,796,867	-	1,615,602	-	1,218,326	1,218,326
Sanitation	16,053,147	8,038,728	-	2,493,179	-	(5,521,240)	(5,521,240)
Storm Water	1,988,857	2,200,931	-	-	-	212,074	212,074
Golf Course	1,794,817	2,481,307	-	-	-	686,490	686,490
Marina	153,027	133,298	-	-	-	(19,729)	(19,729)
Total business-type activities	41,183,991	33,651,131	-	4,108,781	-	(3,424,079)	(3,424,079)
Total primary government	$ 83,077,235	$ 39,812,811	$ 1,194,430	$ 7,341,164	(31,304,751)	(3,424,079)	(34,728,830)
			General Revenues:				
			Taxes:				
			Property taxes		15,662,184	-	15,662,184
			Property taxes -Tax Increment Financing (TIF) - County portion		460,321	-	460,321
			Utility taxes		4,372,353	-	4,372,353
			Communication service taxes		990,336	-	990,336
			Half-cent sales tax		2,059,080	-	2,059,080
			Local option gas tax		315,860	-	315,860
			Local option sales tax		3,777,545	-	3,777,545
			Local business tax		110,910	-	110,910
			Franchise fees		2,516,951	-	2,516,951
			State revenue sharing		1,225,640	-	1,225,640
			Investment income		1,947,532	556,557	2,504,089
			Miscellaneous		346,262	92,922	439,184
			Transfers		2,557,593	(2,557,593)	-
			Total General Revenues		36,342,567	(1,908,114)	34,434,453
			Change in Net Position		5,037,816	(5,332,193)	(294,377)
			Net Position - Beginning		81,267,134	90,697,115	171,964,249
			Net Position - Ending		$ 86,304,950	$ 85,364,922	$ 171,669,872

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

CITY OF TARPON SPRINGS, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	Community Redevelopment Agency Downtown	Grants	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 4,308,943	$ 2,454,808	$ 1,387,944	$ 2,031,832	$ 3,632,622	$ 13,816,149
Investments	9,671,136	-	-	2,869,973	-	12,541,109
Accrued interest receivable	119,941	-	-	22,478	-	142,419
Accounts receivable - net of allowance for doubtful accounts	22,657	-	3,757	-	-	26,414
Lease receivable	4,108,406	-	-	-	-	4,108,406
Taxes receivable	681,500	-	-	-	-	681,500
Due from other funds (deficit in pooled cash)	3,289,071	-	-	-	1,000,000	4,289,071
Due from other governments	374,499	-	47,667	871,039	52,040	1,345,245
Prepaid items	272,572	497	954	-	-	274,023
Total Assets	$ 22,848,725	$ 2,455,305	$ 1,440,322	$ 5,795,322	$ 4,684,662	$ 37,224,336
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 728,536	$ 131,764	$ 48,278	$ 723,397	$ 721,279	$ 2,353,254
Accrued liabilities	391,189	1,119	4,214	-	-	396,522
Contracts payable	-	-	133,673	200,630	-	334,303
Deposits	18,462	-	-	-	-	18,462
Unearned revenue	3,523,992	-	573,547	22,478	-	4,120,017
Total Liabilities	4,662,179	132,883	759,712	946,505	721,279	7,222,558
Deferred Inflows of Resources:						
Leases	3,827,724	-	-	-	-	3,827,724
Total Deferred Inflows of Resources	3,827,724	-	-	-	-	3,827,724
Fund Balances:						
Nonspendable	553,254	497	954	-	-	554,705
Restricted	390,924	2,321,925	679,656	4,848,817	2,492,408	10,733,730
Committed	1,294,087	-	-	-	1,470,975	2,765,062
Assigned	3,313,747	-	-	-	-	3,313,747
Unassigned	8,806,810	-	-	-	-	8,806,810
Total Fund Balances	14,358,822	2,322,422	680,610	4,848,817	3,963,383	26,174,054
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 22,848,725	$ 2,455,305	$ 1,440,322	$ 5,795,322	$ 4,684,662	$ 37,224,336

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

CITY OF TARPON SPRINGS, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

Fund balances - total governmental funds		$ 26,174,054
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	$ 162,663,379	
Less accumulated depreciation	(84,989,611)	77,673,768
Certain deferred outflows of resources are not available to pay current period expenditures and therefore are not reported in the funds.		
Deferred outflows of resources related to pension plans.	4,033,189	
Deferred outflows of resources related to OPEB.	507,238	4,540,427
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Revenue note payable	(4,952,000)	
Financed purchases payable	(731,735)	
Compensated absences	(1,829,942)	
Lease liability	(527,226)	
SBITA liability	(644,250)	
Accrued interest on long-term liabilities	(15,008)	(8,700,161)
Certain liabilities and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability	(4,167,215)	
Deferred inflows of resources related to OPEB	(884,211)	
Other post-employment benefits	(2,249,751)	
Deferred inflows of resources related to pension plans	(6,909,601)	(14,210,778)
Internal service funds are used by management to charge the costs of fleet maintenance and risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		827,640
Net position of governmental activities.		$ 86,304,950

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Community Redevelopment Agency Downtown	Grants	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$ 20,606,265	$ 529,518	$ -	$ 3,777,545	$ 315,860	$ 25,229,188
Permits and fees	3,316,572	-	-	-	955,583	4,272,155
Intergovernmental	4,015,576	460,321	2,264,809	176,688	65,305	6,982,699
Charges for services	4,655,734	-	-	297,385	-	4,953,119
Fines and forfeitures	113,973	-	-	-	31,625	145,598
Other	1,953,375	110,554	184,816	298,177	243,786	2,790,708
Total Revenues	34,661,495	1,100,393	2,449,625	4,549,795	1,612,159	44,373,467
Expenditures:						
Current:						
General Government:						
Board of commissioners	169,587	-	-	-	-	169,587
City manager	440,917	-	-	-	-	440,917
Financial administration	632,622	-	-	-	-	632,622
Human resources	402,508	-	-	-	-	402,508
Purchasing	290,649	-	-	-	-	290,649
Management information services	886,948	-	-	-	-	886,948
City attorney	248,284	-	-	-	-	248,284
Planning	803,555	-	-	-	-	803,555
City clerk	515,666	-	-	-	-	515,666
Projection administration	91,568	-	-	-	-	91,568
Non-departmental	1,338,740	-	-	51,020	-	1,389,760
	5,821,044	-	-	51,020	-	5,872,064
Public Safety:						
Police	12,182,602	-	-	-	39,825	12,222,427
Fire/ems/emergency management	8,142,950	-	276,898	-	-	8,419,848
Protective inspections	1,100,549	-	-	-	-	1,100,549
	21,426,101	-	276,898	-	39,825	21,742,824
Physical Environment:						
City buildings/grounds	1,464,499	-	-	-	-	1,464,499
Cemetery	551,686	-	-	-	-	551,686
Other	95,571	-	4,365	-	-	99,936
	2,111,756	-	4,365	-	-	2,116,121
Transportation:						
Other	1,623,665	-	-	-	-	1,623,665
	1,623,665	-	-	-	-	1,623,665
Economic Environment:						
Economic development	169,369	455,909	-	-	-	625,278
	169,369	455,909	-	-	-	625,278
Culture and Recreation:						
Library	1,641,672	-	-	-	-	1,641,672
Parks and recreation	2,933,948	-	-	-	-	2,933,948
Cultural	934,896	-	-	-	-	934,896
Other	-	-	-	302	1,788	2,090
	5,510,516	-	-	302	1,788	5,512,606
Capital Outlay	774,141	142,466	2,262,958	12,014,149	1,053,722	16,247,436
Debt Service	386,510	39,155	-	898,670	-	1,324,335
Total Expenditures	37,823,102	637,530	2,544,221	12,964,141	1,095,335	55,064,329
Excess of Revenues Over (Under) Expenditures	(3,161,607)	462,863	(94,596)	(8,414,346)	516,824	(10,690,862)
Other Financing Sources (Uses):						
Issuance of debt	-	-	-	5,300,000	-	5,300,000
Transfers in	2,757,593	-	-	-	520,000	3,277,593
Transfers out	-	-	-	-	(720,000)	(720,000)
Total Other Financing Sources (Uses)	2,757,593	-	-	5,300,000	(200,000)	7,857,593
Net Change in Fund Balances	(404,014)	462,863	(94,596)	(3,114,346)	316,824	(2,833,269)
Fund Balances - Beginning of Year	14,762,836	1,859,559	775,206	7,963,163	3,646,559	29,007,323
Fund Balances - End of Year	$ 14,358,822	$ 2,322,422	$ 680,610	$ 4,848,817	$ 3,963,383	$ 26,174,054

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

CITY OF TARPON SPRINGS, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - total governmental funds		$ (2,833,269)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	$ 16,247,436	
Less current year depreciation	(5,120,431)	11,127,005
In the statement of activities the loss on disposition of capital assets is reported. The loss is not a use of current resources and thus is not reported in the funds.		(8,551)
Loan proceeds provide current financial resources to governmental funds; however issuing debt increases long-term liabilities in the statement of net assets. In the current year these amounts are:		
Revenue note proceeds	(5,300,000)	(5,300,000)
Repayment of long-term debt principal is an expenditure in the governmental funds, however the repayment reduces long-term liabilities in the statement of net position. Current year amounts are:		
Financed purchase principal payments	347,000	
Revenue note principal payments	348,000	
SBITA principal payments	220,919	
Lease principal payments	145,340	1,061,259
Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Current year change in accrued interest	(11,509)	
Current year change in compensated absences	(110,158)	
Net pension liability	1,050,971	
Current year change in the liability for other postemployment benefits	301,500	
Deferred outflows of resources related to pension plans.	2,226,419	
Deferred outflows of resources related to OPEB.	(231,111)	
Deferred inflows of resources related to OPEB	(7,610)	
Deferred inflows of resources related to pension plans	(2,064,603)	1,153,899
Internal service funds are used by management to charge the costs of fleet maintenance and risk management to individual funds. The net income of the internal service funds is reported with governmental activities.		(162,527)
Change in net position of governmental activities.		$ 5,037,816

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Revenues:				
Taxes	$ 20,215,426	$ 20,215,426	$ 20,606,265	$ 390,839
Permits and fees	3,079,808	3,079,808	3,316,572	236,764
Intergovernmental	4,165,604	5,519,281	4,015,576	(1,503,705)
Charges for services	3,847,146	3,882,146	4,655,734	773,588
Fines and forfeitures	119,227	119,227	113,973	(5,254)
Other	1,316,271	1,522,017	1,953,375	431,358
Total Revenues	32,743,482	34,337,905	34,661,495	323,590
Expenditures:				
Current:				
General Government:				
Board of commissioners	169,213	169,900	169,587	313
City manager	350,407	441,808	440,917	891
Financial administration	704,736	653,827	632,622	21,205
Human resources	374,811	429,746	402,508	27,238
Purchasing	293,800	293,800	290,649	3,151
Management information services	1,187,293	1,166,830	886,948	279,882
City attorney	255,000	255,000	248,284	6,716
Planning	883,170	878,791	803,555	75,236
City clerk	480,730	533,017	515,666	17,351
Project administration	188,799	190,353	91,568	98,785
Non-departmental	1,863,025	1,507,880	1,338,740	169,140
	6,750,984	6,520,952	5,821,044	699,908
Public Safety:				
Police	11,576,513	12,244,065	12,182,602	61,463
Fire/ems/emergency management	7,577,452	8,163,177	8,142,950	20,227
Protective inspections	1,232,255	1,186,719	1,100,549	86,170
	20,386,220	21,593,961	21,426,101	167,860
Physical Environment:				
City buildings/grounds	1,136,465	1,472,991	1,464,499	8,492
Cemetery	535,167	563,112	551,686	11,426
Tree bank	196,000	220,001	95,571	124,430
	1,867,632	2,256,104	2,111,756	144,348
Transportation:				
Roads and streets	1,445,236	1,628,303	1,623,665	4,638
Economic Environment:				
Economic development	160,281	169,741	169,369	372
Culture and Recreation:				
Library	1,760,013	1,702,840	1,641,672	61,168
Parks and recreation	2,562,208	2,964,086	2,933,948	30,138
Cultural	962,001	1,159,090	934,896	224,194
	5,284,222	5,826,016	5,510,516	315,500
Capital Outlay	243,100	1,004,676	774,141	230,535
Debt Service	-	-	386,510	(386,510)
Total Expenditures	36,137,675	38,999,753	37,823,102	1,176,651
Excess of Revenues (Under) Expenditures	(3,394,193)	(4,661,848)	(3,161,607)	1,500,241
Other Financing Sources (Uses):				
Transfers in	2,807,593	2,807,593	2,757,593	(50,000)
Transfers out	-	(720,000)	-	720,000
Total Other Financing Sources (Uses)	2,807,593	2,087,593	2,757,593	670,000
Net Change in Fund Balances	(586,600)	(2,574,255)	(404,014)	2,170,241
Fund Balances - Beginning of Year	14,762,836	14,762,836	14,762,836	-
Fund Balances - End of Year	$ 14,176,236	$ 12,188,581	$ 14,358,822	$ 2,170,241

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
COMMUNITY REDEVELOPMENT AGENCY FUND - DOWNTOWN
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Revenues:				
Taxes	$ 528,253	$ 528,253	$ 529,518	$ 1,265
Intergovernmental	473,502	473,502	460,321	(13,181)
Other	11,948	11,948	110,554	98,606
Total Revenues	1,013,703	1,013,703	1,100,393	86,690
Expenditures:				
Current:				
Economic Environment:				
Other	418,333	418,333	455,909	(37,576)
Capital Outlay	595,370	595,370	142,466	452,904
Debt Service	-	-	39,155	(39,155)
Total Expenditures	1,013,703	1,013,703	637,530	376,173
Net Change in Fund Balances	-	-	462,863	462,863
Fund Balances - Beginning of Year	1,859,559	1,859,559	1,859,559	-
Fund Balances - End of Year	$ 1,859,559	$ 1,859,559	$ 2,322,422	$ 462,863

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
Revenues:				
Intergovernmental	$ 319,440	$ 2,275,175	$ 2,264,809	$ (10,366)
Other	126,705	126,705	184,816	58,111
Total Revenues	446,145	2,401,880	2,449,625	47,745
Expenditures:				
Current:				
Public Safety:				
Fire	301,440	301,440	276,898	24,542
Physical Environment:				
Other	19,705	19,705	4,365	15,340
Capital Outlay	125,000	2,833,245	2,262,958	570,287
Total Expenditures	446,145	3,154,390	2,544,221	610,169
Excess of Revenues Over (Under) Expenditures	-	(752,510)	(94,596)	657,914
Net Change in Fund Balances	-	(752,510)	(94,596)	657,914
Fund Balances - Beginning of Year	775,206	775,206	775,206	-
Fund Balances - End of Year	$ 775,206	$ 22,696	$ 680,610	$ 657,914

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-type Activities Enterprise Funds				
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total	Governmental Activities - Internal Service Funds
ASSETS					
Current Assets:					
Cash and cash equivalents	$ -	$ 3,243,847	$ 2,391,901	$ 5,635,748	$ 572,135
Receivables:					
Interest	2,002	42,074	-	44,076	-
Accounts - billed (net)	435,106	1,163,259	145,484	1,743,849	-
Accounts - unbilled	272,722	794,479	92,775	1,159,976	-
Due from other governments	-	27,392	5,208	32,600	-
Inventories	-	392,857	31,471	424,328	62,105
Prepaid items	23,993	281,529	50,218	355,740	5,290
Restricted cash and cash equivalents/investments:					
Customer deposits-cash and cash equivalents	14,122	28,588	-	42,710	-
Customer deposits-investments	675,000	1,325,000	-	2,000,000	-
Total Current Assets	1,422,945	7,299,025	2,717,057	11,439,027	639,530
Non-Current Assets:					
Restricted:					
Cash and cash equivalents:					
Impact fees	-	3,581,652	-	3,581,652	-
Renewal and replacement fund	-	37,066	-	37,066	-
Construction fund	-	629	-	629	-
Investments:					
Reserve fund	-	2,045,894	-	2,045,894	-
Renewal and replacement fund	-	982,224	-	982,224	-
Capital Assets:					
Land and land rights	421,435	2,566,730	929,402	3,917,567	-
Buildings and improvements	101,713	1,602,520	510,725	2,214,958	44,756
Improvements other than buildings	1,885,828	144,708,445	8,820,998	155,415,271	834,242
Machinery and equipment	1,218,775	5,891,086	2,217,785	9,327,646	193,762
Accumulated depreciation	(1,212,724)	(73,968,769)	(5,943,712)	(81,125,205)	(608,650)
Construction in progress	327,831	9,861,540	3,850,375	14,039,746	-
Right to use Lease Assets:					
Lease asset	-	-	534,466	534,466	-
Lease accumulated amortization	-	-	(106,893)	(106,893)	-
Total Non-Current Assets	2,742,858	97,309,017	10,813,146	110,865,021	464,110
Total Assets	4,165,803	104,608,042	13,530,203	122,304,048	1,103,640
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to OPEB.	4,491	75,734	7,864	88,089	1,438
Total Deferred Outflows of Resources	4,491	75,734	7,864	88,089	1,438
LIABILITIES					
Current Liabilities:					
Accounts payable	47,271	929,371	132,875	1,109,517	72,649
Accrued liabilities	10,515	105,207	23,808	139,530	6,968
Contracts payable	761,182	161,602	135,777	1,058,561	16,664
Due to other fund (deficit in pooled cash)	4,289,071	-	-	4,289,071	-
Bonds payable	-	1,120,000	-	1,120,000	-
Financed purchase	-	103,000	103,000	206,000	-
Claims payable	-	-	-	-	14,000
Lease liability	-	-	103,118	103,118	-
Compensated absences	549	16,585	3,450	20,584	1,732
Unearned revenue	-	327	43,276	43,603	-
Current Liabilities (payable from restricted assets):					
Accounts payable	-	79,987	-	79,987	-
Contracts payable	-	89,906	-	89,906	-
Customer deposits	689,122	1,353,588	5,281	2,047,991	-
Unearned revenue	-	3,042	-	3,042	-
Total Current Liabilities	5,797,710	3,962,615	550,585	10,310,910	112,013
Non-Current Liabilities:					
Bonds payable	-	24,526,194	-	24,526,194	-
Financed purchase	-	461,500	461,500	923,000	-
Claims payable	-	-	-	-	123,641
Total OPEB liability	19,923	335,908	34,877	390,708	6,375
Lease liability	-	-	331,752	331,752	-
Compensated absences	10,427	315,124	65,540	391,091	32,904
Total Non-Current Liabilities	30,350	25,638,726	893,669	26,562,745	162,920
Total Liabilities	5,828,060	29,601,341	1,444,254	36,873,655	274,933
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to OPEB.	7,830	132,022	13,708	153,560	2,505
Total Deferred Inflows of Resources	7,830	132,022	13,708	153,560	2,505
NET POSITION					
Net investment in capital assets	2,721,495	63,874,216	9,665,878	76,261,589	464,110
Restricted for:					
Revenue bond reserve requirements	-	2,045,894	-	2,045,894	-
Revenue bond renewal and replacement requirements	-	1,019,290	-	1,019,290	-
Capital projects - impact fee program	-	3,576,570	-	3,576,570	-
Unrestricted	(4,387,091)	4,434,443	2,414,227	2,461,579	363,530
Total Net Position (Deficit)	$ (1,665,596)	$ 74,950,413	$ 12,080,105	$ 85,364,922	$ 827,640

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities Enterprise Funds				Governmental
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total	Activities - Internal Service Funds
Operating Revenues:					
Charges for services	$ 8,035,002	$ 20,732,415	$ 4,800,693	$ 33,568,110	$ 3,508,972
Other	3,726	64,452	14,843	83,021	-
Total Operating Revenues	8,038,728	20,796,867	4,815,536	33,651,131	3,508,972
Operating Expenses:					
Personnel services	812,944	7,780,207	1,545,972	10,139,123	486,657
Contractual services	14,855,970	1,814,893	1,202,239	17,873,102	82,416
Supplies	65,120	2,240,238	340,854	2,646,212	502,949
Repairs and maintenance	112,030	1,722,372	222,350	2,056,752	1,013,452
Utilities	11,253	1,730,009	98,665	1,839,927	955
Insurance	-	-	-	-	1,550,060
Depreciation	154,747	4,853,608	505,767	5,514,122	61,124
Total Operating Expenses	16,012,064	20,141,327	3,915,847	40,069,238	3,697,613
Operating Income (Loss)	(7,973,336)	655,540	899,689	(6,418,107)	(188,641)
Non-Operating Revenues (Expenses):					
Investment income	18,531	446,860	66,005	531,396	18,201
Net change in fair value of investments	2,922	22,239	-	25,161	7,913
Intergovernmental grants	2,493,179	-	-	2,493,179	-
Interest expense	(38,551)	(1,038,033)	(20,854)	(1,097,438)	-
Insurance reimbursement	-	-	54,461	54,461	-
Amortization of bond premium	-	19,202	-	19,202	-
Other revenue	-	38,461	-	38,461	-
Other expense	(2,532)	(33,985)	-	(36,517)	-
Total Non-Operating Revenues (Expenses)	2,473,549	(545,256)	99,612	2,027,905	26,114
Income (loss) before Contributions and Transfers	(5,499,787)	110,284	999,301	(4,390,202)	(162,527)
Capital grants and contributions	-	1,615,602	-	1,615,602	-
Transfers out	(643,294)	(1,742,432)	(171,867)	(2,557,593)	-
Total Capital Grants, Contributions and Transfers Out	(643,294)	(126,830)	(171,867)	(941,991)	-
Change in Net Position	(6,143,081)	(16,546)	827,434	(5,332,193)	(162,527)
Net Position - Beginning of Year	4,477,485	74,966,959	11,252,671	90,697,115	990,167
Net Position (Deficit) - End of Year	$ (1,665,596)	$ 74,950,413	$ 12,080,105	$ 85,364,922	$ 827,640

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total	
Cash flows from operating activities:					
Cash received from customers	$ 8,022,889	$ 20,089,681	$ 5,627,125	$ 33,739,695	$ -
Cash payments to suppliers	(14,958,603)	(7,817,296)	(1,948,666)	(24,724,565)	(3,304,914)
Cash payments to employees	(815,014)	(7,662,940)	(1,535,071)	(10,013,025)	(485,139)
Cash received from other funds	4,289,071	-	-	4,289,071	3,525,885
Other revenue (expense)	(2,532)	4,476	-	1,944	-
Net cash provided (used) by operating activities	(3,464,189)	4,613,921	2,143,388	3,293,120	(264,168)
Cash flows from noncapital financing activities:					
Transfers out	(643,294)	(1,742,432)	(171,867)	(2,557,593)	-
Interest paid	-	(79,733)	-	(79,733)	-
Net cash used by noncapital financing activities	(643,294)	(1,822,165)	(171,867)	(2,637,326)	-
Cash flows from capital and related financing activities:					
Proceeds from financed purchase	-	564,500	564,500	1,129,000	-
Proceeds from issuance of lease	-	-	534,466	534,466	-
Principal payments on bonds	-	(1,085,000)	-	(1,085,000)	-
Principal payments on lease	-	-	(99,596)	(99,596)	-
Interest payments on debt	(38,551)	(958,300)	(20,854)	(1,017,705)	-
Contributed capital from other governmental entities	2,731,125	784,308	-	3,515,433	-
Disposal of capital assets	-	14,485	-	14,485	-
Acquisition and construction of capital assets	(180,522)	(4,781,131)	(1,661,288)	(6,622,941)	(88,460)
Contributed capital - impact fees	-	831,294	-	831,294	-
Insurance proceeds	-	-	54,461	54,461	-
Net cash provided by (used for) capital and related financing activities	2,512,052	(4,629,844)	(628,311)	(2,746,103)	(88,460)
Cash flows from investing activities:					
Interest on investments	18,531	446,860	66,005	531,396	18,201
Proceeds of investment sales and maturities	694,849	1,830,000	-	2,524,849	500,000
Purchase of investments	-	(24,847)	-	(24,847)	-
Net cash provided by investing activities	713,380	2,252,013	66,005	3,031,398	518,201
Net increase (decrease) in cash and cash equivalents	(882,051)	413,925	1,409,215	941,089	165,573
Cash and cash equivalents at beginning of year	896,173	6,477,857	982,686	8,356,716	406,562
Cash and cash equivalents at end of year	$ 14,122	$ 6,891,782	$ 2,391,901	$ 9,297,805	$ 572,135
Cash and cash equivalents classified as:					
Cash and cash equivalents	$ -	$ 3,243,847	$ 2,391,901	$ 5,635,748	$ 572,135
Restricted cash and cash equivalents - current:					
Customer deposits	14,122	28,588	-	42,710	-
Restricted cash and cash equivalents - non-current:					
Impact fees	-	3,581,652	-	3,581,652	-
Renewal and replacement fund	-	37,066	-	37,066	-
Construction fund	-	629	-	629	-
	$ 14,122	$ 6,891,782	$ 2,391,901	$ 9,297,805	$ 572,135

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities Enterprise Funds				
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total	Governmental Activities - Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	$ (7,973,336)	$ 655,540	$ 899,689	$ (6,418,107)	$ (188,641)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Other revenue	-	38,461	-	38,461	-
Other expense	(2,532)	(33,985)	-	(36,517)	-
Depreciation expense	154,747	4,853,608	505,767	5,514,122	61,124
Change in assets and liabilities:					
Decrease in accounts receivable - interest	2,159	11,760	-	13,919	-
(Increase) decrease in accounts receivable - billed (net)	9,513	(29,660)	(15,426)	(35,573)	249
Increase in unbilled accounts receivable	(27,511)	(102,861)	-	(130,372)	-
(Increase) decrease in due from other governments	-	(27,392)	817,588	790,196	-
Increase in inventories	-	(166,258)	(2,730)	(168,988)	(19,187)
Increase in prepaid items	(23,993)	(281,529)	(47,718)	(353,240)	(5,290)
Decrease in deferred outflow-OPEB	2,514	6,372	1,369	10,255	1,934
Increase (decrease) in accounts and contracts payable	110,641	138,003	(34,110)	214,534	(103,315)
Increase (decrease) in accrued liabilities	(596)	6,974	4,361	10,739	(1,829)
Increase in due to other funds	4,289,071	-	-	4,289,071	-
Decrease in claims payable	-	-	-	-	(27,290)
Increase (decrease) in unearned revenue	-	(570,161)	9,427	(560,734)	16,664
Increase (decrease) in customer deposits	(878)	11,128	-	10,250	-
Increase (decrease) in total OPEB liability	(4,286)	52,200	2,975	50,889	(5,274)
Increase (decrease) in compensated absences	786	17,181	(550)	17,417	8,184
Increase (decrease) in deferred inflows of resources-OPEB	(488)	34,540	2,746	36,798	(1,497)
Total adjustments	4,509,147	3,958,381	1,243,699	9,711,227	(75,527)
Net cash provided (used) by operating activities	$ (3,464,189)	$ 4,613,921	$ 2,143,388	$ 3,293,120	$ (264,168)

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2025

	Employee Retirement Funds
Assets	
Cash and cash equivalents	$ 2,152,505
Interest receivable	148,885
City Contributions	682,662
Investments, at fair value:	
U.S. Government Securities	17,272,322
Municipals	240,455
Equities Common Stock	35,496,396
Mutual Funds	44,413,718
Corporate Bonds	2,183,052
Real Estate	3,226,730
Total Investments	102,832,673
Total Assets	105,816,725
Liabilities	
Accounts payable	356,924
Total Liabilities	356,924
Net Position	
Restricted for Pension Benefits	$ 105,459,801

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

CITY OF TARPON SPRINGS, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Employee Retirement Funds
Additions:	
Contributions:	
Employer	$ 3,560,879
Plan members	774,211
State of Florida	859,140
Total Contributions	5,194,230
Investment Income:	
Net increase in fair value of investments (realized and unrealized)	7,990,150
Interest and Dividends	3,800,842
	11,790,992
Less Investment Expenses:	
Investment management fees	271,848
	271,848
Net Investment Income	11,519,144
Total Additions	16,713,374
Deductions:	
Benefits	5,002,904
Lump sum DROP distributions	968,763
Refunds of contributions	42,410
Administrative expense	238,719
Total Deductions	6,252,796
Change in Net Position	10,460,578
Net Position - Beginning of Year	94,999,223
Net Position - End of Year	$ 105,459,801

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

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Note I. Summary of Significant Accounting Policies

The financial statements of the City of Tarpon Springs, Florida (the "City") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

A. The Financial Reporting Entity

The City of Tarpon Springs was incorporated in 1887 and operates as a Commission/Manager form of government. The City provides traditional governmental services such as public safety, culture and recreation, public works, water and sewer services, and solid waste disposal. The legal authority by which the City was created and governed is Chapter 5364 Laws of Florida 1903, as amended.

As required by generally accepted accounting principles, these financial statements present the City of Tarpon Springs (the primary government) and its component units. Component units are included in the reporting entity due to the significance of their operational or financial relationships with the City.

The City has developed criteria to determine whether other entities are component units of the City. Component units are legally separate organizations for which the elected officials of the City of Tarpon Springs are *financially accountable*.

The City of Tarpon Springs would be considered *financially accountable* if it appoints a voting majority of the organization's governing board and: (1) it is able to impose its will (significantly influence the programs, projects, activities, or level of services performed or provided by the organization) on the organization, or (2) there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City of Tarpon Springs (i.e., entitled to or can access the organization's resources, is legally obligated or has otherwise assumed the obligation to finance deficits of, or provide financial support to the organization, or is obligated in some manner for the debt of the organization).

The City of Tarpon Springs would be considered *financially accountable* if an organization is fiscally dependent (budget, rates, tax levies and ability to issue debt requires City approval) on and there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City of Tarpon Springs regardless of whether the organization has: (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed board.

Blended Component Unit: Community Redevelopment Agency – Downtown Tarpon Springs:

The Community Redevelopment Agency (CRA), created by statutory authority of Florida Statute Chapter 163, Part III, and legal authority was created and is governed by City of Tarpon Springs Ordinance 2001-24, although it is legally separate, is reported as if it was part of the City (blended component unit) due to the City Commission serving as the governing board of the CRA and there is a financial benefit or burden relationship between the City and the CRA. All revenues of the CRA are used in the district to fund capital improvements within the district that belongs to the City. The operations of the CRA have been incorporated into the City's annual comprehensive financial report as a major governmental fund. Separate financial statements for the CRA are not available.

Related Organization – Tarpon Springs Housing Authority (TSHA):

TSHA is a public housing authority created by City Resolution 1062 (1964), under Section 421.04 of the Florida Statutes. TSHA receives primary funding from the Federal Department of Housing and Urban Development (HUD). The City Commission appoints the governing board, however, the City Commission is not able to impose its will on the TSHA, nor does the City have any responsibility for the budget, debt, financing deficits, or fiscal management of TSHA. Consequently, it is not a component unit of the City of Tarpon Springs. Separate audited financial statements of TSHA, as of March 31, 2025, are available from TSHA.

Fiduciary Component Units – Police Officers Pension Fund:

The City's police officers participate in the Police Officers Pension Plan, a single-employer defined benefit pension plan. The Plan functions for the benefit of these employees and is governed by a five-member pension board. Two police officers are elected by the membership, two City residents are appointed by the City's Board of Commissioners and a fifth member elected by the other four members constitute the pension board. The City and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The City is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of the contribution levels.

Fiduciary Component Units – Firefighters Pension Fund:

The City's firefighters participate in the Firefighters Pension Plan, a single-employer defined benefit pension plan. The Plan functions for the benefit of these employees and is governed by a five-member pension board. Two firefighters are elected by the membership, two City residents are appointed by the City's Board of Commissioners and a fifth member elected by the other four members constitute the pension board. The City and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The City is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of the contribution levels.

Fiduciary Component Units – General Employees' Pension Fund:

The City's full-time City employees, (except for Police Officers and Firefighters) and civilian police and fire department employees participate in the General Employees' Pension Plan, a single-employer defined contribution pension plan. The Plan functions for the benefit of these employees and is governed by a five-member pension board. Two members of the General Employees Retirement Plan are elected by the membership, two members are the Finance Director and the Human Resources Director, and one member is a Commissioner selected by the consensus of the Board of Commissioners. The City contributes 9.0% to the members and the pension board administers the Plan.

B. Basic Financial Statements

The City's Basic Financial Statements contain three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

1. Government-wide financial statements. The government-wide financial statements report information on all of the non-fiduciary activities of the primary government and its component unit using the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents information on all of the assets, deferred outflows, liabilities, and deferred inflows of the City. The difference between assets and deferred outflows of revenue, and liabilities and deferred inflows of revenues is reported as net position. Changes in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. Taxes and other items not properly included among program revenues are reported instead as general revenues. All revenues and expenses are reported as soon as the underlying transaction has occurred, regardless of when cash is received or paid.

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

2. Fund financial statements. 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. The fund financial statements are, in substance, very similar to the financial statements presented in the previous financial reporting model. An emphasis is on the major funds in either the governmental or business-type categories. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds (by category) are summarized into a single column.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are an exception, as they are considered available when eligible expenditures have occurred even though they may be collected for up to one year after the current fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures on general long-term, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded when the liability has matured, with the exception of interest and principal which are recognized as expenditures when funds are transferred to the debt service fund to make payments due shortly after the fiscal year-end. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, utility taxes, franchise fees, certain other tax revenues, and licenses associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

<u>The City Reports the Following Major Governmental Funds</u>:

General Fund – is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Community Redevelopment Agency Fund-Downtown Tarpon Springs – is a special revenue fund used to account for the activity of the Downtown Tarpon Springs Community Redevelopment Agency Trust Fund with Tax Increment Financing. The main source of revenues is the Tax Increment Financing provided by the City and Pinellas County and any interest thereon.

Grants Fund – is a special revenue fund used to account for the activity of certain governmental grants which includes the American Rescue Plan Act (ARPA).

Optional Sales Tax Fund – is a capital project fund used to account for the majority of the City's capital projects. Revenues are received from the one-cent sales tax.

<u>The City Reports the Following Major Proprietary Funds</u>:

Sanitation Fund – is used to account for the activities of the City's residential and commercial refuse, recycling and yard waste collection system where the intent is that costs of providing services to the public is recovered primarily through user charges.

Water and Sewer Fund – is used to account for the water, sewer and reclaimed system, where the intent is that costs of providing services to the public is recovered primarily through user charges.

<u>Additionally, the City Reports the Following Fund Types</u>:

Internal Service Funds – is used to account for the activities of the vehicle maintenance and risk management services provided to other departments of the City on a cost reimbursement basis.

Employee Retirement Funds – is used to account for the activities of the police and fire defined benefit pension plans and the general employees defined contribution plans.

Operating and Non-Operating Items in Proprietary Funds:

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds (water and sewer, sanitation, stormwater, marina and golf course) are charges to customers for the use of the service. The principal operating revenues of the City's internal service funds (vehicle maintenance and risk management) are the internal charges to the user departments of the City. Operating expenses for the enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

Cash and Investments:

The City utilizes a consolidated cash pool to account for cash and investments of all City funds other than those which are required by ordinance to be physically segregated. The consolidated cash pool concept allows each participating fund to benefit from the economies of scale and improved yield which are inherent to a larger investment pool. Formal accounting records detail the individual equities of the participating funds. The cash pool utilizes a single checking account for all City receipts and disbursements with a separate checking account for payroll disbursements.

All pooled cash and investment accounts in the individual funds that are in a deficit (overdraft) position with respect to the consolidated cash pool are reclassified at year-end to interfund payables to the General Fund, the fund selected by management to reflect the offsetting interfund receivables in such cases.

The City utilizes a very conservative investment philosophy when it invests its pooled cash funds in that the return of the principal is more important than the return on the principal. The City does not actively trade its portfolio and generally holds investments until maturity. Through the use of a laddered approach to maturities and by timing maturities to cash needs, the City does not anticipate the need to sell investments to meet cash flow requirements.

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

Under the current investment policy, consolidated cash pool investments are limited to the following: time deposits and savings accounts of authorized financial institutions, Money Market Funds, United States Government Securities, Non-Negotiable Certificates of Deposit, Non-Taxable Governmental Bonds, Florida State Board of Administration Investment Pool (name changed to "Florida Prime") and the Florida Municipal Investment Trust Fund. The Fire and Police Pension Trust Funds are authorized to invest in a wide range of investments including common stock, corporate bonds, commercial paper and the Fire Pension can also invest in real estate.

Receivables and Payables:

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

Advances between funds, as reported in the fund financial statements, are offset equally by a Nonspendable fund balance account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Lease receivables are measured at the present value of lease payments expected to be received during the lease term.

Inventories and prepaid items:

Inventories are valued at cost, which approximates market, using the average cost method. Governmental fund-type inventories are charged to the budgetary accounts as the items are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements when purchased.

Capital Assets:

Capital assets, which include property, plant, equipment, intangibles and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of $5,000 and more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred and are not capitalized. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

	Years
Buildings and Improvements	20-30
Improvements Other Than Buildings	15-30
Machinery and Equipment	5-10
Intangibles-Software Purchases	5-10
Right to use leased equipment	3-10
Right to use leased property	5-10
Infrastructure	30

Compensated Absences:

Accrued Leave – Regular, full-time, permanent employees earn vacation and sick leave starting with the first day of employment.

Vacation Leave – All regular full-time and part-time (over 19 hours) employees are eligible after completion of their probationary period (Police and Fire employees follow their respective bargaining unit). Non-exempt employees are allowed to accrue two years and exempt employees are allowed to accrue three years. Part-Time employees' accruals are pro-rated based on the scheduled work week. Employees lose the excess vacation accrual without compensation for balances exceeding the allowable limits on October 1st of each year.

Vacation leave is earned based on years of continuous and credible service as follows:

Years of Service	Total Weeks Per Year
1 to 5	two weeks
5 to 9	three weeks
10 and over	four weeks

Sick Leave – All regular full-time employees are eligible after one month of employment to receive one day a month. Maximum allowable sick leave that can be carried forward from one fiscal year to the next is 528 hours plus the equivalent of the current year's accrued sick leave for General Employees. Police and Fire employees have no maximum and follow their respective bargaining unit. Upon retirement or separation in good standing, employees shall be paid a percentage of accrued sick time equal to their full years of service, i.e. five (5) years = 5%, six (6) years = 6%, etc. with a maximum not to exceed forty (40) days.

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vested vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested vacation or sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. The City records a liability for non-vesting accumulating rights to receive sick pay benefits that are more likely than not to be used.

Long-Term Obligations:

In the government-wide financial statements and in the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Unearned Revenue:

Unearned revenue recorded in the general fund relates to rental payments from Florida Hospital North Pinellas (formerly Helen Ellis Memorial Hospital) that is for the next fiscal year, Hospital Lease 2041 – 2070 that was paid in fiscal year 2019, Local Business Taxes and Mausoleum sales.

Unearned revenue recorded in the grants fund relates to American Rescue Plan Act (ARPA) funding to be expended on approved ARPA projects.

Unearned revenue in the golf course fund is for gift certificates and rainchecks that will be redeemed in the next fiscal year and sewer impacts/connections in the water-sewer fund.

Deferred Outflows of Resources/Deferred Inflows of Resources:

Government Accounting Standards Board (GASB) Concept Statement No. 4, *Elements of Financial Statements* introduced two new elements of the financial statements in addition to Assets, Liabilities and Net Position:

Deferred Outflows of Resources – represent a consumption of net assets by the government that applies to future periods.

Deferred Inflows of Resources – represent an acquisition of net assets by the government that applies to future periods.

Government Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* provides financial reporting guidance for Deferred Outflows of Resources and Deferred Inflows of Resources and also identifies Net Position as the residual of all the elements (Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources) presented in a statement of financial position.

Government Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities* establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

In accordance with GASB Statement No. 65, the City has previously determined that Differences between Expected and Actual Experience, changes in assumptions, and differences between expected and actual earnings on investments in Pensions, Leases and OPEB are revenues of the subsequent year fiscal year 2025, are to be classified as Deferred Inflows of Resources. Differences between Projected and Actual Earnings and changes in assumptions in Pensions and OPEB, are to be classified as Deferred Outflows of Resources.

Net Position:

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

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, leases or other borrowings attributable to the acquisition, construction, or improvement of those assets. This component does not include the portion of debt attributable to the unspent proceeds.

Restricted – This component consists of net position that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports $17,375,981 of restricted net position, of which $8,105,626 is restricted by enabling legislation and the balance remaining of $9,270,355 is restricted by grants, legislation and other external restrictions.

Unrestricted – This component consists of net position that does not meet the definition of "net investment in capital assets" and "restricted".

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

Fund Balance:

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This component includes amounts that cannot be spent because they are either: (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

Restricted – This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.

Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision making authority which includes ordinances and resolutions that are both equally binding. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (ordinance and resolution) it employed previously to commit those amounts.

Assigned – This component consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made by City management based on Commission direction.

Unassigned – This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the General Fund can only report a negative unassigned fund balance amount.

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

Fund Balance/Net Position Policy:

I. Purpose

To establish a fund balance/net position policy tailored to the needs of the City to insure against unanticipated events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. This policy will ensure the City maintains adequate fund balance/net position and reserves in the City's various operating funds to provide the capacity to: (1) provide sufficient cash flow for daily financial needs, (2) secure and maintain investment grade bond ratings, (3) offset significant economic downturns and revenue shortfalls, and (4) provide funds for unforeseen expenditures related to emergencies.

II. Definitions of Fund Balance/Net Position

Fund Balance of Governmental Funds:

Fund Balance - As defined by the *Governmental Accounting, Auditing and Financial Reporting* of the Government Finance Officers Association, fund balance is "the difference between assets and liabilities reported in a governmental fund."

Non-Spendable Fund Balance – Amounts that are: (a) not in spendable form, or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes stipulated by: (a) external resource providers (such as creditors, grantors, or contributors), or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action (ordinance or resolution) of the Board of Commissioners, the City's highest level of decision making authority. Commitments may be changed or lifted only by the Board of Commissioners taking the same formal action (ordinance or resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned Fund Balance – Consists of amounts that the City intends to use for specific purposes that are neither restricted nor committed; the intent shall be expressed by the management of the City.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Net Position of Proprietary Funds:

Restricted Fund Balance – Amounts that can be spent only for specific purposes stipulated by: (a) external resource providers (such as creditors, grantors, or contributors), or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – The residual balance of net position after the elimination of the following amounts, net investment in capital assets and the restricted net position.

III. Policy

The City will maintain reservations of unassigned fund balance in the General Fund and unrestricted net position in the Proprietary Funds of the City. The City shall retain the minimum requirement for each fund listed below.

A. General Fund - There shall be a reserve balance in its unassigned fund balance equal to 20% of the current fiscal year operating expenditure and transfers out budgeted for the fund. For the purposes of the calculation, the current fiscal year budget shall be the budget as originally adopted by resolution on or before September 30th for the subsequent fiscal year. The reserve shall be in addition to all other categories of fund balance which include Non-Spendable, Restricted, Committed and Assigned. In any fiscal year where the City is unable to fund the reserve balance of Unassigned fund balance as required in this section, the City shall not budget any amount of unappropriated fund balance for the purpose of balancing the budget.

B. Enterprise Funds - The City maintains a Sanitation Fund, Water and Sewer Fund, Storm Water Fund, Marina Fund and a Golf Course Fund. With the exclusion of the Marina and Golf Course Funds the City shall maintain a balance of unrestricted net position equal to 25% of the operating expenses and transfers out of the current fiscal year budget for that fund. For the purposes of this calculation, the current year shall be the budget as originally adopted by resolution on or before September 30th for the subsequent fiscal year. The unrestricted amount shall be in addition to all other required restrictions of net position including but limited to amounts restricted for debt service and/or amounts restricted for renewal and replacement of long-lived assets.

IV. Utilization of Surplus Reserves

In the event that the unassigned fund balance of the General Fund or unrestricted net position of the Proprietary Funds exceed the amounts set forth above, the excess may be utilized for any lawful purpose. Nevertheless, it is recommended that priority be given to utilizing the excess within the fund in which it was generated. It may also be used for one-time costs including the establishment of or increase in legitimate restrictions, commitments or assignments of fund balance or restrictions of net position.

V. Replenishment of Reserve Deficits

If, at the end of any fiscal year, the actual amount of unassigned fund balance or unrestricted net position falls below the required fund levels set forth herein, the City Manager shall prepare and submit a plan for expenditure or expense reductions and/or revenue increases to the City Commission. As a part of the annual budget review, the City Commission shall review and, if necessary, amend the plan submitted by the City Manager for restoring the amounts of unassigned fund balance or unrestricted net position to the required levels. Any deficit in the required amount must be restored no later than the end of the second fiscal year following the occurrence.

VI. Annual Review

Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process.

The Unrestricted Net Position of $4,387,091 in the Sanitation Fund will be eliminated and minimum net position will be met upon receipt of FEMA reimbursements from Hurricanes Helene and Milton.

Interfund Transactions:

Interfund transactions are reflected as either loans (advances), services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation of the Government-wide columnar presentation.
Establishment/Elimination of Funds:

During the fiscal year ended September 30, 2025 there were no new funds and none were eliminated.

E. Recently Issued and Implemented Accounting Pronouncements

The following Government Accounting Standards were effective in fiscal year 2025.

GASB 101 – *Compensated Absences*. This standard is effective for fiscal year-end September 30, 2025. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This standard did not materially impact the City's financial statements.

GASB 102 – *Certain Risk Disclosures*. This standard is effective for fiscal year-end September 30, 2025. The objective of this statement is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. This standard did not impact the City's financial statements.

Note II. Stewardship, Compliance and Accountability

A. Budgetary information

Annual appropriated budgets are adopted for all funds except for the trust funds which are not required to be budgeted. All annual appropriations lapse at fiscal year-end. Project-length financial plans, in addition to annual appropriated budgets, are adopted for all capital project funds. Supplemental budgetary appropriations were necessary during fiscal 2025 but had immaterial financial statement impact.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year end are reported as restricted, committed or assigned fund balances and do not constitute expenditures or liabilities because they will be re-appropriated and honored during the subsequent year.

In accordance with state law, the City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the Board of Commissioners a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. The budget is approved by the Commission through the passage of a resolution.

4. All budget transfers between departments and all budget amendments must be approved by the Commission. The City Manager is authorized to transfer budgeted amounts within a department of a fund. The legal level of budgetary control per the city charter is the department level. During fiscal year 2025, periodic amendments were made to the approved budget.

5. Budgets for the Governmental Funds are adopted on a basis consistent with generally accepted accounting principles.

6. Formal budgetary integration is employed as a management control device during the year for the Governmental Funds.

The assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the Pinellas County Property Appraiser and Pinellas County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method state-wide. State Statutes permit cities to levy property taxes at a rate of up to ten mills. The millage rate in effect for the fiscal year ended September 30, 2025 was 5.3700.

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

All property is reassessed according to its fair 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 roll meets all of the appropriate requirements of state statutes.

All taxes are due and payable on November 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they were assessed, and at such time a lien on the property is recorded. 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 or after 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.

Application for a tax deed on any unredeemed tax certificates may be made by the certificate holders after a period of two years. Unsold certificates are held by the County. 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 five-year statute of limitations.

The City does not accrue its portion of the County-held certificates due to the immateriality of the amount.

B. Excess of Expenditures Over Appropriations

There were no expenditures over budget.

Note III. Detailed Notes on all Funds

A. Deposits and Investments

Deposits:

All cash of the City is entirely insured either by federal depository insurance corporation (FDIC) or via banks' participation as qualified public depositories pursuant to Florida Statutes, Chapter 280, "Security for Public Deposits". The City is required to verify that monies are invested in "qualified public depositories" as defined in Florida Statutes section 280.02. Florida Statutes require depositories of public funds to provide collateral each month at least equal to 50% of the average daily balance of all public deposits in excess of deposit insurance. At year-end, the carrying amount of the City's deposits that were insured through the "FDIC" or as "Qualified Public Deposits" was $5,692,167 which consisted of Checking accounts in the amount of $5,692,167.

Pooled Cash and Investments:

To increase returns and minimize fees, the City follows the practice of pooling available cash and investments of all funds with the exception of retirement plan investments.

Investment Policy – Authorized Investments: Florida Statutes (218.415) authorize municipalities to invest excess funds in time deposits or savings accounts of financial institutions approved by the State Treasurer, obligations of the U.S. Government, U.S. Government Instrumentalities, Local Government Surplus Funds Trust Fund (name changed to "Florida Prime") and mutual funds investing in U.S. Government securities. The City adopted its own investment policy that also authorizes the City to invest in the following: (a) obligations of government-sponsored corporations (Instrumentalities – which are usually "AAA" rated but have no explicit government guarantee) which are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve; (b) commercial paper having received an "A1/P1" or higher rating by a nationally recognized rating agency; (c) non-negotiable certificates of deposit and bank investment contracts (BIC), which can be insured, collateralized at the Federal Reserve or qualify as State qualified public deposits as defined by Florida statutes; (d) taxable or tax-exempt government bonds, notes or other obligations of state or local governments, including municipal corporations and special districts, of investment grade quality; (e) Florida Municipal Investment Trust Funds (FMIVT) and (f) any other investments authorized by law and by resolution of the City Commission.

Over the years, the City has held to a conservative investment philosophy with the idea that the return of the investment principal is more important than the return on the principal. We believe that a conservative investment philosophy best serves the residents of Tarpon Springs. Given this strategy, the basis to determine whether market yields are being achieved shall be the average investment return as stated by the Florida Prime, formerly the SBA, for each fiscal year ending September 30. The average investment return as stated by the Florida Prime for fiscal year ending September 30, 2025 is 4.58%. During fiscal year 2025, the average cash/investment pool balance was $48,292,075 and the total annual earnings net of all bank charges was $2,345,092 (net of unrealized gain/loss at September 30, 2025) giving an average rate of return of 4.86% on the average balance.

Additional information regarding the Local Government Surplus Funds Trust Fund (Prime Fund) may be obtained from the State Board of Administration.

The Florida Municipal Investment Trust Fund (FMIVT) is an external investment pool administrated by the Florida League of Cities, Inc. It is an interlocal governmental entity created under the laws of the State of Florida. The FMIVT is an authorized investment under section 163.01 of the Florida Statutes. The fair value of the positions in the FMIVT portfolios is the same as the value of the portfolio shares.

The City follows Government Accounting Standards Board (GASB) Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. The City of Tarpon Springs does not invest in derivative instruments.

The City follows Government Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. GASB 72 establishes a three-tier fair value hierarchy to certain investments as mentioned below:

Level 1 Inputs – directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs – 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 the observable market data through correlation or by other means.

Level 3 Inputs – unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable.

Investments are held by the City’s/Funds’ custodians, trust companies having trust powers in the State of Florida. Investments in the Fund are reported at fair value. Level 2 hierarchy fair values were determined by the custodians using a market approach, and matrix pricing techniques. Investment transactions are recognized on the trade date.

At year-end, the government's cash and investment balances were as follows, excluding pension plan investments:

Cash and Cash Equivalents and Investments	Maturity/ WAM	Fair Value	Rating	Rating Agency	Hierarchy Level
Cash and Cash Equivalents:					
Cash on Hand		$ 107,243			
Deposits with Banks -					
Chase Bank - Checking Accounts					
Operating Funds		4,566,595			
Bond Proceeds		629			
		4,567,224			
Bank of America - Checking Account					
Operating Funds		34,687			
		34,687			
Argent Institutional Trust - Cash Management Fund					
Escrow Funds		1,090,256			
		1,090,256			
State Board of Administration (Florida Prime)					
Plan A	35 days	17,886,676	AAAm	S & P	n/a
Total State Board of Administration (Florida Prime)		17,886,676			
Total Cash and Cash Equivalents		$ 23,686,086			

Cash and Cash Equivalents and Investments	Maturity/ WAM	Fair Value	Rating	Rating Agency	Hierarchy Level
Investments:					
Treasury Bill	1/31/2026	$ 497,769	AA+	S & P	1
Federal Home Loan Bank Note	4/29/2026	994,751	AA+	S & P	2
Federal Home Loan Bank Note	11/10/2026	999,061	AA+	S & P	2
Federal Home Loan Bank Note	2/18/2027	1,000,010	AA+	S & P	2
Federal Farm Credit Bank	9/10/2027	2,000,000	AA+	S & P	2
Federal Home Loan Bank Note	1/12/2028	999,871	AA+	S & P	2
Federal Farm Credit Bank	2/3/2028	1,008,383	AA+	S & P	2
Federal Home Loan Bank Note	7/21/2028	1,004,937	AA+	S & P	2
Federal Home Loan Bank Note	12/18/2028	1,004,937	AA+	S & P	2
Federal Home Loan Bank Note	2/12/2029	1,006,902	AA+	S & P	2
Federal Home Loan Bank Note	5/29/2029	1,002,773	AA+	S & P	2
Federal Home Loan Bank Note	6/26/2029	3,028,118	AA+	S & P	2
Fannie Mae	7/10/2029	1,005,015	AA+	S & P	2
Federal Home Loan Bank Note	1/10/2030	1,013,955	AA+	S & P	2
Federal Home Loan Bank Note	6/17/2030	1,002,748	AA+	S & P	2
Total Investments		17,569,230			
Total Pooled Cash and Investments		$ 41,255,316			

Cash and investments as of September 30, 2025 are classified in the accompanying financial statements as follows:

Statement of Net Position	9/30/2025
Primary Government:	
Cash and cash equivalents	$ 20,024,032
Investments	12,541,109
Restricted assets:	
Cash and cash equivalents	3,662,057
Investments	5,028,118
Total Pooled Cash and Investments per ACFR	$ 41,255,316

Interest Rate Risk:

In compliance with the City's Investment Policy, as of September 30, 2025, the City minimized the interest rate risk by limiting the effective duration of security types not to exceed five years with the exception of securities related to a specific cash flow such as a reserve fund and investing operating funds in primarily shorter-term securities or similar government investment pools so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity.

Credit Risk:

In compliance with the City's Investment Policy, as of September 30, 2025, the City minimized credit risk losses due to default of a security issuer or backer, by limiting investments to the safest types of securities, U.S. Government Agency securities and government investment pools, and by pre-qualifying the financial institutions with which the City does business.

<u>Pension Plan Assets</u>

The City reports three pension funds in the accompanying financial statements. Each of the plans has a separate governing board of trustees, a separate investment policy, and differing investment restrictions/risks. Consequently each is disclosed separately below. The Firefighters and Police Officers retirement systems are defined benefit plans and the General Employees retirement plan is a defined contribution plan. All investments at year-end were in compliance with the respective plan investment policies.

Investments are held by the City's/Funds' custodians, trust companies having trust powers in the State of Florida. Investments in the Fund are reported at fair value. Level 2 hierarchy fair values were determined by the custodians using a market approach, and matrix pricing techniques. Investment transactions are recognized on the trade date.

Firefighters' Retirement System

Deposits:

Fiduciary Trust International periodically holds un-invested cash in its capacity as custodian of the Firefighters' Retirement System (the Plan). These funds exist temporarily as cash in the process of collection from the sale of securities.

Investments:

Investment Policy – Authorized Investments: The Board of Trustees of the Firefighters' Retirement System are authorized to invest in time, savings and money market accounts of an institution insured by the Federal Deposit Insurance Corporation; obligations of the U.S. Government or an agency or instrumentality of the U.S. Government, including mortgage-related securities; domestic and international equity securities such that not more than 5% of the Plan's assets shall be invested in the common stock of any one issuing company and no more than 5% of the Plan's assets shall be invested in foreign securities; domestic fixed income investments rated "Aaa, Aa, A or Baa" or the equivalent of a nationally recognized rating agency; money market funds with an "A1" rating or the equivalent of a nationally recognized rating agency; bonds issued by the State of Israel; and investments in direct real estate investment partnerships which may be in open end or closed end limited partnership funds, all real estate investments are limited to 20% of the total fund at fair value.

At year-end, the Firefighters' Retirement System cash and investment balances were as follows:

Firefighters' Retirement System Cash and Investments	Fair Value	Moody's Rating	Hierarchy Level
Cash and Cash Equivalents:			
Cash in Managed Investment Accounts	$ 48	n/a	1
Money market	1,164,790		
Investments:			
U.S. Treasuries	-	AAA	1
U.S. Government Securities	5,374,905	AAA	2
Municipals	240,455	Aa1/Aa2/Aa3	2
Domestic Corporate Bonds	1,304,677	Aa1/Aa2/Aa3	2
Real Estate Fund-Measured at Net Asset Value (NAV)	3,226,730	n/a	n/a
Mutual Funds	2,584,642		
Equities Common Stock	30,271,426	n/a	1
Total Investments	43,002,835		
Total Managed Cash and Investments	$ 44,167,673		

The real estate fund has no unfunded commitments at September 30, 2025. The redemption frequency is quarterly and requires 30 days notice. The fund is valued at NAV of units held at the end of the period based upon the fair value of the underlying investments.

Credit Risk:

State law provides that retirement plan fixed income securities must have a quality rating of “A” or equivalent as rated by one or more recognized bond rating services at the time of purchase. Fixed income investments which are downgraded to a “BAA” or equivalent rating must be liquidated within a reasonable period of time not to exceed twelve months. Fixed income investments that are downgraded below a “BAA” rating are to be liquidated immediately.

Interest Rate Risk:

Through its investment policies, the Plan manages its exposure to fair value losses arising from increasing interest rates and uses the weighted average maturity method. In this regard, the Plan adopted the Lehman Aggregate Bond Index (LBAB) bench mark performance evaluator. Additionally, the bond portion of the Plan’s portfolio is expected to perform in the top 40^{th} percentile and the effective duration of its fixed income investment portfolio will not exceed 125% of the duration of the (LBAB) duration.

Police Officers’ Retirement System

Deposits:

Salem Trust periodically holds un-invested cash in its capacity as custodian of the Police Officers’ Retirement System (the “Plan”). These funds exist temporarily as cash in the process of collection from the sale of securities.

Investments:

Investment Policy – Authorized Investments: The Board of Trustees of the Police Officers’ Retirement System are authorized to invest in time, savings and money market accounts of an institution insured by the Federal Deposit Insurance Corporation; obligations of the U.S. Government or an agency or instrumentality of the U.S. Government, including mortgage-related securities; domestic equity securities such that not more than 5% of the Plan’s assets shall be invested in the common stock of any one issuing company; domestic fixed income investments rated “Aaa, Aa, or A” or the equivalent of a nationally recognized rating agency; money market funds with an “A1” rating or the equivalent of a nationally recognized rating agency.

At year-end, the Police Officers' Retirement System cash and investment balances were as follows:

Police Officers' Retirement System Cash and Investments	Fair Value	Moody's Rating	Hierarchy Level
Cash and Cash Equivalents:			
Cash in Managed Investment Accounts	$ 987,667	n/a	
Investments:			
U.S. Government Agencies	11,897,417	AAA	2
Domestic Corporate Bonds	878,375	A1/A2/A3	2
Equities Common Stock	5,224,970	n/a	1
Mutual Funds	20,313,857	n/a	
Total Investments	38,314,619		
Total Managed Cash and Investments	$ 39,302,286		

Credit Risk:

State law provides that retirement plan fixed income securities must have a quality rating of "A" or equivalent as rated by one or more recognized bond rating services at the time of purchase. Fixed income investments which are downgraded to a "BAA" or equivalent rating must be liquidated within a reasonable period of time not to exceed twelve months. Fixed income investments that are downgraded below a "BAA" rating are to be liquidated immediately.
Interest Rate Risk:

Through its investment policies, the Plan manages its exposure to fair value losses arising from increasing interest rates and uses the weighted average maturity method. In this regard, the Plan adopted the Lehman Brothers Government/Credit Bond Index (LBGC) bench mark performance evaluator. Additionally, the bond portion of the Plan's portfolio is expected to perform in the top 40^{th} percentile and the effective duration of its fixed income investment portfolio will not exceed 125% of the duration of the Lehman Brothers Government/Corporate Bond Index duration.

General Employees' Retirement Systems

Deposits:

The General Employees Retirement Systems is a defined contribution plan and all contributions are self-directed by the plan participants (including the non-vested portion) to their investment choices. There is no un-invested cash with ICMA-RC (International City/County Management Association Retirement Corporation) the administrator of the plans.

Investments:

Investment Policy – Authorized Investments: The plan participants of the General Employees' Retirement Systems may elect to allocate investments among a variety of mutual funds, money market funds and fixed return funds.

General Employees' Retirement System Investments	Fair Value	Moody's Rating
Investments:		
Mutual Funds - General Employees Pension Plan	$ 21,515,219	n/a

Interest Rate Risk:

Through its investment policies, the Plan manages it's investment options by requiring that they rank in the top 40% of their Morning Star Category Universe for the trailing three and five year periods.

B. Receivables

Receivables as of year-end for the Governmental and Business-type activities in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities			
	General	Grants	Optional Sales Tax	Total
Interest	$ 119,941	$ -	$ 22,478	$ 142,419
Accounts - billed	22,657	3,757	-	26,414
Leases	4,108,406	-	-	4,108,406
Taxes	681,500	-	-	681,500
Total receivables	4,932,504	3,757	22,478	4,958,739
Allow. for uncollectibles	-	-	-	-
Net total receivables	$ 4,932,504	$ 3,757	$ 22,478	$ 4,958,739

	Business-type Activities			
	Sanitation	Water/ Sewer	Non-Major Enterprise Funds	Total
Interest	$ 2,002	$ 42,074	$ -	$ 44,076
Accounts - billed	484,078	1,287,036	149,149	1,920,263
Accounts - unbilled	272,722	794,479	92,775	1,159,976
	758,802	2,123,589	241,924	3,124,315
Allow. for uncollectibles	(48,972)	(123,777)	(3,665)	(176,414)
Net total receivables	$ 709,830	$ 1,999,812	$ 238,259	$ 2,947,901

C. Capital Assets

Capital asset activity for Governmental Activities the year ended September 30, 2025 was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated/amortized:				
Land and land rights	$ 9,901,638	$ 5,236,291	$ -	$ 15,137,929
Construction in progress	10,165,379	15,211,183	(14,551,981)	10,824,581
Total capital assets, not being depreciated/amortized	20,067,017	20,447,474	(14,551,981)	25,962,510
Capital assets, being depreciated/amortized:				
Buildings	25,275,354	18,656	-	25,294,010
Improvements other than buildings	29,137,821	4,036,957	-	33,174,778
Machinery and equipment	14,960,131	2,701,392	(780,132)	16,881,391
Infrastructure	55,826,030	3,683,398	-	59,509,428
Leases - property	432,383	-	-	432,383
Leases - equipment	602,220	-	-	602,220
SBITAs	1,131,812	-	-	1,131,812
Total capital assets, being depreciated/amortized	127,365,751	10,440,403	(780,132)	137,026,022
less accumulated depreciation/amortization for:				
Buildings	(18,444,233)	(705,478)	-	(19,149,711)
Improvements other than buildings	(14,268,101)	(1,631,072)	-	(15,899,173)
Machinery and equipment	(11,589,262)	(1,038,881)	771,581	(11,856,562)
Infrastructure	(35,474,210)	(1,434,804)	-	(36,909,014)
Leases - property	(164,688)	(72,547)	-	(237,235)
Leases - equipment	(217,233)	(72,411)	-	(289,644)
SBITAs	(282,953)	(226,362)	-	(509,315)
Total accumulated depreciation/amortization	(80,440,680)	(5,181,555)	771,581	(84,850,654)
Total capital assets, being depreciated/amortized, net	46,925,071	5,258,848	(8,551)	52,175,368
Governmental activities capital assets, net	$ 66,992,088	$ 25,706,322	$ (14,560,532)	$ 78,137,878

Included above is $464,110 of capital assets in Internal Service Funds.

Capital asset activity for Business-type Activities the year ended September 30, 2025 was as follows:

Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated/amortized:				
Land and land rights	$ 3,892,472	$ 25,095	$ -	$ 3,917,567
Construction in progress	12,281,446	5,986,610	(4,228,310)	14,039,746
Total capital assets, not being depreciated/amortized	16,173,918	6,011,705	(4,228,310)	17,957,313
Capital assets, being depreciated/amortized:				
Buildings	2,214,958	-	-	2,214,958
Improvements other than buildings	151,352,417	4,062,853	-	155,415,270
Machinery and equipment	9,625,856	242,227	(540,438)	9,327,645
Leases - equipment	190,813	534,466	(190,813)	534,466
Total capital assets, being depreciated/amortized	163,384,044	4,839,546	(731,251)	167,492,339
less accumulated depreciation/amortization for:				
Buildings	(1,069,426)	(81,215)	-	(1,150,641)
Improvements other than buildings	(67,492,311)	(4,807,928)	-	(72,300,239)
Machinery and equipment	(7,682,188)	(518,085)	525,950	(7,674,323)
Leases - equipment	(190,813)	(106,893)	190,813	(106,893)
Total accumulated depreciation/amortization	(76,434,738)	(5,514,121)	716,763	(81,232,096)
Total capital assets, being depreciated/amortized, net	86,949,306	(674,575)	(14,488)	86,260,243
Business-type activities capital assets, net	$ 103,123,224	$ 5,337,130	$ (4,242,798)	$ 104,217,556

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

Governmental activities:	
General government	$ 860,056
Public safety	1,459,036
Physical environment	262,019
Transportation	1,548,203
Economic environment	224,157
Culture/recreation	766,960
Internal service funds	61,124
Total depreciation/amortization expense - governmental activities	$ 5,181,555
Business-type activities:	
Sanitation	$ 154,747
Water and Sewer	4,853,608
Stormwater	319,286
Marina	1,353
Golf Course	185,127
Total depreciation/amortization expense - business-type activities	$ 5,514,121

The City follows Government Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. The City implemented GASB 51 and has included software purchases within the category "Improvements other than buildings" and easements are included within "Land and land rights".

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2025, is as follows:

Advances to/from other funds:

There are no outstanding advances at September 30, 2025.

Interfund transfers:

	Transfer In:		
	General Fund	Non-major Governmental Funds	Total
Transfer Out:			
Non-major Governmental Funds	$ 200,000	$ 520,000	$ 720,000
Enterprise Funds:			
Sanitation	643,294	-	643,294
Water & Sewer	1,742,432	-	1,742,432
Non-major Enterprise Funds	171,867	-	171,867
	$ 2,757,593	$ 520,000	$ 3,277,593

Transfers are primarily used to: (1) transfer revenues that have been collected in the required fund per state law to the funds and activities that state law allows for expenditures; (2) transfer of "payment in lieu of taxes" contributions from the utility funds to the General Fund; (3) transfer funding from governmental funds to capital project funds; and (4) transfer matching funds from the General Fund and Special Revenue Funds to various grant programs.

E. Leases and Subscription-Based Information Technology Arrangements (SBITA)

Right-to-Use Lease Asset:

On January 12, 2021, a lease was approved leasing an asphalt parking lot located on the western portion of 116 S. Pinellas Avenue. The lease commenced on February 1, 2021 and will terminate on January 31, 2031. During the first year of the lease the City will pay $12,000 in monthly installments of $1,000. The lease will increase annually on the anniversary of the lease in the amount of 3%. The City paid $13,375 in lease payments in fiscal year 2025.

On January 25, 2022, a lease was approved leasing an asphalt parking lot located on the southside of Court Street. The lease commenced on February 1, 2022 and will terminate on January 31, 2032. During the first year of the lease the City will pay $12,000 in monthly installments of $1,000. The lease will increase annually on the anniversary of the lease in the amount of 3%. The City paid $12,985 in lease payments in fiscal year 2025.

On July 8, 2022, a lease was approved leasing an asphalt parking lot located at the southwest corner of Hibiscus and Orange streets. The lease commenced on August 1, 2022 and will terminate on July 31, 2032. During the first year of the lease the City will pay $12,000 in monthly installments of $1,000. The lease will increase annually on the anniversary of the lease in the amount of 3%. The City paid $12,794 in lease payments in fiscal year 2025.

On March 19, 2019, a lease was approved leasing a generator at the City Hall complex. The lease commenced on November 1, 2019 and will terminate on October 31, 2029. During the first year of the lease the City will pay $84,168 in monthly installments of $7,014. The lease has no provisions for increasing. The City paid $84,168 in lease payments in fiscal year 2025.

On July 27, 2021, a lease was approved leasing golf carts at the City golf course. The lease commenced on October 1, 2021 and will terminate on September 30, 2025. During the first year of the lease the City will pay $66,537 in monthly installments of $5,545. The lease has no provisions for increasing. The City paid $66,537 in lease payments in fiscal year 2025. The lease is paid in full at September 30, 2025.

On November 1, 2024, a lease was approved leasing golf carts at the City golf course. The lease commenced on November 1, 2025 and will terminate on October 31, 2029. During the first year of the lease the City will pay $116,280 in monthly installments of $9,690. The lease has no provisions for increasing. The City paid $116,280 in lease payments in fiscal year 2025.

Annual lease service requirements to maturity for the leases is as follows:

	Governmental Activities	
Year Ended September 30 -	Principal	Interest
2026	$ 106,269	$ 18,228
2027	110,104	16,918
2028	112,797	14,156
2029	116,215	12,024
2030	41,366	11,039
2031-2032	40,475	13,174
Total	$ 527,226	$ 85,539

	Business-type Activities	
Year Ended September 30 -	Principal	Interest
2026	$ 103,118	$ 13,162
2027	106,764	9,516
2028	110,540	5,740
2029	114,448	1,832
2030		
2031-2032	-	-
Total	$ 434,870	$ 30,250

City as Lessor:

The City is lessor on various leases. Included in this amount are rents of $300,000 received under the terms of a 40-year lease dated September 1, 2000, with the Tarpon Springs Hospital Foundation, Inc. for rental of the Helen Ellis Memorial Hospital property and facilities that are owned by the City. The previous lease with the Tarpon Springs Health Facilities Authority was terminated on September 1, 2000 and a new lease between the City and the Tarpon Springs Hospital Foundation, Inc. was commenced on September 1, 2000. The annual rent with the original lease was $250,000 and on the fifth anniversary the base rent shall be increased 10% and on each annual anniversary thereafter the annual base rent shall be increased by 2%.

On December 1, 2015, Ordinance 2015-23 was approved by the Board of Commissioners which submitted to the electors of the City of Tarpon Springs a proposed amendment to section 5.0 (base rent) of the lease between the City of Tarpon Springs and the Tarpon Springs Hospital Foundation. The electors approved this referendum question on March 15, 2016. If a state-of-the-art emergency room is completed by July 31, 2022 the base rent will be $300,000 annually. Beginning fiscal year 2017-2018 the City will reserve the difference between the current base rent and the $300,000 and upon issuance of a certificate of completion before July 31, 2022 the reserve funds shall be remitted to the Foundation. The certificate of completion was issued in December 2021 and the reserve funds were remitted to the Foundation in January 2022.

On August 7, 2018, Ordinance 2018-19 was approved by the Board of Commissioners which submitted to the electors of the City of Tarpon Springs a proposed extension of and amendments to the lease between the City of Tarpon Springs and the Tarpon Springs Hospital Foundation. The lease was extended through August 31, 2070 with Base Rent due for the period September 1, 2040 through August 31, 2070 in the amount of $3,000,000 no later than 30 days after the effective date of this amendment. This amount was received by the City on January 3, 2019. The lease amendments also approved two renewal options, the first renewal period shall be for a period of 15 years, commencing on September 1, 2070 and expiring on August 31, 2085. The second renewal period shall be for a period of ten years, commencing on September 1, 2085 and expiring on August 31, 2095. The Foundation shall pay to the City as base rent the sum of $300,000 for each of the renewal periods if exercised by the Foundation.

Included in the aggregate rental income is $73,500 received under the terms of a 50-year lease dated March 17, 2004 with Savannah Cove Limited Partnership for leasing of the land in which Savannah Cove Limited Partnership has an elder housing apartment complex. The annual rent with the lease is $73,500 annually. As part of the closing of the lease on March 17, 2004, the City loaned Savannah Cove Limited Partnership $200,000 in which interest shall be payable on this Promissory Note at a fixed per annum rate equal to zero percent (0%). The entire remaining unpaid Principal shall be due and payable on the 17th day of March, 2054 (the “Maturity Date”). In the event this Note is not repaid on the Maturity Date, interest shall commence accruing at such time at a rate of eighteen percent (18%) per annum. The loan was recorded as an accounts receivable in the City’s financial statements at September 30, 2021 in the amount of $200,000. New ownership of Savannah Cove requested to payoff the loan, which was approved by the Board of Commissioners, at a present value of $107,847.52 in November 2021 with the balance being written off.

The City has entered into lease agreements as lessee for financing the acquisition of two fire trucks. This lease agreement qualifies as capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

Subscription-Based Information Technology Arrangements (SBITA):

On June 1, 2023, a SBITA was approved with Central Square to provide the cloud based financial software for the City. The software provides the following services the City uses: Financial, Payroll, Human Resources, Cash Receipts, Fleet Management, Asset Management, Building Permits, Business Licenses, Code Enforcement, Planning, Utilities etc. The lease commenced on July 1, 2023 and will terminate on June 30, 2028. During the first year of the lease the City will pay $244,140 in monthly installments of $20,345. The lease will increase annually on the anniversary of the lease in the amount of 5%. The City paid $214,142 in lease payments in fiscal year 2025.

	Governmental Activities	
Year Ended September 30 -	Principal	Interest
2026	$ 227,911	$ 44,614
2027	235,125	51,026
2028	181,214	41,348
Total	$ 644,250	$ 136,988

F. Long-Term Debt

Financed Purchases:

The City has entered into agreements for financing the acquisition of two fire trucks, and a vac con truck. The agreements qualify as financed purchases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

	Financed Purchases							
	Governmental Activities						Business-Type Activities	
Year ended	2021 Fire Truck		2022 Fire Truck		Total		Vac Con Truck	
September 30-	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 175,561	$ 3,072	$ 179,814	$ 17,075	$ 355,375	$ 20,147	$ 206,000	$ 36,364
2027	-	-	185,335	11,554	185,335	11,554	219,000	30,189
2028	-	-	191,025	5,864	191,025	5,864	227,000	22,490
2029	-	-	-	-	-	-	234,000	14,547
2030	-	-	-	-	-	-	243,000	6,326
Totals	$ 175,561	$ 3,072	$ 556,174	$ 34,493	$ 731,735	$ 37,565	$ 1,129,000	$ 109,916

Governmental Activities Revenue Note:

On December 30, 2024, the City issued $5,300,000 Non Ad-Valorem Revenue Note, Series 2024 to finance the purchase of property to use as a permanent dredge spoil site, expand water facilities, recreational parking/access and other municipal uses. Principal shall be paid annually on October 1 through October 1, 2034. Interest of 4.39% shall be paid semi-annually through October 1, 2034.

Annual debt service requirements to maturity for the revenue note is as follows:

	Governmental Activities	
Year Ended September 30 -	Principal	Interest
2026	$ 460,000	$ 108,696
2027	481,000	207,296
2028	502,000	186,641
2029	524,000	165,064
2030	547,000	142,543
2031-2035	2,438,000	338,798
Total	$ 4,952,000	$ 1,149,038

Utility System Revenue Bonds:

On March 12, 2013, the City issued $35,795,000 Utility System Revenue Bonds, Series 2013A; $28,370,000 of the Series 2013A issue (2013A-2) is issued to pay the costs of the design, permitting, acquisition and construction of well sites, pipelines and the reverse osmosis water plant project, funding necessary reserves, and paying all related costs; $7,425,000 of the Series 2013 issue (2013A-1) is for refunding the City’s outstanding Utility System Revenue Bond Anticipation Note, Series 2007A.

The 2013A-1 serial bonds are due in annual installments of $325,000 at October 1, 2025 to $355,000 due October 1, 2028, interest at 2.375% to 4.00%; 3.375% term bonds in the amount of $1,950,000 due October 1, 2029 to October 1, 2033 in annual installments of $365,000 to $415,000; 3.50% term bonds in the amount of $1,335,000 due October 1, 2034 to October 1, 2036 in annual installments of $430,000 to $460,000.

The 2013A-2 serial bonds are due in annual installments of $760,000 at October 1, 2025 to $835,000 due October 1, 2028, interest at 2.375% to 5.00%; 3.375% term bonds in the amount of $3,680,000 due October 1, 2029 to October 1, 2033 in annual installments of $670,000 to $805,000; 5.00% term bonds in the amount of $1,000,000 due October 1, 2029 to October 1, 2033 in annual installments of $200,000; 3.50% term bonds in the amount of $3,240,000 due October 1, 2034 to October 1, 2036 in annual installments of $1,045,000 to $1,115,000; 3.625% term bonds in the amount of $2,600,000 due October 1, 2037 to October 1, 2038 in annual installments of $1,270,000 to $1,330,000; 5.00% term bonds in the amount of $730,000 due October 1, 2037 to October 1, 2038 in annual installments of $365,000; 3.75% term bonds in the amount of $7,465,000 due October 1, 2039 to October 1, 2042 in annual installments of $1,765,000 to $1,970,000.

The Utility System Revenue Bonds, Series 2013A are limited obligations of the City payable solely from and secured by a lien upon and pledge of the net revenues of the City's Utility System "System". The pledge of the Systems net revenues does not constitute a lien upon any property of the City. The covenants of the ordinances authorizing the bonds include, among other things, an obligation of the City to fix and maintain such rates, and collect such fees, rentals and other charges for the services and facilities of the System and revise the same from time to time whenever necessary, which will provide gross revenues in each fiscal year sufficient to pay the cost of operation and maintenance of the system. The City's bond resolution requires a minimum debt service coverage of net revenues sufficient to pay 110% of the bond service requirement on all outstanding bonds in the applicable bond year; or net revenues sufficient to pay 105% of the bond service requirement on all outstanding bonds and net revenues, water system capital facilities fees and sewer system capital facilities fees sufficient to pay 120% of the bond service requirement on all outstanding bonds; plus 100% of all reserve and other payments required to be made pursuant to the ordinances authorizing the bonds. The City further covenants that such rates, fees, rentals and other charges will not be reduced so as to render them insufficient to provide gross revenues for such purpose.

Annual debt service requirements to maturity for the revenue bonds are as follows:

	Utility System Revenue Bonds					
Year Ended	2013A-1		2013A-2		Total	
September 30 -	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 335,000	$ 143,588	$ 785,000	$ 781,888	$ 1,120,000	$ 925,476
2027	345,000	133,538	805,000	758,338	1,150,000	891,876
2028	355,000	123,188	835,000	728,188	1,190,000	851,376
2029	365,000	112,538	870,000	698,288	1,235,000	810,826
2030	375,000	100,219	905,000	665,675	1,280,000	765,894
2031-2035	2,085,000	301,094	5,030,000	2,801,813	7,115,000	3,102,907
2036-2040	460,000	16,100	8,040,000	1,700,488	8,500,000	1,716,588
2041-2042	-	-	3,870,000	219,000	3,870,000	219,000
Totals	$ 4,320,000	$ 930,265	$ 21,140,000	$ 8,353,678	$ 25,460,000	$ 9,283,943

The City has pledged future net revenues of the City of Tarpon Springs, Florida Utility System defined as all income or earnings, including any income from the investment of funds, derived by the City from the operation of the utility after deduction of current expenses for the operation, maintenance and repair of the system, but not including reserves for renewals and replacements, for extraordinary repairs or any allowance for depreciation to repay the $35,795,000 Utility System Revenue Bonds issued in March 2013. Proceeds from the bonds provided financing for the costs of the design, permitting, acquisition and construction of well sites, pipelines and the reverse osmosis water plant project, funding necessary reserves, and paying all related costs; refunding the City's outstanding Utility System Revenue Bond Anticipation Note, Series 2007A. The bonds are payable solely from the Utility System net revenues and are payable through October 1, 2042. The principal of the Bonds at September 30, 2025 are $25,460,000, Series 2013A-1 $4,320,000 and Series 2013A-2 $21,140,000. Interest paid for the current year and net revenues were Series 2013A-1 $153,494 and Series 2013A-2 $804,806 and $6,378,412 respectively.

Long-term liability activity for the year ended September 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Revenue notes payable					
Revenue note, series 2024	$ -	$ 5,300,000	$ (348,000)	$ 4,952,000	$ 460,000
Total financed purchases payable	-	5,300,000	(348,000)	4,952,000	460,000
Financed purchases payable:					
Financed purchases	1,078,735	-	(347,000)	731,735	355,375
Total financed purchases payable	1,078,735	-	(347,000)	731,735	355,375
SBITA purchases payable:					
SBITA purchases	865,169	-	(220,919)	644,250	227,911
Total SBITA purchases payable	865,169	-	(220,919)	644,250	227,911
Other Liabilities:					
Compensated absences	1,746,236	118,342	-	1,864,578	93,678
Other post-employment benefits	2,562,900	234,808	(541,582)	2,256,126	-
Leases	672,566	-	(145,340)	527,226	106,269
Net pension liability	5,218,186	12,083,598	(13,134,569)	4,167,215	-
Claims payable	164,931	131,761	(159,051)	137,641	14,000
Governmental activities Long-term liabilities	$ 12,308,723	$ 17,868,509	$ (14,896,461)	$ 15,280,771	$ 1,257,233
Business-type Activities:					
Bonds and notes payable:					
Utility system revenue bonds	$ 26,545,000	$ -	$ (1,085,000)	$ 25,460,000	$ 1,120,000
Less deferred amounts:					
For issuance premiums (discounts)	205,396	-	(19,202)	186,194	-
Net utility system revenue bonds	26,750,396	-	(1,104,202)	25,646,194	1,120,000
Financed purchases payable	-	1,129,000	-	1,129,000	206,000
Total bonds and notes payable	26,750,396	1,129,000	(1,104,202)	26,775,194	1,326,000
Other Liabilities:					
Compensated absences	394,258	17,417	-	411,675	20,584
Leases	-	534,466	(99,596)	434,870	103,118
Other post-employment benefits	339,819	50,889	-	390,708	-
Business-type activities Long-term liabilities	$ 27,484,473	$ 1,731,772	$ (1,203,798)	$ 28,012,447	$ 1,449,702

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end $34,636 of internal service funds compensated absences are included in the above amounts. For governmental activities, net pension liabilities and other post-employment benefits are liquidated by the General Fund. Compensated absences additions and reductions are presented net in accordance with GASB 101.

G. Fund Balance Reporting

Governmental fund balances reported on the fund financial statements at September 30, 2025, include the following:

	General Fund	Community Redevelopment Agency Downtown	Grants	Optional Sales Tax	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepaid items	$ 272,572	$ 497	$ 954	$ -	$ -	$ 274,023
Leases	280,682	-	-	-	-	280,682
Restricted for:						
Donations received	390,924	-	-	-	-	390,924
Capital projects - impact fee programs	-	-	-	-	1,915,220	1,915,220
Community redevelopment	-	2,321,925	-	-	-	2,321,925
Capital projects - optional sales tax	-	-	-	4,848,817	-	4,848,817
Transportation	-	-	-	-	131,251	131,251
Law enforcement programs	-	-	-	-	231,206	231,206
Grant programs	-	-	679,656	-	-	679,656
Public art program	-	-	-	-	213,809	213,809
Land preservation	-	-	-	-	922	922
Committed to:						
Cemetery	642,195	-	-	-	-	642,195
Tree bank	458,354	-	-	-	-	458,354
Right of way	148,424	-	-	-	-	148,424
Sidewalks	45,114	-	-	-	1,386,471	1,431,585
Employee benefit cost deferral	-	-	-	-	84,504	84,504
Assigned to:						
Compensated absences	1,372,456	-	-	-	-	1,372,456
Disaster reserve	50,000	-	-	-	-	50,000
Subsequent years expenditures	991,000	-	-	-	-	991,000
Insurance/Other	152,469	-	-	-	-	152,469
Hospital Lease 2041-2070	305,683	-	-	-	-	305,683
Other contractual obligations	442,139	-	-	-	-	442,139
Unassigned:	8,806,810	-	-	-	-	8,806,810
Total Fund Balances	$ 14,358,822	$ 2,322,422	$ 680,610	$ 4,848,817	$ 3,963,383	$ 26,174,054

Nonspendable Fund Balance – Amounts that are: (a) not in spendable form, or (b) legally or contractually required to remain intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes stipulated by: (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution/ordinance) of the City Commission, which is the highest level of decision-making authority, with the same formal action (resolution/ordinance) occurring prior to the City's fiscal year-end. Commitments may be modified or removed only by the City Commissioners taking the same formal action that imposed the constraint originally.

Assigned Fund Balance – Includes spendable fund balance amounts established by management of the City that are intended to be used for specific purposes that are neither considered restricted nor committed.

Unassigned Fund Balance – This is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Note IV. Other Information

A. Risk Management

The City is self-insured within certain parameters for losses arising from claims for property and general liability. The City converted to the Florida League of Cities $25,000 Stop/Loss property and liability self-insurance program on January 1, 1995. The City is responsible for up to a maximum liability of $655,522 for fiscal year 2025. Claims for each occurrence above $25,000 and above $655,522 for all occurrences for the fiscal year, along with the related legal fees, are covered by the Florida League of Cities. Settled claims have not exceeded excess coverage in any of the past three years. The unrestricted net position balance of $290,794 is a reserve for unexpected catastrophic events.

The transactions relating to the self-insurance program are accounted for in the Risk Management Fund, an Internal Service Fund. The billings by the Risk Management Fund to the various operating funds (the interfund premiums) are based on the total of the premium charged by the Florida League of Cities for the fiscal year.

Expenditures/expenses reported in excess of actual losses is the result of a reasonable provision for anticipated future losses. The claims liability reported at September 30, 2025 is based on the requirements of Government Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. In addition, the liability includes amounts to cover claims incurred but not reported at September 30, 2025.

Changes in the claims liability amounts in fiscal years 2025 and 2024 were:

	Self Insurance
Balance at September 30, 2023	$ 357,635
Current year claims and changes in estimates	(71,416)
Claim payments	(121,288)
Balance at September 30, 2024	164,931
Current year claims and changes in estimates	131,761
Claim payments	(159,051)
Balance at September 30, 2025	$ 137,641

The City is not self-insured for workers' compensation, health and dental insurance. Due to the City's experience rating on workers' compensation, the City purchases insurance through the Florida League of Cities. The workers' compensation premium is adjusted from year to year based upon past experience, i.e., claims incurred. The City purchases health, dental, life and long-term disability insurance for the employees, employees pay for a portion of their own dependent coverage. Health insurance is purchased through Florida Municipal Insurance Trust. Dental insurance is purchased through Metropolitan Life. Life and Long-Term Disability insurance is purchased through Hartford Life & Accident.

B. Deferred Compensation Plan

The City 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. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

Effective January 1, 1997, Federal Legislation converted the deferred compensation assets from City assets to employee assets held in trust for the exclusive benefit of plan participants and their beneficiaries. As a result of these changes, plan assets are no longer subject to the claims of the City's general creditors.

C. Conduit Debt

From time to time, the City will issue conduit debt to fulfill a public need or purpose. Conduit debt is not reported as liabilities in the financial statements of the City and the City is not obligated in any manner for their repayment. As of September 30, 2025, there were no conduit debt obligations of the City.

D. Landfill Monitoring Costs

In October 1992, the City closed its landfill. State and federal laws require the City to perform post-closure monitoring for 20 years, which began in 1994. This facility is classified as a closed Class III landfill and shall be monitored and maintained in accordance with State requirements. The closed landfill includes a disposal footprint of approximately 55 acres.

On August 24, 2012 a new permit titled "Solid Waste Closure [long-term care] Permit – Landfill" was issued by the Florida Department of Environmental Protection which replaces the previous permit. This extension of the long-term care period was required at the facility for an indefinite period of time until sufficient data has been collected to demonstrate that the site has "stabilized" as defined in Rule 17-701.020(64), F.A.C. The current permit expires February 5, 2032 and states that financial assurance is no longer required for this facility. The City had expenses of $37,264 in fiscal year 2025 for post-closure monitoring and maintenance at the facility.

E. Commitments and Contingencies

The following table lists the outstanding encumbrances at September 30, 2025. These encumbrances are reported in the financial statements based on the specific purpose of the resources that have been provided.

	Governmental Activities					
	General Fund	Grants	Optional Sales Tax	Non-Major Governmental Funds	Internal Service	Total
Encumbrances Outstanding	$ 442,139	$ 550,491	$ 5,504,502	$ 674,805	$ 2,546	$ 7,174,483

	Business-Type Activities			
	Sanitation	Water and Sewer	Non-Major Enterprise Funds	Total
Encumbrances Outstanding	$ 56,279	$ 5,433,045	$ 746,202	$ 6,235,526

General Fund – of the amount above, $99,934 is for vehicles in Roads and Streets Department.

Grants Fund –$550,491 is for American Rescue Plan Act (ARPA) approved projects.

Optional Sales Tax – of the amount noted above, $4,164,216 is for construction of Fire Station 70.

Non-Major Governmental Funds – of the amount noted above, $268,696 is for Library Improvements and $342,928 is for Police Vehicles/Boat.

Sanitation Fund – of the amount noted above, $46,920 is for recycling engineering services.

Water and Sewer – of the amount noted above, $1,488,653 is for Lime & Huey Lift Station and $1,225,758 is for water line at Alt. 19 bridge.

Non-Major Enterprise Funds – of the amount noted above, $440,031 is for engineering services for the new golf course clubhouse.

During fiscal year 2025 and prior fiscal years, the City received revenues and contributions related to grants from Southwest Florida Water Management District, the State of Florida, the federal government and other grantors. These grants are for specific purposes and are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement for expenditures disallowed under the terms of the grants. Based upon prior experience, City management believes such disallowances, if any, will not be significant.

The City is a defendant in various legal actions which, in the opinion of management, will not have any significant effect on the financial statements of the City.

F. Other Post-Employment Benefits (OPEB)

GASB Statement No. 75, *Accounting and Financial reporting for Post-Employment Benefits Other than Pensions*, establishes accounting and reporting requirements for postretirement benefits (OPEB). The standard does not require funding of OPEB expense, but any difference between the amount funded to the plan and the OPEB liability is required to be recorded in the employers' financial statements as an increase (or decrease) in the net OPEB liability. The City is a pay as you go plan, there for the full OPEB liability is recorded in the statements.

Plan Description and Funding Policy

The City of Tarpon Springs administers a single employer defined benefit healthcare plan (the "Plan") that provides medical insurance benefits to its employees and their eligible dependents. Because the City provides a medical plan to active employees of the City and their eligible dependents, the City is also required by Section 112.0801, Florida Statutes, to provide retirees with the opportunity to participate in this Plan. Employees who retire from the City of Tarpon Springs and their dependents are eligible to continue to participate in the City's health insurance programs at the "blended" employee group rate which is determined annually by the City and approved by the City Commission. Retirees have 31 days to elect to enroll in the City's health insurance plan in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. As of the latest actuarial valuation date, a total of 292 active employees and 15 retired, inactive employees were participating in the City's health program. The City provides no funding for any portion of the premiums after retirement; however, the City recognizes that there is an "implicit subsidy" arising as a result of the blended rate premium since retiree health care costs, on average, are higher than active employee healthcare costs. The plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

Total OPEB Liability

The measurement date for the City's liability is September 30, 2025, the same as the reporting date. The measurement period for the OPEB cost was October 1, 2024 to September 30, 2025. The components of the City's OPEB liability at September 30, 2025 are as follows:

Total OPEB liability	$2,646,834
OPEB Plan fiduciary net position	-
City's net OPEB liability	$2,646,834
OPEB Plan fiduciary net position as a percentage of total OPEB liability	0.00%

Actuarial Assumptions – The total OPEB liability at September 30, 2025 was based on the actuarial valuation for the period October 1, 2024 to September 30, 2025. Significant methods and assumptions used for this valuation are as follows:

Inflation Rate	3.10%
Discount Rate	4.90%
Healthcare cost trend rate	-5.00%

Mortality Rates Were Based:

General Employees-SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021.

Police and Fire Employees-SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021.

An experience study was not done, as it was not considered necessary to support the actuarial results.

Discount Rate – The discount rate used to measure the total OPEB liability at September 30, 2025 was 4.90%. Because the City's OPEB costs are funded on a pay-as-you-go funding structure, a bond rate was used to determine the total OPEB liability. The Bond Buyer 20-Bond General Obligation Index based on the 20 Year AA Municipal Bond rate as of September 30, 2025 rates were applied for the applicable time periods.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at September 30, 2024	$ 2,902,719
Changes for the Year:	
Service cost	144,000
Interest	127,767
Changes in assumptions	(364,725)
Differences between actual and expected experience	13,930
Benefit payments	(176,857)
Net Changes	(255,885)
Balances at September 30, 2025	$ 2,646,834

Sensitivity of the total OPEB Liability to Changes in the Discount Rate – The following table represents the total OPEB liability, calculated using the discount rate of 4.90%, as well as what the City's total liability would be if it were calculated using a discount rate that is one percentage-point lower (3.90%) or one percentage-point higher (5.90%) than the current discount rate:

	1% Decrease 3.90%	Current Discount Rate 4.90%	1% Increase 5.90%
Total OPEB Liability	$ 2,862,980	$ 2,646,834	$ 2,451,050

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following table represents the total OPEB liability, calculated using the healthcare cost trend rate of -5.0%, as well as what the City's total liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower (-6.0%) or one percentage-point higher (-4.0%) than the current discount rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 2,378,982	$ 2,646,834	$ 2,965,095

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended September 30, 2025 the City recognized OPEB expense of $207,183. At September 30, 2025, the City has deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 195,456	$ (75,078)
Changes in assumptions	401,309	(965,198)
Total	$ 596,765	$ (1,040,276)

Deferred outflow of resources shown above will be recognized as OPEB expense in the following years:

Year Ended September 30:	
2026	$ (79,087)
2027	(214,443)
2028	(93,551)
2029	8,345
2030	8,345
Thereafter	(73,120)
	$ (443,511)

G. Employee Pension Plans

The City oversees three separate pension plans: the General Employees' Pension Plan that covers full-time City employees and civilian police and fire department employees; the Police Officers' Retirement System for non-civilian Police Department employees, and; the Municipal Firefighters' Pension Trust Fund for City firefighters and Fire Department officers. Although an outside firm administers each plan, the plans are sponsored by and fiscally dependent on the City.

Substantially all of the government's full-time employees participate in one of three separate pension plans; two of which are single-employer, defined benefit pension plans for Police Officers and Firefighters, and a single-employer defined contribution pension plan for most General Employees.

Defined Benefit Pension Plans for Firefighters and Police Officers

The City maintains two separate single employer defined benefit pension plans for Firefighters and Police Officers which are included as Pension Trust Funds of the City's reporting entity. Each plan provides retirement, disability, and death benefits to plan members and beneficiaries. The City Ordinances assign the authority to establish and amend benefit provisions to the Board of Trustees of each retirement plan.

The Firefighters and Police Officers Pension Plans do not issue separate stand-alone financial reports. The assets of each plan may be used only for the payment of benefits to the members and beneficiaries of that plan in accordance with the terms of each plan document.

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

Police Officers Pension Plan

Plan Description:

Plan administration:

The Police Officers' Pension Trust provides retirement, termination, disability, and death benefits to plan members and their beneficiaries. The City Council has the authority to establish and amend the benefit provisions of the plan.

The Board of Trustees is comprised of:

a) Two Commission appointees,
b) Two members of the system elected by a majority of the other covered Police Officers and,
c) A fifth member elected by the other 4 and appointed by the Commission.

Each person employed by the City Police Department as a full-time Police Officer becomes a member of the Plan as a condition of his employment. All Police Officers are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

Plan membership as of October 1, 2024:

Inactive plan members or beneficiaries currently receiving benefits	44
Inactive plan members entitled to but not yet receiving benefits	14
Active plan members	50
	108

Benefits Provided:

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

Normal Retirement:

Eligibility: Earlier of: (1) Age 50 and the completion of ten years of credited service, or (2) the completion of 25 years of credited service, regardless of age.

Benefit amount: 3% of average monthly earnings times credited service.
Minimum benefit amount: $450

Early Retirement:

Eligibility: Age 45 and the completion of ten years of credited service.

Benefit amount: Accrued benefit, reduced 3% per year that the commencement of benefits precedes normal retirement.

Vesting (Termination):

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

Ten years or more: Accrued benefit payable at age 50 or later, on a reduced basis if to commence prior to normal retirement date or refund of member contributions.

Disability:

Service Incurred: Covered from date of employment.

Non-service Incurred: Ten years of credited service.

Service Incurred Benefit: Accrued benefit, but not less than 50% of average monthly earnings.

Non-Service Incurred Benefit: Accrued benefit, but not less than 25% of average monthly earnings.

Death Benefits:

Service Incurred: Spouse receives 100% of average monthly earnings.

Non-Service Incurred:

Vested: Spouse receives 25% of average monthly earnings.

Non-vested: Refund of member contributions.

Benefit Adjustment:

2.1% increase every fifth year.

Contributions:

The City's funding policy for the Police Officer's plans is to provide for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll which, when combined with employee and state contributions, are designed to accumulate sufficient assets to pay benefits when due. Administrative costs for the Police Officer's plans are financed through investment earnings.

The state contributions are required by state statute. The Police Officers is a .85% excise tax on the gross receipts from premiums collected on casualty insurance policies covering property within the City's corporate limits.

Contribution Rates:

Employee:	8.00%
Premium Tax:	0.85% tax on premiums for applicable insurance policies.
City:	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years.

Net Pension Liability:

The measurement date is September 30, 2025.
The measurement period for the pension expense was October 1, 2024 to September 30, 2025.
The reporting period is October 1, 2024 through September 30, 2025.

The sponsor's Net Pension Liability was measured as of September 30, 2025.
The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2024 updated to September 30, 2025 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.25%
Investment Rate of Return	7.25%

Mortality Rate Healthy Active Lives:
Female: PubS.H-2010 for Employees, set forward one year.
Male: PubS.H-2010 for Employees, set forward one year.

Mortality Rate Healthy Retiree Lives:
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 for Healthy Retirees, set forward one year.
Mortality Rate Beneficiary Lives:
Female: PubG.H-2010 for Healthy Retirees.
Male: PubG.H-2010 for Healthy Retirees, set back one year.
Mortality Rate Disabled Lives:
Female: PubG.H-2010 for Disables Retirees, set forward one year.
Male: PubG.H-2010 for Disabled Retirees

All rates for healthy lives are projected generationally with Mortality Improvement Scale MP-2021.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2024 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

75% of active deaths are assumed to be service-incurred.

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	50%	7.50%
International Equity	10%	8.50%
Domestic Fixed Income	35%	2.50%
Cash	5%	2.50%
	100%	

Inflation rate of investment advisor 2.50%

Discount Rate:

The discount rate used to measure the total pension liability was 7.25%.

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. No projected benefit payments were discounted using a high-quality municipal bond rate of 4.87 percent. The high quality municipal bond rate was based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Reporting Period Ending September 30, 2024	$ 40,879,061	$ 36,728,544	$ 4,150,517
Changes for a year:			
Service cost	1,001,171	-	1,001,171
Interest	2,940,000	-	2,940,000
Experience Gains/Losses	1,459,904	-	1,459,904
Changes of assumptions	118,814	-	118,814
Contributions - Employer	-	1,562,616	(1,562,616)
Contributions - State	-	449,780	(449,780)
Contributions - Employee	-	426,468	(426,468)
Net Investment Income	-	3,629,185	(3,629,185)
Benefit Payments, including Refunds of Employee Contributions	(2,657,016)	(2,657,016)	-
Administrative Expense	-	(84,727)	84,727
Net Changes	2,862,873	3,326,306	(463,433)
Reporting Period Ending September 30, 2025	$ 43,741,934	$ 40,054,850	$ 3,687,084
Plan Fiduciary Net Position as percentage of Total Pension Liability		92%	

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

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Sponsor's Net Pension Liability (Asset)	$ 9,298,755	$ 3,687,084	$ (910,638)

Pension Plan Fiduciary Net Position.
Detailed information about the pension Plans Fiduciary Net Position is available in separately issued Plan financial reports on pages B-85 and B 86.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions:

For the year ended September 30, 2025, the City recognized a Pension Expense of $1,301,083.

On September 30, 2025, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 1,302,253	$ -
Changes of assumptions	89,112	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	2,471,246
Total	$ 1,391,365	$ 2,471,246

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2026	$ 628,493
2027	(812,765)
2028	(700,140)
2029	(195,469)
Total	$ (1,079,881)

Firefighters Pension Plan

Plan Description:

Plan Administration:

The Firefighters Pension Trust provides retirement, termination, disability, and death benefits to plan members and their beneficiaries. The City Council has the authority to establish and amend the benefit provisions of the plan.

The Board of Trustees is comprised of:

a) Two Commission appointees,
b) Two members of the system elected by a majority of the other covered Firefighters and,
c) A fifth member elected by the other four and appointed by the Commission.

Each person employed by the City Fire Department as a full-time Firefighter becomes a member of the Plan as a condition of his employment. All Firefighters are therefore eligible for plan benefits as provided for in the plan document and by applicable law.

Plan membership as of October 1, 2024:

Inactive plan members or beneficiaries currently receiving benefits	43
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	38
	88

Benefits Provided:

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

Normal Retirement:

Eligibility: Earlier of (1) Age 50 and the completion of ten years of credited service, or (2) the completion of 25 years of credited service, regardless of age.

Benefit Amount: 3% of average final compensation times credited service prior to October 1, 1999, plus 3.25% of average final compensation times credited service after October 1, 1999.

Cost of Living Increase: All retirees, excluding disability retirees and vested terminated persons, who retire on or after October 1, 1999, and their joint pensioners and beneficiaries, receive, beginning on the first October 1 following 5 years of retirement, a 2% per year cost of living increase.

Vesting (Termination):

Less than ten years: Refund of member contributions without interest.

Ten years or more: Accrued benefit payable at normal retirement date or refund of member contributions.

Disability:

Eligibility:

a) Ten years of contributing service for non-service related; coverage from date of hire for service incurred.
b) Total and permanent disability prior to normal retirement date.

Benefit Amount: Benefit accrued to date of disability but not less than 42% of average final compensation (service incurred).

Pre-Retirement Death Benefits:

Service Incurred: Benefit accrued to date of death but not less than 42% of average final compensation. Benefit payable for ten years.

Non-Service Incurred:

Vested: Benefit accrued to date of death but not less than 25% of average final compensation. Benefit payable for ten years.

Non-vested: Refund of member contributions.

Contributions:

The City's funding policy for the Firefighter's plans is to provide for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll which, when combined with employee and state contributions, are designed to accumulate sufficient assets to pay benefits when due. Administrative costs for the Firefighter's plans are financed through investment earnings.

The state contributions are required by state statute. The Firefighters is a 1.85% excise tax on the gross receipts from premiums collected on property insurance policies covering property within the City's corporate limits.

Contribution Rates:

Employee:	9.45%
Premium Tax:	1.85% tax on premiums for fire insurance policies.
City:	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over 30 years, but not less than 7% of member salaries

Net Pension Liability:

The measurement date is September 30, 2025.
The measurement period for the pension expense was October 1, 2024 to September 30, 2025.
The reporting period is October 1, 2024 through September 30, 2025.
The sponsor's Net Pension Liability was measured as of September 30, 2025.
The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2024 updated to September 30, 2025 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.20%
Investment Rate of Return	7.20%

Mortality Rate Healthy Active Lives:
Female: PubS.H-2010 for Employees, set forward one year.
Male: PubS.H-2010 for Employees, set forward one year.
Mortality Rate Healthy Retiree Lives:
Female: PubS.H-2010 for Healthy Retirees, set forward one year.
Male: PubS.H-2010 for Healthy Retirees, set forward one year.
Mortality Rate Beneficiary Lives:
Female: PubG.H-2010 for Healthy Retirees.
Male: PubG.H-2010 for Healthy Retirees, set back one year.
Mortality Rate Disabled Lives:
Female: PubG.H-2010 for Disables Retirees, set forward one year.
Male: PubG.H-2010 for Disabled Retirees

All rates are projected generationally with Mortality Improvement Scale MP-2021.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2024 FRS valuation report for special risk employees, with appropriate adjustments made based on plan demographics.

90% of active deaths are assumed to be service-incurred.

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

These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation adopted as of September 30, 2025, as provided by Mariner, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Domestic Equity	53%	7.50%
International Equity	12%	8.50%
Domestic Fixed Income	20%	2.50%
Real Estate	10%	4.50%
GTAA	5%	3.50%
	100%	

Discount Rate:

The discount rate used to measure the total pension liability was 7.20%.

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

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Reporting Period Ending September 30, 2024	$ 40,288,652	$ 39,220,983	$ 1,067,669
Changes for a year:			
Service cost	980,315	-	980,315
Interest	2,928,500	-	2,928,500
Experience Gains/Losses	1,137,348	-	1,137,348
Changes of Assumptions	1,340,128	-	1,340,128
Contributions - Employer	-	655,417	(655,417)
Contributions - State	-	409,360	(409,360)
Contributions - Employee	-	347,743	(347,743)
Net Investment Income	-	5,654,000	(5,654,000)
Benefit Payments, including Refunds of Employee Contributions	(2,305,080)	(2,305,080)	-
Administrative Expense	-	(92,691)	92,691
Net Changes	4,081,211	4,668,749	(587,538)
Reporting Period Ending September 30, 2025	$ 44,369,863	$ 43,889,732	$ 480,131
Plan Fiduciary Net Position as percentage of Total Pension Liability		99%	

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

	1% Decrease 6.20%	Current Discount Rate 7.20%	1% Increase 8.20%
Sponsor's Net Pension Liability (Asset)	$ 6,158,693	$ 480,131	$ (4,196,544)

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plans Fiduciary Net Position is available on pages B-85 and B-86.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions:

For the year ended September 30, 2025, the City recognized a Pension Expense of $563,303.

On September 30, 2025, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 1,085,386	$ -
Changes of assumptions	1,556,438	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	4,438,355
Total	$ 2,641,824	$ 4,438,355

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2026	$ 541,973
2027	(1,133,048)
2028	(1,135,586)
2029	(69,870)
Total	$ (1,796,531)

Applicable totals for all of the City's defined benefit pension plans are reflected below:

	Police Officers Pension Plan	Firefighters Pension Plan	Totals
Net Pension Liability	$ 3,687,084	$ 480,131	$ 4,167,215
Deferred Outflows	1,391,365	2,641,824	4,033,189
Deferred Inflows	2,471,246	4,438,355	6,909,601
Pension Expense	1,301,083	563,303	1,864,386

Financial Statements for the Police Officers and Firefighters Pension Plans are provided by the Actuary:

STATEMENT OF NET POSITION - PENSION TRUST FUNDS

	Defined Benefit		Defined Contribution
	Police Officers Pension	Firefighters Pension	General Employees Pension
Assets			
Cash and cash equivalents:			
Short Term Investments	$ 987,667	$ -	$ -
Money Market	-	1,164,790	-
Cash	-	48	-
Total Cash and cash equivalents:	987,667	1,164,838	-
Receivables:			
Additional City Contributions	682,662	-	-
Investment Income	77,681	71,204	-
Total Receivables:	760,343	71,204	-
Investments:			
U.S. Bonds and Bills	11,897,417	1,657,960	-
Federal Agency Guaranteed Securities	-	3,716,945	-
Corporate Bonds	878,375	1,304,677	-
Municipal Obligations	-	240,455	-
Stocks	5,224,970	30,271,426	-
Mutual Funds:			
Fixed Income	-	2,584,642	-
Equity	20,313,857	-	21,515,219
Pooled/Common/Commingled Funds: Real Estate	-	3,226,730	-
Total Investments	38,314,619	43,002,835	21,515,219
Total Assets	40,062,629	44,238,877	21,515,219
Liabilities			
Payables:			
DROP Distributions	-	349,145	-
Administrative Expenses	7,779	-	-
To Broker for Investments Purchased	-	-	-
Total Liabilities	7,779	349,145	-
Net Position			
Net Position Restricted for Pensions	$ 40,054,850	$ 43,889,732	$ 21,515,219

STATEMENT OF CHANGES IN NET POSITION - PENSION TRUST FUNDS

	Defined Benefit		Defined Contribution
	Police Officers Pension	Firefighters Pension	General Employees Pension
Additions:			
Contributions:			
Plan members	$ 426,468	$ 347,743	$ -
Employer	1,562,616	655,417	1,342,846
State of Florida	449,780	409,360	-
Total Contributions	2,438,864	1,412,520	1,342,846
Investment Income:			
Net increase in fair value of investments	1,602,685	4,924,701	1,462,764
Interest and Dividends	2,126,979	900,668	773,195
Less Investment Expense (a)	(100,479)	(171,369)	-
Net Investment Income	3,629,185	5,654,000	2,235,959
Total Additions	6,068,049	7,066,520	3,578,805
Deductions:			
Distributions to Members:			
Benefit Payments	2,004,513	1,946,409	1,051,982
Lump Sum DROP Distributions	619,618	349,145	-
Refunds of Member Contributions	32,885	9,526	-
Total Distributions	2,657,016	2,305,080	1,051,982
Administrative Expense	84,727	92,691	61,300
Total Deductions	2,741,743	2,397,771	1,113,282
Net Increase in Net Position	3,326,306	4,668,749	2,465,523
Net Position Restricted for Pensions - Beginning of Year	36,728,544	39,220,983	19,049,696
Net Position Restricted for Pensions - End of Year	$ 40,054,850	$ 43,889,732	$ 21,515,219

(a) Investment related expenses include investment advisory, custodial and performance monitoring fees.

Defined Contribution Pension Plans

The City's General Employees pension plan, a single employer, defined benefit pension plan, was terminated by the Board of Commissioners (BOC) effective November 30, 1995. The City converted its General Employees Defined Benefit plan into a Defined Contribution plan effective October 1, 1996 with the conversion on September 15, 1997. All plan assets accumulated through September 15, 1997 in the previous Defined Benefit pension plan were liquidated and reallocated to the new Defined Contribution plan participants, minus amounts required to liquidate current liabilities of the old plan.

All Plan provisions of the General Employees Defined Contribution plan, including benefits, eligibility, vesting, etc., are established by City Ordinance, the most recent of which is Ordinance 2002-34. The Plan Ordinance may be amended by the BOC after the public hearings are held. The Plan does not issue a stand-alone financial report and is not included in any other retirement system's or entity's financial report.

The City's General Employees Defined Contribution Pension Plan was established to provide supplemental income to employees upon retirement. The Plan year is from October 1, of a respective year through the following September 30 of that year. All employees are eligible to participate in the Plan, except Firefighters and Police Officers. Also excluded from Plan participation are elected officials and employees whose customary employment is for less than 30 hours in any one week and their total hours for a Plan year are less than One Thousand hours.

At September 30, 2025, there were 232 active Plan members, 127 vested and 105 partially vested. The City contributes 9.0% of covered salary beginning after three months of employment and Plan members do not contribute to the Plan but can contribute to the ICMA Deferred Compensation Plan. Plan provisions and contribution requirements are established and may be amended by the BOC. Employer contributions become vested on a graduated basis at the rate of 20% per Plan year with full vesting after five vested years of employment. The total City contributions to the General Employees' pension plan during fiscal year 2025 were $1,342,846.

On February 22, 2008, the City changed administrators of the Plan and all funds with VALIC (Variable Annuity Life Insurance Company) were transferred to ICMA-RC (International City/County Management Association Retirement Corporation) the new administrator of the Plan.

A new Administrative Services Agreement with ICMA-RC was approved on December 16, 2013 (Inception Date) for an initial term beginning on the Inception Date and ending three years after the Inception Date. On August 20, 2019 this agreement was renewed for an additional three years and with the option to renew automatically for each succeeding quarter thereafter.

The City's General Employees Pension Plan financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized in the period that the contributions are due.

All Investments are reported at their fair value by the administrator of the plan based on their quoted market price. All investments are directed by Plan participants, including the non-vested portion of the City's contributions. Plan participants may elect to allocate investments among a variety of mutual funds, money market funds, and fixed return funds. No individual stocks, bonds or other investments are held within the plan.

As of September 30, 2025, the General Employees Pension fund held investments (other than U.S. Government and U.S. Government guaranteed obligations) in the following organizations comprising 5% or more of the net position available for benefits.

Asset Description	Number of Shares	Fair Value
Am Funds 2020 Trgt Ret R6	125,814	$ 1,894,752
Am Funds 2025 Trgt Ret R6	99,085	1,687,425
Am Funds 2030 Trgt Ret R6	152,821	2,987,657
Am Funds 2035 Trgt Ret R6	116,709	2,538,413
Am Funds 2040 Trgt Ret R6	54,277	1,295,054
Am Funds 2045 Trgt Ret R6	57,223	1,415,691
Fidelity 500 Index Fund	5,463	1,272,635
Mission Square Plus R10	458,302	1,389,696

H. Subsequent Events

On February 27, 2026, the City issued a non ad-valorem revenue Note, Series 2026 for $19,360,000. Principal payments will be made annually, and interest payments made semi-annually, beginning October 1, 2026.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

Pension Schedules - Police Officers and Firefighters Pension Trust Funds

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City of Tarpon Springs, Florida
Schedule of Changes in Net Pension Liability and Related Ratios
Police Officers Pension Trust Fund
Last Ten Fiscal Years

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Total Pension Liability:										
Service Cost	$ 1,001,171	$ 833,567	$ 799,251	$ 702,824	$ 753,859	$ 758,884	$ 755,760	$ 667,849	$ 604,591	$ 814,107
Interest	2,940,000	2,798,968	2,700,657	2,604,290	2,530,012	2,473,025	2,311,900	2,182,922	2,027,488	1,960,385
Change in Excess State Money	-	-	-	-	-	-	-	(20,737)	12,974	7,763
Changes of Benefit Terms	-	-	-	-	-	-	19,460	528,023	-	-
Experience Gains/Losses	1,459,904	403,283	22,732	-	-	-	-	-	-	-
Differences between Expected and Actual Experience	-	-	-	430,608	(187,652)	(278,163)	686,913	193,927	(14,341)	(727,466)
Changes of Assumptions	118,814	-	-	927,618	-	(244,872)	-	-	660,290	541,040
Contributions - Buy Back	-	-	-	-	61,720	-	10,289	17,148	-	56,848
Benefit Payments, including employee refunds	(2,657,016)	(1,859,299)	(2,542,572)	(1,927,814)	(2,305,238)	(1,582,830)	(1,656,476)	(1,242,540)	(946,845)	(891,933)
Net Change in Total Pension Liability	2,862,873	2,176,519	980,068	2,737,526	852,701	1,126,044	2,127,846	2,326,592	2,344,157	1,760,744
Total Pension Liability - Beginning	40,879,061	38,702,542	37,722,474	34,984,948	34,132,247	33,006,203	30,878,357	28,551,765	26,207,608	24,446,864
Total Pension Liability - Ending (a)	$ 43,741,934	$ 40,879,061	$ 38,702,542	$ 37,722,474	$ 34,984,948	$ 34,132,247	$ 33,006,203	$ 30,878,357	$ 28,551,765	$ 26,207,608
Plan Fiduciary Net Position:										
Contributions - Employer	$ 1,562,616	$ 1,103,339	$ 745,207	$ 656,304	$ 616,790	$ 487,500	$ 419,992	$ 281,834	$ 241,324	$ 369,399
Contributions - State	449,780	415,395	354,936	305,168	274,793	274,483	262,762	247,970	225,484	220,273
Contributions - Employee	426,468	382,437	322,107	305,249	301,848	290,389	285,455	269,438	251,275	264,978
Contributions - Buy Back	-	-	-	-	61,720	-	10,289	17,148	-	56,848
Net Investment Income	3,629,185	6,676,384	3,068,501	(4,684,210)	5,241,798	1,011,772	290,797	2,526,845	2,640,786	1,292,444
Benefit Payments, Including Refunds of Employee Contributions	(2,657,016)	(1,859,299)	(2,542,572)	(1,927,814)	(2,305,238)	(1,582,830)	(1,656,476)	(1,242,540)	(946,845)	(891,933)
Administrative Expense	(84,727)	(65,243)	(73,098)	(67,273)	(48,031)	(49,308)	(57,843)	(46,628)	(56,933)	(52,805)
Net Change in Plan Fiduciary Net Position	3,326,306	6,653,013	1,875,081	(5,412,576)	4,143,680	432,006	(445,024)	2,054,067	2,355,091	1,259,204
Plan Fiduciary Net Position - Beginning	36,728,544	30,075,531	28,200,450	33,613,026	29,469,346	29,037,340	29,482,364	27,428,297	25,073,206	23,814,002
Plan Fiduciary Net Position - Ending (b)	$ 40,054,850	$ 36,728,544	$ 30,075,531	$ 28,200,450	$ 33,613,026	$ 29,469,346	$ 29,037,340	$ 29,482,364	$ 27,428,297	$ 25,073,206
Net Pension Liability - Ending (a) - (b)	$ 3,687,084	$ 4,150,517	$ 8,627,011	$ 9,522,024	$ 1,371,922	$ 4,662,901	$ 3,968,863	$ 1,395,993	$ 1,123,468	$ 1,134,402
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.57%	89.85%	77.71%	74.76%	96.08%	86.34%	87.98%	95.48%	96.07%	95.67%
Covered Payroll	$ 5,330,852	$ 4,780,464	$ 4,026,340	$ 3,815,616	$ 3,773,099	$ 3,629,864	$ 3,568,189	$ 3,367,974	$ 3,140,932	$ 3,312,219
Net Pension Liability as a Percentage of Covered Payroll	69.17%	86.82%	214.26%	249.55%	36.36%	128.46%	111.23%	41.45%	35.77%	34.25%

Notes to Schedule:

Changes of assumptions:
Total Pension Liability and GASB 68 Pension expense measured as of September 30, 2025 reflect no assumption changes.

City of Tarpon Springs, Florida
Schedule of Changes in Net Pension Liability and Related Ratios
Firefighters Pension Trust Fund
Last Ten Fiscal Years

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Total Pension Liability:										
Service Cost	$ 980,315	$ 775,786	$ 657,155	$ 678,196	$ 672,507	$ 618,856	$ 624,885	$ 502,577	$ 451,742	$ 470,186
Interest	2,928,500	2,822,133	2,728,617	2,603,889	2,478,210	2,388,833	2,260,369	2,145,398	2,080,242	1,949,568
Change in excess State money	-	-	-	-	-	-	(68,720)	-	-	-
Share Plan Allocation	-	-	-	-	8,226	-	34,360	-	-	-
Experience Gains/Losses	1,137,348	257,994	186,033	-	-	-	-	-	-	-
Changes of benefit terms	-	-	-	-	-	-	(5,673)	-	-	-
Differences between Expected and Actual Experience	-	-	-	183,218	85,900	(99,941)	134,039	387,233	(4,067)	226,161
Changes of Assumptions	1,340,128	659,127	619,081	-	-	360,735	652,014	-	-	954,519
Benefit Payments, Including Refunds of Employee Contributions	(2,305,080)	(2,663,154)	(1,999,648)	(1,606,564)	(1,587,137)	(1,488,398)	(1,488,093)	(1,904,939)	(1,603,051)	(2,252,731)
Net Change in Total Pension Liability	4,081,211	1,851,886	2,191,238	1,858,739	1,657,706	1,780,085	2,143,181	1,130,269	924,866	1,347,703
Total Pension Liability - Beginning	40,288,652	38,436,766	36,245,528	34,386,789	32,729,083	30,948,998	28,805,817	27,675,548	26,750,682	25,402,979
Total Pension Liability - Ending (a)	$ 44,369,863	$ 40,288,652	$ 38,436,766	$ 36,245,528	$ 34,386,789	$ 32,729,083	$ 30,948,998	$ 28,805,817	$ 27,675,548	$ 26,750,682
Plan Fiduciary Net Position:										
Contributions - Employer	$ 655,417	$ 555,587	$ 480,000	$ 793,917	$ 769,397	$ 797,112	$ 777,408	$ 776,966	$ 560,252	$ 758,808
Contributions - State	409,360	382,704	292,387	272,146	241,803	219,619	217,232	213,788	205,597	223,925
Contributions - Employee	347,743	320,907	261,889	254,965	251,792	251,256	255,510	247,177	201,094	197,641
Net Investment Income	5,654,000	7,730,149	3,420,104	(4,673,722)	6,565,953	2,478,669	744,272	2,735,006	3,023,816	1,821,061
Benefit Payments, Including Refunds of Employee Contributions	(2,305,080)	(2,663,154)	(1,999,648)	(1,606,564)	(1,587,137)	(1,488,398)	(1,488,093)	(1,904,939)	(1,603,051)	(2,252,731)
Administrative Expense	(92,691)	(86,043)	(81,313)	(73,079)	(73,884)	(85,586)	(60,473)	(55,735)	(56,818)	(39,185)
Net Change in Plan Fiduciary Net Position	4,668,749	6,240,150	2,373,419	(5,032,337)	6,167,924	2,172,672	445,856	2,012,263	2,330,890	709,519
Plan Fiduciary Net Position - Beginning	39,220,983	32,980,833	30,607,414	35,639,751	29,471,827	27,299,155	26,853,299	24,841,036	22,510,146	21,800,627
Plan Fiduciary Net Position - Ending (b)	$ 43,889,732	$ 39,220,983	$ 32,980,833	$ 30,607,414	$ 35,639,751	$ 29,471,827	$ 27,299,155	$ 26,853,299	$ 24,841,036	$ 22,510,146
Net Pension Liability - Ending (a) - (b)	$ 480,131	$ 1,067,669	$ 5,455,933	$ 5,638,114	$ (1,252,962)	$ 3,257,256	$ 3,649,843	$ 1,952,518	$ 2,834,512	$ 4,240,536
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.92%	97.35%	85.81%	84.44%	103.64%	90.05%	88.21%	93.22%	89.76%	84.15%
Covered Payroll	$ 3,679,817	$ 3,395,830	$ 2,771,316	$ 2,698,038	$ 2,664,465	$ 2,658,781	$ 2,703,808	$ 2,616,053	$ 2,127,978	$ 2,090,999
Net Pension Liability as a Percentage of Covered Payroll	13.05%	31.44%	196.87%	208.97%	-47.02%	122.51%	134.99%	74.64%	133.20%	202.80%

Notes to Schedule:

Changes of assumptions:
Total Pension Liability and GASB 68 Pension expense measured as of September 30, 2025 reflect the following assumption change.
- The discount rate was updated from 7.30% to 7.20%.

City of Tarpon Springs, Florida
Schedule of Contributions and Notes to Schedule
Police Officers Pension Trust Fund
Last Ten Fiscal Years

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Actuarially Determined Contribution	$ 2,012,396	$ 1,638,266	$ 1,026,717	$ 915,366	$ 891,583	$ 790,221	$ 740,756	$ 514,963	$ 500,665	$ 587,919
Contributions in Relation to the Actuarially Determined Contributions	2,012,396	1,518,734	1,100,143	961,472	891,583	761,983	682,754	529,804	453,834	581,909
Contribution Deficiency (Excess)	$ -	$ 119,532	$ (73,426)	$ (46,106)	$ -	$ 28,238	$ 58,002	$ (14,841)	$ 46,831	$ 6,010
Covered Payroll	$ 5,330,852	$ 4,780,464	$ 4,026,340	$3,815,616	$ 3,773,099	$ 3,629,864	$ 3,568,189	$ 3,367,974	$ 3,140,932	$3,312,219
Contributions as a Percentage of Covered Payroll	37.75%	31.77%	27.32%	25.20%	23.63%	20.99%	19.13%	15.73%	14.45%	17.57%

Notes to Schedule:

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ending September 30, 2025:

Calculation Timing	The Actuarially Determined Contribution is calculated using a October1, 2023 valuation date.
Interest Rate	7.25%
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the October 1, 2023 Actuarial Valuation Report for the City of Tarpon Springs Firefighter's Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

City of Tarpon Springs, Florida
Schedule of Contributions and Notes to Schedule
Firefighters Pension Trust Fund
Last Ten Fiscal Years

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Actuarially Determined Contribution	$ 1,059,870	$ 827,733	$ 693,161	$ 1,003,536	$ 978,879	$ 1,086,439	$ 1,039,195	$ 951,675	$ 932,405	$ 945,300
Contributions in Relation to the Actuarially Determined Contributions	1,064,777	938,291	772,387	1,066,063	1,002,974	1,016,731	994,640	990,754	765,849	982,733
Contribution Deficiency (Excess)	$ (4,907)	$ (110,558)	$ (79,226)	$ (62,527)	$ (24,095)	$ 69,708	$ 44,555	$ (39,079)	$ 166,556	$ (37,433)
Covered Payroll	$ 3,679,817	$ 3,395,830	$ 2,771,316	$ 2,698,038	$ 2,664,465	$ 2,658,781	$ 2,703,808	$ 2,616,053	$ 2,127,978	$ 2,090,999
Contributions as a Percentage of Covered Payroll	28.94%	27.63%	27.87%	39.51%	37.64%	38.24%	36.79%	37.87%	35.99%	47.00%

Notes to Schedule:

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ending September 30, 2025:

Calculation Timing	The Actuarially Determined Contribution is calculated using a October 1, 2023 valuation date.
Interest Rate	7.45%
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the October 1, 2023 Actuarial Valuation Report for the City of Tarpon Springs Firefighter's Pension Trust Fund prepared by Foster & Foster Actuaries and Consultants.

City of Tarpon Springs, Florida
Schedule of Investment returns
Last Ten Fiscal Years

Police Officers Pension Trust Fund
Schedule of Investment Returns

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return net of investment expense	9.93%	22.17%	10.93%	-14.05%	17.99%	3.54%	0.99%	9.28%	10.62%	5.44%

Firefighters Pension Trust Fund
Schedule of Investment Returns

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return net of investment expense	14.48%	23.76%	11.32%	-13.12%	22.30%	9.18%	2.80%	11.29%	13.66%	8.52%

Notes to Schedule:
This information is required for ten years.

City of Tarpon Springs, Florida
Schedule of Changes in Total Liability
Other Post Employment Benefits
Last Eight Fiscal Years

	9/30/2025	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability:								
Service Cost	$ 144,000	$ 165,660	$ 130,328	$ 121,504	$ 275,446	$ 173,739	$ 155,770	$ 128,874
Interest	127,767	109,574	97,347	89,074	80,247	93,722	98,666	69,877
Differences between Expected and Actual Experience	-	-	-	-	768,290	117,912	-	317,530
Gain Attributable to Experience	13,930	-	(115,371)	-	-	-	-	-
Changes in Assumptions	(364,725)	395,426	90,862	(1,710,758)	(6,779)	311,583	101,497	13,362
Benefit Payments	(176,857)	(165,630)	(159,551)	(144,549)	(178,622)	(160,479)	(106,754)	(101,479)
Net Change in Total OPEB Liability	(255,885)	505,030	43,615	(1,644,729)	938,582	536,477	249,179	428,164
Total OPEB Liability - Beginning	2,902,719	2,397,689	2,354,074	3,998,803	3,060,221	2,523,744	2,274,565	1,846,401
Total OPEB Liability - Ending	$ 2,646,834	$ 2,902,719	$ 2,397,689	$ 2,354,074	$ 3,998,803	$ 3,060,221	$ 2,523,744	$ 2,274,565
Covered Employee Payroll	$ 17,659,299	$ 17,062,125	$ 16,485,145	$ 16,758,275	$ 16,270,170	$ 16,045,850	$ 15,758,601	$ 15,359,260
Net OPEB Liability as a Percentage of Covered Employee Payroll	15.0%	17.0%	14.5%	14.0%	24.6%	19.1%	16.0%	14.8%

Notes to Schedule:
Plan Assets:
- No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Other Items:
* This information is required for ten years. However, only eight years of information is available.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Non-Major Governmental Funds

Special Revenue Funds:
Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.

Local Option Gas Tax Fund - This fund is used to account for the City's share of local gas tax revenues that are legally restricted to the maintenance and improvement of City roads and streets.

Impact Fees Fund - This fund is used to account for the receipt of impact fees and interest thereon and disbursements for qualified non-major capital expenditures of Police, Fire, Library, Recreation, General Government, Fire Impact Surcharge and Transportation Impact Fees.

Law Enforcement Programs Fund - This fund is used to account for Law Enforcement sources of funds that are restricted as to their use based on the fine or confiscated property that is received by the City.

Special Programs Fund - This fund is used to account for programs in which the revenue source is restricted or committed by Law and or Interlocal agreement for specific purposes. These include the employee benefit cost deferral, public art program and land preservation.

Capital Projects Funds:
Capital project funds are used to account for and report financial sources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

General Projects Fund - This fund is used to account for the annual street and sidewalk construction projects. Funding is provided by transfers from the sidewalk improvement and local option gas tax funds.

Sidewalk Improvement Fund - This fund was established by City Charter for funding sidewalk improvements.

Major Governmental Fund

Capital Projects Fund:

Optional Sales Tax Fund - This fund is used to account for the one cent local option sales tax revenues received which are to be used only for capital improvements to the City's infrastructure and specified capital outlays as required by state statutes.

CITY OF TARPON SPRINGS, FLORIDA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue Funds				
	Local Option Gas Tax	Impact Fees	Law Enforcement Programs	Special Programs	Total
ASSETS					
Cash and cash equivalents	$ 2,528	$2,587,902	$ 237,276	$ 299,235	$ 3,126,941
Due from other governments	52,040	-	-	-	52,040
Due from other funds (deficit in pooled cash)	-	-	-	-	-
Total Assets	$ 54,568	$2,587,902	$ 237,276	$ 299,235	$ 3,178,981
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ 672,682	$ 6,070	$ -	$ 678,752
Total Liabilities	-	672,682	6,070	-	678,752
Fund Balances:					
Restricted	54,568	1,915,220	231,206	214,731	2,415,725
Committed	-	-	-	84,504	84,504
Total Fund Balances	54,568	1,915,220	231,206	299,235	2,500,229
Total Liabilities and Fund Balances	$ 54,568	$2,587,902	$ 237,276	$ 299,235	$ 3,178,981

	Capital Projects Funds			Total
	General Projects	Sidewalk Improvement	Total	Non-Major Governmental Funds
	$ 119,210	$ 386,471	$ 505,681	$ 3,632,622
	-	-	-	52,040
	-	1,000,000	1,000,000	1,000,000
	$ 119,210	$ 1,386,471	$ 1,505,681	$ 4,684,662
	$ 42,527	$ -	$ 42,527	$ 721,279
	42,527	-	42,527	721,279
	76,683	-	76,683	2,492,408
	-	1,386,471	1,386,471	1,470,975
	76,683	1,386,471	1,463,154	3,963,383
	$ 119,210	$ 1,386,471	$ 1,505,681	$ 4,684,662

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds				
	Local Option Gas Tax	Impact Fees	Law Enforcement Programs	Special Programs	Total
Revenues:					
Taxes	$ 315,860	$ -	$ -	$ -	$ 315,860
Permits and fees	-	955,583	-	-	955,583
Intergovernmental	-	-	65,305	-	65,305
Fines and forfeitures	-	-	31,625	-	31,625
Other	3,620	97,501	8,216	45,876	155,213
Total Revenues	319,480	1,053,084	105,146	45,876	1,523,586
Expenditures:					
Current:					
Public Safety:					
Police	-	-	39,825	-	39,825
Culture and Recreation:					
Other	-	-	-	1,788	1,788
Capital Outlay	-	508,370	-	-	508,370
Total Expenditures	-	508,370	39,825	1,788	549,983
Excess (deficiency) of Revenues Over Expenditures	319,480	544,714	65,321	44,088	973,603
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	(320,000)	-	-	-	(320,000)
Total Other Financing Sources (Uses)	(320,000)	-	-	-	(320,000)
Net Change in Fund Balances	(520)	544,714	65,321	44,088	653,603
Fund Balances - Beginning of Year	55,088	1,370,506	165,885	255,147	1,846,626
Fund Balances - End of Year	$ 54,568	$ 1,915,220	$ 231,206	$ 299,235	$ 2,500,229

	Capital Projects Funds			Total
	General Projects	Sidewalk Improvement	Total	Non-Major Governmental Funds
	$ -	$ -	$ -	$ 315,860
	-	-	-	955,583
	-	-	-	65,305
	-	-	-	31,625
	4,813	83,760	88,573	243,786
	4,813	83,760	88,573	1,612,159
	-	-	-	39,825
	-	-	-	1,788
	545,352	-	545,352	1,053,722
	545,352	-	545,352	1,095,335
	(540,539)	83,760	(456,779)	516,824
	520,000	-	520,000	520,000
	-	(400,000)	(400,000)	(720,000)
	520,000	(400,000)	120,000	(200,000)
	(20,539)	(316,240)	(336,779)	316,824
	97,222	1,702,711	1,799,933	3,646,559
	$ 76,683	$ 1,386,471	$ 1,463,154	$ 3,963,383

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LOCAL OPTION GAS TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 320,140	$ 320,140	$ 315,860	$ (4,280)
Other	1,860	1,860	3,620	1,760
Total Revenues	322,000	322,000	319,480	(2,520)
Other Financing Uses:				
Transfers out	(350,000)	(350,000)	(320,000)	30,000
Total Other Financing Uses	(350,000)	(350,000)	(320,000)	30,000
Net Change in Fund Balances	(28,000)	(28,000)	(520)	27,480
Fund Balances - Beginning of Year	55,088	55,088	55,088	-
Fund Balances - End of Year	$ 27,088	$ 27,088	$ 54,568	$ 27,480

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
IMPACT FEES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ -	$ 500,000	$ -	$ (500,000)
Permits and Fees	294,410	476,866	955,583	478,717
Other	18,442	18,442	97,501	79,059
Total Revenues	312,852	995,308	1,053,084	57,776
Expenditures:				
Capital Outlay	312,852	1,760,230	508,370	1,251,860
Total Expenditures	312,852	1,760,230	508,370	1,251,860
Net Change in Fund Balances	-	(764,922)	544,714	1,309,636
Fund Balances - Beginning of Year	1,370,506	1,370,506	1,370,506	-
Fund Balances - End of Year	$ 1,370,506	$ 605,584	$ 1,915,220	$ 1,309,636

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LAW ENFORCEMENT PROGRAMS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 55,944	$ 55,944	$ 65,305	$ 9,361
Fines and forfeitures	7,300	7,300	31,625	24,325
Other	2,013	2,013	8,216	6,203
Total Revenues	65,257	65,257	105,146	39,889
Expenditures:				
Current:				
Public Safety:				
Police	154,980	154,980	39,825	115,155
Capital Outlay	10,000	10,000	-	10,000
Total Expenditures	164,980	164,980	39,825	125,155
Net Change in Fund Balances	(99,723)	(99,723)	65,321	165,044
Fund Balances - Beginning of Year	165,885	165,885	165,885	-
Fund Balances - End of Year	$ 66,162	$ 66,162	$ 231,206	$ 165,044

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL PROGRAMS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental	$ 10,000	$ 10,000	$ -	$ (10,000)
Other	32,280	32,280	45,876	13,596
Total Revenues	42,280	42,280	45,876	3,596
Expenditures:				
Current:				
Culture/Recreation:				
Other	13,250	13,250	1,788	11,462
Capital Outlay	85,000	85,000	-	85,000
Total Expenditures	98,250	98,250	1,788	96,462
Excess (deficiency) of Revenues Over (Under) Expenditures	(55,970)	(55,970)	44,088	100,058
Other Financing Uses:				
Transfers out	(50,000)	(50,000)	-	50,000
Total Other Financing Uses	(50,000)	(50,000)	-	50,000
Net Change in Fund Balances	(105,970)	(105,970)	44,088	150,058
Fund Balances - Beginning of Year	255,147	255,147	255,147	-
Fund Balances - End of Year	$ 149,177	$ 149,177	$ 299,235	$ 150,058

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Other	$ -	$ 315	$ 4,813	$ 4,498
Total Revenues	-	315	4,813	4,498
Expenditures:				
Capital Outlay	250,000	550,315	545,352	4,963
Total Expenditures	250,000	550,315	545,352	4,963
Deficiency of Revenues Under Expenditures	(250,000)	(550,000)	(540,539)	9,461
Other Financing Sources:				
Transfers in	250,000	550,000	520,000	(30,000)
Total Other Financing Sources	250,000	550,000	520,000	(30,000)
Net Change in Fund Balances	-	-	(20,539)	(20,539)
Fund Balances - Beginning of Year	97,222	97,222	97,222	-
Fund Balances - End of Year	$ 97,222	$ 97,222	$ 76,683	$ (20,539)

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SIDEWALK IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Other	$ 16,134	$ 16,134	$ 83,760	$ 67,626
Total Revenues	16,134	16,134	83,760	67,626
Other Financing Uses:				
Transfers out	(100,000)	(400,000)	(400,000)	-
Total Other Financing Uses	(100,000)	(400,000)	(400,000)	-
Net Change in Fund Balances	(83,866)	(383,866)	(316,240)	67,626
Fund Balances - Beginning of Year	1,702,711	1,702,711	1,702,711	-
Fund Balances - End of Year	$ 1,618,845	$ 1,318,845	$ 1,386,471	$ 67,626

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OPTIONAL SALES TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Taxes	$ 3,690,000	$ 3,690,000	$ 3,777,545	$ 87,545
Intergovernmental	-	4,353,221	176,688	(4,176,533)
Charges for Services	640,504	931,864	297,385	(634,479)
Other	90,000	286,229	298,177	11,948
Total Revenues	4,420,504	9,261,314	4,549,795	(4,711,519)
Expenditures:				
Current:				
General Government:				
Non-departmental	-	-	51,020	(51,020)
Culture and Recreation:				
Non-departmental	-	-	302	(302)
Capital Outlay	4,210,000	22,128,092	12,014,149	10,113,943
Debt Service	375,522	898,671	898,670	1
Total Expenditures	4,585,522	23,026,763	12,964,141	10,062,622
Excess of Revenues Over (Under) Expenditures	(165,018)	(13,765,449)	(8,414,346)	5,351,103
Other Financing Sources:				
Issuance of debt	-	5,300,000	5,300,000	-
Transfers in	-	720,000	-	(720,000)
Total Other Financing Sources	-	6,020,000	5,300,000	(720,000)
Net Change in Fund Balances	(165,018)	(7,745,449)	(3,114,346)	4,631,103
Fund Balances - Beginning of Year	7,963,163	7,963,163	7,963,163	-
Fund Balances - End of Year	$ 7,798,145	$ 217,714	$ 4,848,817	$ 4,631,103

Enterprise Funds

Non-Major Enterprise Funds

Enterprise Funds are used to account for the financing, acquisition, operation and maintenance of governmental facilities and services that are supported primarily by user charges.

Stormwater Fund - This fund is used to account for the provision of stormwater services to the residents of the City.

Marina Fund - This fund is used to account for the provision of marina services to the residents of the City.

Golf Course Fund - This fund is used to account for the provision of golf course services to the residents of the City.

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CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2025

	Storm Water	Marina	Golf Course	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 559,101	$ 54,464	$ 1,778,336	$ 2,391,901
Receivables:				
Accounts - billed (net)	140,255	5,229	-	145,484
Accounts - unbilled	92,775	-	-	92,775
Due from other governments	5,208	-	-	5,208
Inventories	-	-	31,471	31,471
Prepaid items	29,205	2,742	18,271	50,218
Total Current Assets	826,544	62,435	1,828,078	2,717,057
Non-Current Assets:				
Capital Assets:				
Land and land rights	877,646	400	51,356	929,402
Buildings and improvements	10,647	25,388	474,690	510,725
Improvements other than buildings	6,570,649	631,849	1,618,500	8,820,998
Machinery and equipment	2,163,631	-	54,154	2,217,785
Accumulated depreciation	(3,840,972)	(648,171)	(1,454,569)	(5,943,712)
Construction in progress	3,777,075	-	73,300	3,850,375
Right to use Lease Assets:				
Lease asset	-	-	534,466	534,466
Lease accumulated amortization	-	-	(106,893)	(106,893)
Total Capital Assets	9,558,676	9,466	1,245,004	10,813,146
Total Non-Current Assets	9,558,676	9,466	1,245,004	10,813,146
Total Assets	10,385,220	71,901	3,073,082	13,530,203
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to OPEB.	6,623	-	1,241	7,864
Total Deferred Outflows of Resources	6,623	-	1,241	7,864
LIABILITIES				
Current Liabilities:				
Accounts payable	97,554	926	34,395	132,875
Accrued liabilities	13,999	1,304	8,505	23,808
Contracts payable	135,777	-	-	135,777
Financed purchase	103,000	-	-	103,000
Customer deposits	-	5,281	-	5,281
Lease liability	-	-	103,118	103,118
Compensated absences	1,636	65	1,749	3,450
Unearned revenue	-	-	43,276	43,276
Total Current Liabilities	351,966	7,576	191,043	550,585
Non-Current Liabilities:				
Financed purchase	461,500	-	-	461,500
Total OPEB liability	29,375	-	5,502	34,877
Lease liability	-	-	331,752	331,752
Compensated absences	31,078	1,229	33,233	65,540
Total Non-Current Liabilities	521,953	1,229	370,487	893,669
Total Liabilities	873,919	8,805	561,530	1,444,254
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to OPEB.	11,546	-	2,162	13,708
Total Deferred Inflows of Resources	11,546	-	2,162	13,708
NET POSITION				
Net investment in capital assets	8,848,116	9,466	808,296	9,665,878
Unrestricted	658,262	53,630	1,702,335	2,414,227
Total Net Position	$9,506,378	$ 63,096	$2,510,631	$ 12,080,105

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Storm Water	Marina	Golf Course	Total
Operating Revenues:				
Charges for services	$ 2,190,030	$ 132,949	$ 2,477,714	$ 4,800,693
Other	10,901	349	3,593	14,843
Total Operating Revenues	2,200,931	133,298	2,481,307	4,815,536
Operating Expenses:				
Personnel services	856,562	92,721	596,689	1,545,972
Contractual services	489,247	24,370	688,622	1,202,239
Supplies	106,945	7,045	226,864	340,854
Repairs and maintenance	198,209	9,819	14,322	222,350
Utilities	14,438	17,718	66,509	98,665
Depreciation	319,286	1,354	185,127	505,767
Total Operating Expenses	1,984,687	153,027	1,778,133	3,915,847
Operating Income (Loss)	216,244	(19,729)	703,174	899,689
Non-Operating Revenues (Expenses):				
Investment income (loss)	(5,779)	2,104	69,680	66,005
Insurance proceeds	-	54,461	-	54,461
Interest expense	(4,170)	-	(16,684)	(20,854)
Total Non-Operating Revenues (Expenses)	(9,949)	56,565	52,996	99,612
Income before transfers	206,295	36,836	756,170	999,301
Transfers out	(171,867)	-	-	(171,867)
Total Transfers Out	(171,867)	-	-	(171,867)
Change in Net Position	34,428	36,836	756,170	827,434
Net Position - Beginning of Year	9,471,950	26,260	1,754,461	11,252,671
Net Position - End of Year	$ 9,506,378	$ 63,096	$ 2,510,631	$ 12,080,105

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Storm Water	Marina	Golf Course	Total
Cash flows from operating activities:				
Cash received from customers	$ 3,004,676	$ 131,715	$ 2,490,734	$ 5,627,125
Cash payments to suppliers	(872,020)	(66,576)	(1,010,070)	(1,948,666)
Cash payments to employees	(859,187)	(92,447)	(583,437)	(1,535,071)
Net cash provided (used) by operating activities	1,273,469	(27,308)	897,227	2,143,388
Cash flows from noncapital financing activities:				
Transfers out	(171,867)	-	-	(171,867)
Net cash used by noncapital financing activities	(171,867)	-	-	(171,867)
Cash flows from capital and related financing activities:				
Principal payments on lease	-	-	(99,596)	(99,596)
Interest payments on debt	(4,170)	-	(16,684)	(20,854)
Proceeds from issuance of debt	564,500	-	-	564,500
Proceeds from issuance of lease	-	-	534,466	534,466
Insurance proceeds	-	54,461	-	54,461
Acquisition and construction of capital assets	(1,102,112)	-	(559,176)	(1,661,288)
Net cash provided (used) for capital and related financing activities	(541,782)	54,461	(140,990)	(628,311)
Cash flows from investing activities:				
Investment earnings (loss)	(5,779)	2,104	69,680	66,005
Net cash provided (used) by investing activities	(5,779)	2,104	69,680	66,005
Net increase in cash and cash equivalents	554,041	29,257	825,917	1,409,215
Cash and cash equivalents at beginning of year	5,060	25,207	952,419	982,686
Cash and cash equivalents at end of year	$ 559,101	$ 54,464	$ 1,778,336	$ 2,391,901
Cash and cash equivalents classified as:				
Cash and cash equivalents	$ 559,101	$ 54,464	$ 1,778,336	$ 2,391,901

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Storm Water	Marina	Golf Course	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:				
Operating income (loss)	$ 216,244	$ (19,729)	$ 703,174	$ 899,689
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	319,286	1,354	185,127	505,767
Change in assets and liabilities:				
Increase in accounts receivable - billed (net)	(13,843)	(1,583)	-	(15,426)
Decrease in due from other governments	817,588	-	-	817,588
Increase in inventories	-	-	(2,730)	(2,730)
Increase in prepaid items	(29,205)	(2,742)	(15,771)	(47,718)
Decrease in deferred outflow-OPEB	928	-	441	1,369
(Decrease) increase in accounts and contracts payable	(33,976)	(4,882)	4,748	(34,110)
Increase in accrued liabilities	1,109	217	3,035	4,361
Increase in unearned revenue	-	-	9,427	9,427
Increase (decrease) in total OPEB liability	3,283	-	(308)	2,975
Increase (decrease) in compensated absences	(10,525)	57	9,918	(550)
Increase in deferred inflow-OPEB	2,580	-	166	2,746
Total adjustments	1,057,225	(7,579)	194,053	1,243,699
Net cash provided (used) by operating activities	$ 1,273,469	$ (27,308)	$ 897,227	$ 2,143,388

Internal Service Funds

Internal Service Funds are established to finance and account for goods and services provided by a designated department to other departments within the City on a cost-reimbursement basis. Revenue in these funds is derived from charges to other City funds for services rendered.

Vehicle Maintenance Fund - This fund is used to account for the repairs and maintenance of all vehicles and heavy equipment owned by the City.

Risk Management Fund - This fund is used to account for the administration of the City's self-insurance activities.

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CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2025

	Governmental Activities Internal Service Funds		
	Vehicle Maintenance	Risk Management	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 121,312	$ 450,823	$ 572,135
Prepaid items	5,290	-	5,290
Inventories	62,105	-	62,105
Total Current Assets	188,707	450,823	639,530
Non-Current Assets:			
Capital Assets:			
Buildings and improvements	44,756	-	44,756
Improvements other than buildings	644,218	190,024	834,242
Machinery and equipment	155,988	37,774	193,762
Accumulated depreciation	(474,453)	(134,197)	(608,650)
Total Non-Current Assets	370,509	93,601	464,110
Total Assets	559,216	544,424	1,103,640
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to OPEB	1,438	-	1,438
Total Deferred Outflows of Resources	1,438	-	1,438
LIABILITIES			
Current Liabilities:			
Accounts payable	66,925	5,724	72,649
Accrued liabilities	6,968	-	6,968
Unearned revenue	-	16,664	16,664
Claims payable	-	14,000	14,000
Compensated absences	1,732	-	1,732
Total Current Liabilities	75,625	36,388	112,013
Non-Current Liabilities:			
Claims payable	-	123,641	123,641
Total OPEB liability	6,375	-	6,375
Compensated absences	32,904	-	32,904
Total Non-Current Liabilities	39,279	123,641	162,920
Total Liabilities	114,904	160,029	274,933
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to OPEB	2,505	-	2,505
Total Deferred Inflows of Resources	2,505	-	2,505
NET POSITION			
Investment in capital assets	370,509	93,601	464,110
Unrestricted	72,736	290,794	363,530
Total Net Position	$ 443,245	$ 384,395	$ 827,640

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Governmental Activities Internal Service Funds		
	Vehicle Maintenance	Risk Management	Total
Operating Revenues:			
Billings to departments	$ 2,069,389	$ 1,439,583	$ 3,508,972
Total Operating Revenues	2,069,389	1,439,583	3,508,972
Operating Expenses:			
Personnel services	486,657	-	486,657
Contractual services	16,368	66,048	82,416
Supplies	501,593	1,356	502,949
Repairs and maintenance	1,013,452	-	1,013,452
Utilities	955	-	955
Insurance	-	1,550,060	1,550,060
Depreciation	50,510	10,614	61,124
Total Operating Expenses	2,069,535	1,628,078	3,697,613
Operating Loss	(146)	(188,495)	(188,641)
Non-Operating Revenues:			
Investment income	118	18,083	18,201
Net change in fair value of investments	-	7,913	7,913
Total Non-Operating Revenues	118	25,996	26,114
Change in Net Position	(28)	(162,499)	(162,527)
Net Position - Beginning of Year	443,273	546,894	990,167
Net Position - End of Year	$ 443,245	$ 384,395	$ 827,640

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Vehicle Maintenance	Risk Management	Total
Cash flows from operating activities:			
Cash received from other funds	$ 2,069,389	$ 1,456,496	$ 3,525,885
Cash payments to suppliers	(1,562,906)	(1,742,008)	(3,304,914)
Cash payments to employees	(485,139)	-	(485,139)
Net cash provided (used) by operating activities	21,344	(285,512)	(264,168)
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(76,008)	(12,452)	(88,460)
Net cash used by capital and related financing activities	(76,008)	(12,452)	(88,460)
Cash flows from investing activities:			
Interest on investments	118	18,083	18,201
Proceeds of investment sales and maturities	-	500,000	500,000
Net cash provided by investing activities	118	518,083	518,201
Net increase (decrease) in cash and cash equivalents	(54,546)	220,119	165,573
Cash and cash equivalents at beginning of year	175,858	230,704	406,562
Cash and cash equivalents at end of year	$ 121,312	$ 450,823	$ 572,135
Cash and cash equivalents classified as:			
Cash and cash equivalents	$ 121,312	$ 450,823	$ 572,135
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Operating loss	$ (146)	$ (188,495)	$ (188,641)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation expense	50,510	10,614	61,124
Change in assets and liabilities:			
Decrease in accounts receivable-billed (net)	-	249	249
Increase in inventories	(19,187)	-	(19,187)
Increase in prepaid items	(5,290)	-	(5,290)
Decrease in deferred outflow-OPEB	1,934	-	1,934
Decrease in accounts and contracts payable	(6,061)	(97,254)	(103,315)
Decrease in accrued liabilities	(1,829)	-	(1,829)
Decrease in claims payable	-	(27,290)	(27,290)
Increase in unearned revenue	-	16,664	16,664
Decrease in total OPEB liability	(5,274)	-	(5,274)
Increase in compensated absences	8,184	-	8,184
Decrease in deferred inflow-OPEB	(1,497)	-	(1,497)
Total adjustments	21,490	(97,017)	(75,527)
Net cash provided (used) by operating activities	$ 21,344	$ (285,512)	$ (264,168)

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Fiduciary Funds

Fiduciary Funds are used to account for resources that are managed in a trustee capacity or as an agent for other parties.

Police Officers Pension - This fund is used to account for a defined benefit pension plan for City police officers.

Firefighters Pension - This fund is used to account for a defined benefit pension plan for City firefighters.

General Employees Pension - This fund is used to account for a defined contribution pension plan for all City employees other than police officers and firefighters.

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CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2025

	Employee Retirement Funds			
	Defined Benefit		Defined Contribution Plans	
	Police Officers Pension	Firefighters Pension	General Employees Pensions	Total
Assets				
Cash and cash equivalents	$ 987,667	$ 1,164,838	$ -	$ 2,152,505
Interest receivable	77,681	71,204	-	148,885
City Contributions	682,662	-	-	682,662
Investments, at fair value:				
U.S. Government Securities	11,897,417	5,374,905	-	17,272,322
Municipals	-	240,455	-	240,455
Equities Common Stock	5,224,970	30,271,426	-	35,496,396
Mutual Funds	20,313,857	2,584,642	21,515,219	44,413,718
Corporate Bonds	878,375	1,304,677	-	2,183,052
Real Estate	-	3,226,730	-	3,226,730
Total Investments	38,314,619	43,002,835	21,515,219	102,832,673
Total Assets	40,062,629	44,238,877	21,515,219	105,816,725
Liabilities				
Accounts payable	7,779	349,145	-	356,924
Total Liabilities	7,779	349,145	-	356,924
Net Position				
Restricted for Pension Benefits	$ 40,054,850	$ 43,889,732	$ 21,515,219	$ 105,459,801

CITY OF TARPON SPRINGS, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Employee Retirement Funds			
	Defined Benefit		Defined Contribution Plans	
	Police Officers Pension	Firefighters Pension	General Employees Pensions	Total
Additions:				
Contributions:				
Employer	$ 1,562,616	$ 655,417	$ 1,342,846	$ 3,560,879
Plan members	426,468	347,743	-	774,211
State of Florida	449,780	409,360	-	859,140
Total Contributions	2,438,864	1,412,520	1,342,846	5,194,230
Investment Income:				
Net increase in fair value of investments (realized and unrealized)	1,602,685	4,924,701	1,462,764	7,990,150
Interest and Dividends	2,126,979	900,668	773,195	3,800,842
	3,729,664	5,825,369	2,235,959	11,790,992
Less Investment Expenses:				
Investment management fees	100,479	171,369	-	271,848
	100,479	171,369	-	271,848
Net Investment Income	3,629,185	5,654,000	2,235,959	11,519,144
Total Additions	6,068,049	7,066,520	3,578,805	16,713,374
Deductions:				
Benefits	2,004,513	1,946,409	1,051,982	5,002,904
Lump sum DROP distributions	619,618	349,145	-	968,763
Refunds of contributions	32,885	9,525	-	42,410
Administrative expense	84,727	92,692	61,300	238,719
Total Deductions	2,741,743	2,397,771	1,113,282	6,252,796
Change in Net Position	3,326,306	4,668,749	2,465,523	10,460,578
Net Position - Beginning of Year	36,728,544	39,220,983	19,049,696	94,999,223
Net Position - End of Year	$ 40,054,850	$ 43,889,732	$ 21,515,219	$ 105,459,801

City of Tarpon Springs, Florida
Fire & EMS Service Programs
Supplementary Information

Pursuant to agreements between the City of Tarpon Springs, the Pinellas County Fire Authority and the Pinellas County Emergency Medical Services Authority, the City has provided fire and emergency medical services to the respective authorities. With respect to fire services, the services are provided for the benefit of properties located outside the corporate limits of the City, but within a designated service area. Emergency medical services are provided for the benefit of persons residing both inside and outside the corporate limits of the City, based on the Authority's nearest unit dispatch policy.

In accordance with Pinellas County EMS Authority's Resolution 09-38 and Section 706 of the 2009 ALS First Responder Agreement, funds provided by the EMS Authority must be used solely for EMS Allowable Costs. Any unspent balance at the conclusion of a fiscal year must be accounted for and returned to the EMS Authority. The return of any such funds will be accomplished through a reduction to the current year funding from the EMS Authority to the Contractor for the ALS Responder Services.

In accordance with Pinellas County Home Rule Charter and Chapter 62, Article II of the Pinellas County Code and the Fire Services Agreement, funds provided by Pinellas County to the Contractor can only be used in support of fire-related activities. Therefore, a proportional share of any unspent balance at the conclusion of a fiscal year is to be returned to Pinellas County where these funds will be retained in a discrete special revenue fund for the Fire District. The return of these funds will be accomplished through a reduction to the current year support funding from Pinellas County to the Contractor.

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CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
EMERGENCY MEDICAL SERVICES DISTRICT FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

General Fund	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
EMS District Funds	$ 2,519,294	$ 2,540,141	$ 20,847
Total Revenue	2,519,294	2,540,141	20,847
Expenditures:			
Salaries and Benefits	2,268,317	2,318,888	(50,571)
Operating Expenditures	250,977	386,044	(135,067)
Total Expenditures	2,519,294	2,704,932	(185,638)
Deficiency of Revenues Under Expenditures	$ -	$ (164,791)	$ (164,791)

Capital Project Fund	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
EMS District Funds	$ 291,360	$ 292,060	$ 700
Total Revenue	291,360	292,060	700
Expenditures:			
Capital Outlay	291,360	291,360	-
Total Expenditures	291,360	291,360	-
Excess of Revenues Over Expenditures	$ -	$ 700	$ 700

1	EMS Funding fiscal year 2024-2025 Received by Contractor	$ 2,832,201
2	EMS Allowable Costs Incurred by Contractor	2,996,292
3	Difference (If Excess Revenues) Due to Pinellas County	$ (164,091)

CITY OF TARPON SPRINGS, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FIRE DISTRICT FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

General Fund	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Municipality - City of Tarpon Springs (1)	$ 5,262,659	$ 4,961,169	$ (301,490)
SAFER Grant	301,440	290,445	(10,995)
Tarpon Springs Fire District Funds	489,638	527,299	37,661
Total Revenues	6,053,737	5,778,913	(274,824)
Expenditures:			
Salaries and Benefits	4,510,794	4,435,502	75,292
Operating Expenditures	1,434,529	1,279,414	155,115
Capital Outlay	108,414	63,997	44,417
Non-Operating	-	-	-
Total Expenditures	6,053,737	5,778,913	274,824
Excess of Revenues Over Expenditures	$ -	$ -	$ -

Special Revenue Fund - Fire Impacts	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Fire Impact Fees	$ 49,238	$ 205,665	$ 156,427
Interest	530	8,600	8,070
Total Revenues	49,768	214,265	164,497
Expenditures:			
Capital Outlay	49,768	-	49,768
Total Expenditures	49,768	-	49,768
Excess of Revenues Over Expenditures	$ -	$ 214,265	$ 214,265

Capital Project Fund	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Municipality - City of Tarpon Springs (1)	$ 6,063,651	$ 2,534,633	$ (3,529,018)
Tarpon Springs Fire District Funds	640,504	5,325	(635,179)
Total Revenues	6,704,155	2,539,958	(4,164,197)
Expenditures:			
Capital Outlay	6,704,155	2,539,958	4,164,197
Total Expenditures	6,704,155	2,539,958	4,164,197
Excess of Revenues Over Expenditures	$ -	$ -	$ -

Grand Total	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Total Revenues	$ 12,807,660	$ 8,533,136	$ (4,274,524)
Total Expenditures	12,807,660	8,318,871	4,488,789
Excess of Revenues Over Expenditures	$ -	$ 214,265	$ 214,265

(1) Expenditures not covered through Fire District funds are provided by the City.

1	Total Expenditures by Contractor	$ 8,318,871
2	Less: Other Revenues Received by Contractor	-
3	Total Outlay by Contractor	8,318,871
4	Pinellas County Percentage of District	9.27%
5	Total Pinellas County Share (3 times 4)	771,159
6	Pinellas County Paid to Contractor	
	Fire District Funding FY 2025	527,299
	Total Pinellas County Paid to Contractor	527,299
7	Total Due to Pinellas County (6 less 5), if negative none due	$ (243,860)

STATISTICAL SECTION

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operating Information

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City of Tarpon Springs, Florida
Statistical Section
List of Schedules

This part of the City of Tarpon Springs annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

	Fiscal Year			
	2016	**2017**	**2018**	
Governmental activities:				
Net investment in capital assets	$ 49,600,615	$ 51,456,378	$ 52,391,186	
Restricted	10,994,276	9,695,502	9,251,886	
Unrestricted	11,689,973	10,093,903	8,132,199	A
Total governmental activities net position	$ 72,284,864	$ 71,245,783	$ 69,775,271	
Business-type activities:				
Net investment in capital assets	$ 59,405,819	$ 59,032,457	$ 61,644,818	
Restricted	5,033,042	5,402,860	6,256,233	
Unrestricted	10,560,522	11,965,743	9,644,107	B
Total business-type activities net position	$ 74,999,383	$ 76,401,060	$ 77,545,158	
Primary government:				
Net investment in capital assets	$ 109,006,434	$ 110,488,835	$ 114,036,004	
Restricted	16,027,318	15,098,362	15,508,119	
Unrestricted	22,250,495	22,059,646	17,776,306	
Total primary government net position	$ 147,284,247	$ 147,646,843	$ 147,320,429	

A) GASB 75 OPEB implementation major source of decrease.
B) Hurricane Irma debris removal majority of decrease + GASB 75 OPEB implementation.
C) Decrease due to increase in capital project expenditures in Local Option Sales Tax Fund.
D) Decrease due to increase in Police and Fire Pension Liability.
E) Increase due to reimbursement for Hurricane Irma debris removal.
F) Increase due to expenditure on ARPA projects.

Fiscal Year								
2019		2020	2021	2022	2023	2024	2025
$ 53,407,457		$ 53,925,231	$ 53,188,924	$ 52,011,729	$ 54,458,119	$ 62,484,447	$ 69,664,850
8,242,401	C	6,732,428	8,755,728	9,410,047	11,763,071	13,116,444	10,734,227
7,165,730	D	8,164,941	9,269,463	7,505,051	4,568,482	5,666,243	5,905,873
$ 68,815,588		$ 68,822,600	$ 71,214,115	$ 68,926,827	$ 70,789,672	$ 81,267,134	$ 86,304,950
$ 62,955,086		$ 64,055,253	$ 64,616,646	$ 67,632,821	$ 70,544,832	$ 75,446,365	$ 76,261,589
6,420,497		5,687,790	6,105,855	6,477,302	6,748,059	6,503,362	6,641,754
11,412,142	E	12,495,282	14,330,131	11,376,314	10,075,252	8,747,388	2,461,579
$ 80,787,725		$ 82,238,325	$ 85,052,632	$ 85,486,437	$ 87,368,143	$ 90,697,115	$ 85,364,922
$ 116,362,543		$ 117,980,484	$ 117,805,570	$ 119,644,550	$ 125,002,951	$ 137,930,812	$ 145,926,439
14,662,898		12,420,218	14,861,583	15,887,349	18,511,130	19,619,806	17,375,981
18,577,872		20,660,223	23,599,594	18,881,365	14,643,734	14,413,631	8,367,452
$ 149,603,313		$ 151,060,925	$ 156,266,747	$ 154,413,264	$ 158,157,815	$ 171,964,249	$ 171,669,872

City of Tarpon Springs, Florida
Schedule 2
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year					Fiscal Year				
	2016	**2017**	**2018****	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Expenses										
Governmental activities:										
General government	$ 3,432,723	$ 3,700,268	$ 4,132,160	$ 4,433,507	$ 5,070,370	$ 4,801,604	$ 5,830,147	$ 5,868,292	$ 7,569,700	$ 7,037,429
Public safety	14,852,516	14,815,058	16,234,276	17,366,747	17,332,285	15,769,750	20,208,566	21,787,936	21,287,785	22,110,239
Physical environment	1,140,607	1,203,122	1,249,625	1,405,668	1,454,120	1,630,085	1,668,862	1,851,130	2,001,661	2,389,954
Transportation	2,313,101	2,352,119	2,391,884	2,496,389	2,570,621	2,596,468	2,596,111	2,783,840	2,957,189	3,181,055
Economic environment	531,483	582,470	619,513	493,953	530,288	562,146	667,111	706,423	591,748	852,572
Culture/recreation	4,239,363	4,502,297	4,650,379	4,607,221	4,581,598	4,549,677	4,903,586	5,309,190	5,798,308	6,310,486
Interest on long-term debt	-	-	-	-	45,378	22,194	62,440	89,084	68,234	11,509
Total governmental activities expenses	26,509,793	27,155,334	29,277,837	30,803,485	31,584,660	29,931,924	35,936,823	38,395,895	40,274,625	41,893,244
Business-type activities:										
Water/Sewer	12,912,634	13,765,541	13,781,438	14,398,298	15,150,903	15,728,538	16,886,955	18,423,572	19,235,042	21,194,143
Sanitation	4,335,007	4,748,340	6,147,368	4,955,865	5,373,320	5,496,705	6,313,399	7,696,310	7,645,240	16,053,147
Storm Water	1,057,100	1,322,226	1,395,324	1,362,896	1,356,409	1,549,181	1,691,095	1,726,722	1,882,361	1,988,857
Golf Course	1,369,316	1,233,795	1,269,051	1,414,414	1,291,991	1,330,592	1,541,882	1,517,899	1,581,424	1,794,817
Marina	113,616	113,877	117,932	123,057	130,439	143,807	126,952	135,133	159,492	153,027
Total business-type activities expenses	19,787,673	21,183,779	22,711,113	22,254,530	23,303,062	24,248,823	26,560,283	29,499,636	30,503,559	41,183,991
Total primary government expenses	$ 46,297,466	$ 48,339,113	$ 51,988,950	$ 53,058,015	$ 54,887,722	$ 54,180,747	$ 62,497,106	$ 67,895,531	$ 70,778,184	$ 83,077,235
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 699,323	$ 727,516	$ 723,489	$ 654,759	$ 690,067	$ 690,081	$ 446,829	$ 522,474	$ 504,714	$ 422,425
Public safety	2,797,387	2,814,847	3,134,010	3,021,853	3,135,880	3,519,389	3,530,207	3,592,451	4,090,068	5,224,115
Physical environment	169,791	186,427	175,490	184,854	307,390	239,715	227,350	245,397	154,393	71,429
Transportation	-	-	-	20	-	-	20	-	-	-
Culture/recreation	330,104	463,927	591,274	494,045	162,003	181,429	356,409	402,111	392,531	443,711
Operating grants and contributions	606,237	701,467	1,207,794	916,476	916,385	1,122,397	808,278	974,435	1,404,332	1,194,430
Capital grants and contributions	774,297	306,924	690,902	381,656	1,137,225	438,118	861,467	2,049,736	9,633,741	3,232,383
Total governmental activities program revenues	5,377,139	5,201,108	6,522,959	5,653,663	6,348,950	6,191,129	6,230,560	7,786,604	16,179,779	10,588,493
Business-type activities:										
Charges for services:										
Water/Sewer	14,559,195	15,487,892	16,075,934	16,573,432	17,289,453	18,122,919	18,090,781	18,693,708	19,950,767	20,796,867
Sanitation	4,707,377	4,998,115	5,050,222	5,216,017	5,513,192	6,020,546	6,778,607	7,961,666	7,847,055	8,038,728
Storm Water	1,306,718	1,334,347	1,426,445	1,614,987	1,667,423	1,747,570	1,838,028	3,019,923	2,076,229	2,200,931
Golf Course	1,361,752	1,293,925	1,295,983	1,291,048	1,174,130	1,632,985	2,107,327	2,289,838	2,341,385	2,481,307
Marina	74,064	78,181	81,315	53,003	116,293	128,511	151,928	133,867	136,655	133,298
Operating grants and contributions	-	10,093	166,126	1,257,474	178,506	101,482	31,722	99,238	237,946	-
Capital grants and contributions	2,055,112	482,469	1,035,670	557,077	399,718	1,245,982	446,605	333,263	2,483,311	4,108,781
Total business-type activities program revenues	24,064,218	23,685,022	25,131,695	26,563,038	26,338,715	28,999,995	29,444,998	32,531,503	35,073,348	37,759,912
Total primary government program revenues	$ 29,441,357	$ 28,886,130	$ 31,654,654	$ 32,216,701	$ 32,687,665	$ 35,191,124	$ 35,675,558	$ 40,318,107	$ 51,253,127	$ 48,348,405

City of Tarpon Springs, Florida
Schedule 2 *(Continued)*
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year 2016	2017	2018**	2019	2020	Fiscal Year 2021	2022	2023	2024	2025
Net (Expense)/Revenue										
Governmental activities	$ (21,132,654)	$ (21,954,226)	$ (22,754,878)	$ (25,149,822)	$ (25,235,710)	$ (23,740,795)	$ (29,706,263)	$ (30,609,291)	$ (24,094,846)	$ (31,304,751)
Business-type activities	4,276,545	2,501,243	2,420,582	4,308,508	3,035,653	4,751,172	2,884,715	3,031,867	4,569,789	(3,424,079)
Total primary government net expense	$ (16,856,109)	$ (19,452,983)	$ (20,334,296)	$ (20,841,314)	$ (22,200,057)	$ (18,989,623)	$ (26,821,548)	$ (27,577,424)	$ (19,525,057)	$ (34,728,830)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property	$ 7,828,030	$ 8,286,893	$ 8,903,816	$ 9,437,667	$ 9,955,730	$ 10,563,392	$ 11,303,671	$ 12,888,797	$ 14,388,608	$ 15,662,184
Property - TIF	165,527	185,586	203,895	238,881	244,654	276,100	311,256	357,509	418,249	460,321
Utility	2,896,032	2,963,184	3,045,339	3,246,311	3,425,760	3,509,721	3,663,352	3,950,606	3,960,570	4,372,353
Communication service	940,076	919,582	937,774	884,958	887,536	883,221	920,758	971,830	957,290	990,336
Half-cent sales	1,522,938	1,542,364	1,599,644	1,661,161	1,581,655	1,851,893	2,097,683	2,141,230	2,084,763	2,059,080
Local option gas	321,439	324,217	333,801	339,385	305,692	318,785	323,104	327,212	319,715	315,860
Local option sales	2,250,231	2,313,011	2,450,847	2,578,452	2,618,770	3,134,052	3,635,922	3,699,497	3,697,705	3,777,545
Local business (A)	161,569	160,636	141,876	151,605	138,677	147,305	110,952	122,267	104,679	110,910
Other	59,348	63,893	61,185	60,389	62,846	63,848	71,620	67,406	67,872	-
Franchise fees (A)	1,666,479	1,649,933	1,768,138	1,887,605	1,820,718	2,007,395	2,126,775	2,473,730	2,321,987	2,516,951
State revenue sharing	787,803	834,871	863,397	903,617	836,459	980,405	1,232,188	1,264,001	1,213,674	1,225,640
Investment income	269,278	207,753	208,846	768,522	432,880	40,194	(834,461)	1,953,838	2,657,130	1,947,532
Miscellaneous	284,976	209,878	344,919	319,833	1,027,184	336,612	309,504	357,267	239,800	346,262
Transfers	1,055,277	1,253,344	1,416,062	1,711,753	1,904,161	2,019,387	2,146,651	1,896,946	2,140,266	2,557,593
Total governmental activities	20,209,003	20,915,145	22,279,539	24,190,139	25,242,722	26,132,310	27,418,975	32,472,136	34,572,308	36,342,567
Business-type activities:										
Investment income	199,000	153,778	148,401	645,812	319,108	82,522	(304,259)	746,785	899,449	556,557
Miscellaneous	-	-	-	-	-	-	-	-	-	92,922
Transfers	(1,055,277)	(1,253,344)	(1,416,062)	(1,711,753)	(1,904,161)	(2,019,387)	(2,146,651)	(1,896,946)	(2,140,266)	(2,557,593)
Total business-type activities	(856,277)	(1,099,566)	(1,267,661)	(1,065,941)	(1,585,053)	(1,936,865)	(2,450,910)	(1,150,161)	(1,240,817)	(1,908,114)
Total primary government	$ 19,352,726	$ 19,815,579	$ 21,011,878	$ 23,124,198	$ 23,657,669	$ 24,195,445	$ 24,968,065	$ 31,321,975	$ 33,331,491	$ 34,434,453
Change in Net Position										
Governmental activities	$ (923,651)	$ (1,039,081)	$ (475,339)	$ (959,683)	$ 7,012	$ 2,391,515	$ (2,287,288)	$ 1,862,845	$ 10,477,462	$ 5,037,816
Business-type activities	3,420,268	1,401,677	1,152,921	3,242,567	1,450,600	2,814,307	433,805	1,881,706	3,328,972	(5,332,193)
Total primary government	$ 2,496,617	$ 362,596	$ 677,582	$ 2,282,884	$ 1,457,612	$ 5,205,822	$ (1,853,483)	$ 3,744,551	$ 13,806,434	$ (294,377)

** GASB 75 was implemented in fiscal year 2018.

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

	Fiscal Year		
	2016	**2017**	**2018**
General Fund			
Nonspendable	$ 372,891	$ 379,224	$ 380,997
Restricted	196,191	192,379	244,990
Committed	2,860,248	2,606,310	2,698,797
Assigned	2,493,910	2,058,525	2,018,619
Unassigned	8,820,443	8,562,911	8,834,948
Total general fund	$ 14,743,683	$ 13,799,349	$ 14,178,351
All Other Governmental Funds			
Nonspendable	$ 2,511,158	$ 2,322,086	$ 2,129,503
Restricted	7,445,756	6,419,795	6,196,798
Committed	337,974	340,959	257,795
Unassigned	-	-	-
Total all other governmental funds	$ 10,294,888	$ 9,082,840	$ 8,584,096
Total Fund Balance All Governmental Funds	$ 25,038,571	$ 22,882,189	$ 22,762,447

Fiscal Year						
2019	2020	2021	2022	2023	2024	2025
$ 371,262	$ 206,381	$ 868,023	$ 91,020	$ 176,772	$ 238,301	$ 553,254
302,388	449,355	408,595	240,722	319,821	373,736	390,924
2,467,081	1,409,763	1,670,606	1,562,924	1,392,428	1,250,915	1,294,087
2,661,208	4,094,040	3,402,979	3,820,063	4,240,202	3,741,416	3,313,747
8,819,109	8,577,559	8,772,084	8,668,820	8,717,784	9,158,468	8,806,810
$ 14,621,048	$ 14,737,098	$ 15,122,287	$ 14,383,549	$ 14,847,007	$ 14,762,836	$ 14,358,822
$ 2,002,798	$ -	$ -	$ -	$ -	$ 12,000	$ 1,451
5,370,510	5,992,915	7,445,299	9,075,546	11,244,562	12,449,489	10,342,806
191,051	2,053,732	2,055,147	1,849,036	1,822,208	1,782,998	1,470,975
-	-	-	(16,072)	-	-	-
$ 7,564,359	$ 8,046,647	$ 9,500,446	$ 10,908,510	$ 13,066,770	$ 14,244,487	$ 11,815,232
$ 22,185,407	$ 22,783,745	$ 24,622,733	$ 25,292,059	$ 27,913,777	$ 29,007,323	$ 26,174,054

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

	Fiscal Year		
	2016	**2017**	**2018**
Revenues			
Taxes	$ 14,397,377	$ 14,967,524	$ 15,813,454
Licenses, permits and fees	2,433,841	2,378,297	3,094,150
Intergovernmental	3,469,094	3,201,918	3,703,583
Charges for services	2,662,086	3,091,045	3,125,487
Fines and forfeitures	249,628	86,240	265,358
Other	1,328,446	1,120,535	1,361,333
Total Revenues	24,540,472	24,845,559	27,363,365
Expenditures			
General government	3,009,776	3,204,654	3,495,939
Public safety	12,997,966	12,981,317	13,924,148
Physical environment	972,368	1,032,214	1,049,206
Transportation	1,056,737	1,035,593	1,104,129
Economic environment	320,472	388,246	425,271
Culture and recreation	3,649,825	3,881,670	3,959,979
Capital outlay	4,861,649	5,731,591	4,940,497
Debt service			
Interest	-	-	-
Principal	-	-	-
Total expenditures	26,868,793	28,255,285	28,899,169
Excess of revenues over (under) expenditures	(2,328,321)	(3,409,726)	(1,535,804)
Other Financing Sources (Uses)			
Land sale	-	-	-
Issuance of debt	-	-	-
Transfers in	1,644,613	1,699,548	1,978,184
Transfers out	(563,636)	(446,204)	(562,122)
Total other financing sources (uses)	1,080,977	1,253,344	1,416,062
Net change in fund balances	$ (1,247,344)	$ (2,156,382)	$ (119,742)
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%

Fiscal Year						
2019	2020	2021	2022	2023	2024	2025
$ 16,638,380	$ 17,332,165	$ 18,556,477	$ 19,957,760	$ 21,960,209	$ 23,428,567	$ 25,229,188
2,529,193	3,010,676	3,047,913	2,961,788	3,434,034	3,108,907	4,272,155
3,748,511	3,931,414	4,290,143	4,905,001	6,408,859	14,459,619	6,982,699
3,127,683	2,932,150	3,043,912	3,474,879	3,646,118	3,958,015	4,953,119
211,963	167,947	310,282	215,973	75,570	171,245	145,598
1,755,721	2,338,589	1,144,079	27,550	2,801,014	3,439,533	2,790,708
28,011,451	29,712,941	30,392,806	31,542,951	38,325,804	48,565,886	44,373,467
3,818,917	4,480,622	4,248,303	4,960,414	6,417,791	6,700,479	5,872,064
14,678,798	15,153,117	15,712,363	16,766,467	17,646,811	20,241,129	21,742,824
1,202,198	1,264,676	1,449,964	1,449,058	1,654,285	1,783,837	2,116,121
1,211,594	1,241,641	1,258,061	1,237,530	1,427,562	1,469,239	1,623,665
302,268	338,645	373,348	646,990	475,107	361,331	625,278
3,913,130	3,883,959	3,851,729	4,139,924	4,662,024	5,043,145	5,512,606
5,173,339	5,511,297	3,439,838	4,107,529	5,901,227	13,913,681	16,247,436
-	38,928	22,857	63,777	85,168	73,101	695,000
-	200,671	216,742	461,943	585,595	926,558	629,335
30,300,244	32,113,556	30,573,205	33,833,632	38,855,570	50,512,500	55,064,329
(2,288,793)	(2,400,615)	(180,399)	(2,290,681)	(529,766)	(1,946,614)	(10,690,862)
-	-	-	-	-	-	-
-	1,094,792	-	1,053,356	1,254,538	899,894	5,300,000
2,277,599	2,732,739	2,369,387	2,629,499	2,346,946	2,640,266	3,277,593
(565,846)	(828,578)	(350,000)	(722,848)	(450,000)	(500,000)	(720,000)
1,711,753	2,998,953	2,019,387	2,960,007	3,151,484	3,040,160	7,857,593
$ (577,040)	$ 598,338	$ 1,838,988	$ 669,326	$ 2,621,718	$ 1,093,546	$ (2,833,269)
0.0%	0.9%	0.9%	1.8%	2.0%	2.7%	3.4%

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

Fiscal Year	Property	Franchise	Utility	Communication Service	Local Business Tax	Sales and Use Tax	Total
2016	$ 7,828,030	$ 1,666,479	$ 2,896,032	$ 940,076	$ 161,569	$ 2,571,670	$ 16,063,856
2017	8,286,893	1,649,933	2,963,184	919,582	160,636	2,637,228	16,617,456
2018	8,903,816	1,768,138	3,045,340	937,774	141,876	2,784,648	17,581,592
2019	9,437,668	1,887,605	3,246,311	884,958	151,605	2,917,838	18,525,985
2020	9,955,730	1,820,718	3,425,760	887,536	138,677	2,924,462	19,152,883
2021	10,563,392	2,007,395	3,509,721	883,221	147,306	3,452,837	20,563,872
2022	11,303,671	2,126,776	3,663,352	920,759	110,953	3,959,026	22,084,537
2023	12,888,798	2,473,730	3,950,606	971,830	122,268	4,026,709	24,433,941
2024	14,388,608	2,321,987	3,960,570	957,290	104,679	4,017,420	25,750,554
2025	15,662,184	2,516,951	4,372,353	990,336	110,910	4,093,405	27,746,139
Change 2016 - 2025	83.8%	39.3%	36.8%	1.8%	-35.2%	56.2%	60.3%

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

Fiscal Year Ended Sept. 30	Real Property						
	Residential Property	Commercial Property	Industrial Property	Other Property (A)	Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value
2016	$ 1,409,731,510	$ 293,863,605	$ 56,052,196	$ 224,926,078	$ 1,984,573,389	$ 569,565,707	$ 1,415,007,682
2017	1,485,135,800	314,812,488	57,047,971	228,200,974	2,085,197,233	576,890,857	1,508,306,376
2018	1,583,455,376	330,947,135	61,756,957	235,291,885	2,211,451,353	592,890,424	1,618,560,929
2019	1,705,299,840	340,710,083	62,398,617	244,149,350	2,352,557,890	627,063,266	1,725,494,624
2020	1,808,208,315	356,125,176	64,716,512	262,127,787	2,491,177,790	654,131,128	1,837,046,662
2021	1,922,904,259	374,454,907	69,653,422	274,687,945	2,641,700,533	687,733,101	1,953,967,432
2022	2,069,830,502	378,635,092	85,197,579	297,871,235	2,831,534,408	732,615,591	2,098,918,817
2023	2,350,570,695	414,308,967	96,277,338	325,500,950	3,186,657,950	785,007,962	2,401,649,988
2024	2,600,852,209	448,474,697	109,721,036	353,217,426	3,512,265,368	842,044,085	2,670,221,283
2025	2,826,762,371	471,314,254	125,226,332	370,252,342	3,793,555,299	876,541,199	2,917,014,100
Change 2016 - 2025	101%	60%	123%	65%	91%	54%	106%

Source: Pinellas County Property Appraiser.

(A) Other Property includes Institutional, Cooperatives, Agricultural, Governmental, Leasehold Interests and Miscellaneous.

Recent Property Tax Legislation:
Maximum Millage Rate - FY 2008, Tax Year 2007 the State of Florida passed legislation requiring;
Majority vote maximum millage rate of roll-back rate plus adjustment for Florida Personal Income (FPI)
Two/thirds vote maximum millage rate of majority vote maximum times 110%
Unanimous vote for millage rates above 110% of the two/thirds maximum millage rate

Amendment One - FY 2009, Tax Year 2008 the State of Florida passed legislation with the following four parts:
Additional $25,000 Homestead Exemption - If you have Homestead Exemption it will be applied on the assessed value between $50,000 and $75,000. It does not apply to school taxes.
Portability - Homestead property owners are able to transfer their Save Our Homes (SOH) benefit (up to $500,000) to a new homestead within two years of giving up their previous homestead.
Tangible Personal Property Exemption - A $25,000 exemption is provided for each tangible personal property return.
Assessment Cap for Non-Homestead Property - Non-homestead property will have a 10% assessment cap (similar to SOH). This does not apply to school taxes.

Personal Property			Total Real and Personal Property			Total	Tax-Exempt
Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Assessed Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Direct Tax Rate	as a Percentage of Total Assessed
$ 80,383,933	$ 13,191,947	$ 67,191,986	$ 2,064,957,322	$ 582,757,654	$ 1,482,199,668	5.4500	28.22%
84,954,573	16,159,495	68,795,078	2,170,151,806	593,050,352	1,577,101,454	5.4200	27.33%
96,244,755	16,588,585	79,656,170	2,307,696,108	609,479,009	1,698,217,099	5.4200	26.41%
94,094,896	16,442,010	77,652,886	2,446,652,786	643,505,276	1,803,147,510	5.4200	26.30%
96,215,696	16,608,703	79,606,993	2,587,393,486	670,739,831	1,916,653,655	5.3700	25.92%
96,470,155	16,088,548	80,381,607	2,738,170,688	703,821,649	2,034,349,039	5.3700	25.70%
97,609,465	15,831,085	81,778,380	2,929,143,873	748,446,676	2,180,697,197	5.3700	25.55%
99,987,715	16,496,374	83,491,341	3,286,645,665	801,504,336	2,485,141,329	5.3700	24.39%
120,442,315	16,610,687	103,831,628	3,632,707,683	858,654,772	2,774,052,911	5.3700	23.64%
124,818,596	16,751,082	108,067,514	3,918,373,895	893,292,281	3,025,081,614	5.3700	22.80%
55%	27%	61%	90%	53%	104%	-1%	

City of Tarpon Springs, Florida
Schedule 6 - B
Real and Personal Property Tax Exemptions
Last Ten Fiscal Years

Fiscal Year Ended Sept. 30	Real Property							
	Governmental	Institutional	$25,000 Homestead	Additional $25,000 Homestead (C)	Additional $25,000 (Senior) Homestead (B)	Homestead Assessment Diff (SOH) (E)	Other Exemptions (A)	Total Exemptions
2016	$ 202,633,169	$ 54,045,257	$ 159,306,093	$ 129,832,648	$ 9,588,094	$ -	$ 14,160,446	$ 569,565,707
2017	205,311,962	54,091,982	160,601,356	133,049,364	9,386,780	-	14,449,413	576,890,857
2018	207,757,906	55,309,843	164,782,650	138,802,226	9,456,838	-	16,780,961	592,890,424
2019	218,274,077	64,378,767	169,308,444	145,576,793	9,640,091	-	19,885,094	627,063,266
2020	227,639,854	70,381,166	172,464,113	150,915,099	9,576,296	-	23,154,600	654,131,128
2021	241,917,451	78,003,549	175,911,141	156,290,979	9,651,896	-	25,958,085	687,733,101
2022	266,801,983	87,026,581	177,631,367	159,232,150	10,175,824	-	31,747,686	732,615,591
2023	291,501,230	104,308,001	179,360,908	163,360,269	10,677,176	-	35,800,378	785,007,962
2024	317,717,398	119,437,301	180,645,013	167,020,770	10,934,951	-	46,288,652	842,044,085
2025	336,874,451	118,325,250	182,301,071	170,168,996	11,530,138	-	57,341,293	876,541,199

Source: Pinellas County Property Appraiser.

(A) Other Exemptions includes Widow/Widowers, Disability/Blind and Disabled Veterans/Deployed Service Homestead exemption.
(B) The City approved an additional $25,000 Senior exemption for residents that qualify.
(C) Additional $25,000 homestead exemption as mentioned below.
(D) Tangible Personal Property Tax exemption as mentioned below.
(E) Florida Statutes, 193.155 , provides for an annual cap on assessment increases for "Homestead properties" (for properties that qualify). The cap is the lower of 3% of the assessed value of the property or the percentage change in the Consumer Price Index for All Urban Consumers (CPI).

Recent Property Tax Legislation:

Maximum Millage Rate - FY 2008, Tax Year 2007 the State of Florida passed legislation requiring;
- Majority vote maximum millage rate of roll-back rate plus adjustment for Florida Personal Income (FPI)
- Two/thirds vote maximum millage rate of majority vote maximum times 110%
- Unanimous vote for millage rates above 110% of the two/thirds maximum millage rate

Amendment One - FY 2009, Tax Year 2008 the State of Florida passed legislation with the following four parts:
- Additional $25,000 Homestead Exemption - If you have Homestead Exemption it will be applied on the assessed value between $50,000 and $75,000. It does not apply to school taxes.
- Portability - Homestead property owners are able to transfer their Save Our Homes (SOH) benefit (up to $500,000) to a new homestead within two years of giving up their previous homestead.
- Tangible Personal Property Exemption - A $25,000 exemption is provided for each tangible personal property return.
- Assessment Cap for Non-Homestead Property - Non-homestead property will have a 10% assessment cap (similar to SOH). This does not apply to school taxes.

Personal Property					
Governmental	Institutional	Tangible Personal Property (D)	Other Exemptions (A)	Total Exemptions	Real & Personal Total Exemptions
$ 352,697	$ 4,049,784	$ 8,770,317	$ 19,149	$ 13,191,947	$ 582,757,654
320,895	6,921,438	8,898,647	18,515	16,159,495	593,050,352
538,798	7,146,147	8,885,562	18,078	16,588,585	609,479,009
490,648	7,107,059	8,826,577	17,726	16,442,010	643,505,276
445,571	7,109,021	9,036,701	17,410	16,608,703	670,739,831
403,876	7,163,908	8,503,703	17,061	16,088,548	703,821,649
370,906	7,139,102	8,304,245	16,832	15,831,085	748,446,676
340,709	7,791,553	8,285,348	78,764	16,496,374	801,504,336
305,500	7,718,302	8,396,444	190,441	16,610,687	858,654,772
264,246	7,680,753	8,630,516	175,567	16,751,082	893,292,281

City of Tarpon Springs, Florida
Schedule 7
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(Rate per $1,000 of Assessed Value)

		Overlapping Rates (D)					
Fiscal Year	City Direct Rate (A)	School	County (B)	Transit District (E)	Emergency Medical Service (E)	Other (C)	Total
2016	5.4500	7.7700	5.3377	.7305	.9158	1.2629	21.4669
2017	5.4200	7.3180	5.3377	.7500	.9158	1.2448	20.9863
2018	5.4200	7.0090	5.3590	.7500	.9158	1.2262	20.6800
2019	5.4200	6.7270	5.3590	.7500	.9158	1.2086	20.3804
2020	5.3700	6.5840	5.3590	.7500	.9158	1.1932	20.1720
2021	5.3700	6.4270	5.3590	.7500	.9158	1.1800	20.0018
2022	5.3700	6.3250	5.2092	.7500	.9158	1.1666	19.7366
2023	5.3700	5.9630	4.8188	.7500	.8775	1.0978	18.8771
2024	5.3700	5.9380	4.8111	.7500	.8418	1.0503	18.7612
2025	5.3700	5.8220	4.6660	.7342	.8050	1.0359	18.4331

(A) The City portion of property taxes is fully committed to operating expenditures.

(B) County includes:

General Fund	4.5947
Health Department	0.0713
	4.6660

(C) Other includes:

Pinellas County Planning Council	0.0200
Juvenile Welfare Board	0.8250
SW Florida Water Mgt. District	0.1909
	1.0359

(D) Overlapping rates are those of local and county governments that apply to property owners within the City of Tarpon Springs.

(E) Emergency Medical Services (EMS) and the Transit District (PSTA) are assessed on Real Property only.

Source: Pinellas County Property Appraiser.

City of Tarpon Springs, Florida
Schedule 8 - A
Principal Real Property Tax Payers, Current Year and Nine Years Ago

Taxpayer	2025 Assessed Value	2025 Rank	2025 Percentage of Total City Taxable Assessed Value (A)	2016 Assessed Value	2016 Rank	2016 Percentage of Total City Taxable Assessed Value (B)
Icaria 236 LLC	$ 43,500,000	1	1.44%	$ -		-
Centro N P Tarpon Mall LLC	23,300,000	2	0.77%	18,000,000	1	1.21%
Sun Valley Venture LLC	19,400,000	3	0.64%	-		-
Meadows Venture LLC	19,100,000	4	0.63%	-		-
Wal-Mart Stores East LP	14,794,376	5	0.49%	6,730,000	7	0.45%
FL Tarpon Square H A LLC	13,390,000	6	0.44%	-		-
Lowes Home Centers LLC	12,004,488	7	0.40%	-		-
Tarpon Springs Storage Owner LLC	11,075,000	8	0.37%	-		-
Storage Trust Group	10,395,000	9	0.34%	5,763,230	9	-
River Site LLC	9,348,829	10	0.31%	6,445,826	8	-
Shamrock Millco-Sun Valley LLC	-		-	13,350,000	2	0.90%
Riverside Partners LTD	-		-	12,665,400	3	0.85%
DDR Tarpon Square LLC	-		-	9,595,000	4	0.65%
CRP/CRE Meadows Owner LLC	-		-	8,950,000	5	0.60%
Turtle Cove Group LLC	-		-	7,014,791	6	0.47%
Lime Street Properties	-		-	5,500,000	10	0.37%
TOTAL	$ 176,307,693		5.83%	$ 94,014,247		6.34%

(A) Percentages are based on the total assessed value of $ 3,025,081,614
(B) Percentages are based on the total assessed value of $ 1,482,199,668

Source: Pinellas County Property Appraiser.

City of Tarpon Springs, Florida
Schedule 8 - B
Principal Personal Property Tax Payers, Current Year and Nine Years Ago

Taxpayer	2025 Assessed Value	2025 Rank	2025 Percentage of Total City Taxable Assessed Value (A)	2016 Assessed Value	2016 Rank	2016 Percentage of Total City Taxable Assessed Value (B)
Duke Energy (Florida Power Corp)	$ 43,003,804	1	1.42%	$ 18,700,133	1	1.26%
Frontier CommunicationsVerizon Florida LLC	9,779,286	2	0.32%	-		-
Herc Rentals Inc 9369	5,136,403	3	0.17%	-		-
Spectrum Sunshine State LLC	4,664,420	4	0.15%	-		-
St Lukes Cataract & Laser Inst. Inc	2,590,200	5	0.09%	2,322,902	6	0.16%
Karl Flammer Ford	2,405,989	6	0.08%	-		-
Lowe's of Tarpon Springs	2,316,499	7	0.08%			0.00%
Wal-Mart Stores East LP	2,134,067	8	0.07%	2,319,285	7	-
Big Dans Car Wash	1,266,863	9	0.04%			0.00%
Radiant Express Car Wash	1,000,000	10	0.03%	-		-
Verizon Florida LLC "C"	-		-	5,995,243	2	0.40%
Barnett Outdoors LLC	-		-	3,416,998	3	0.23%
Bright House Networks LLC	-		-	3,035,700	4	0.20%
Hertz Equip Rental Corp	-		-	2,836,047	5	0.19%
Winn Dixie	-		-	1,545,264	8	0.10%
Magnegas Corporation	-		-	1,400,929	9	0.09%
Seminole Equipment	-		-	1,390,364	10	0.09%
TOTAL	$ 74,297,531		2.46%	$ 42,962,865		2.90%

(A) Percentages are based on the total assessed value of $ 3,025,081,614
(B) Percentages are based on the total assessed value of $ 1,482,199,668

Source: Pinellas County Property Appraiser.

City of Tarpon Springs, Florida
Schedule 9
Property Tax Levies and Collections,
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Collections (B)	Total Collections to Date	
		Amount (A)	Percentage of Levy		Amount	Percentage of Levy
2016	$ 8,077,989	$ 7,798,312	96.54%	$ 25,514	$ 7,823,826	96.85%
2017	8,547,890	8,257,776	96.61%	17,688	8,275,464	96.81%
2018	9,204,337	8,883,785	96.52%	15,264	8,899,049	96.68%
2019	9,773,060	9,425,095	96.44%	18,702	9,443,797	96.63%
2020	10,292,431	9,918,870	96.37%	18,423	9,937,293	96.55%
2021	10,924,456	10,536,547	96.45%	13,324	10,549,871	96.57%
2022	11,724,099	11,292,498	96.32%	11,900	11,304,398	96.42%
2023	13,345,210	12,876,074	96.48%	13,729	12,889,803	96.59%
2024	14,896,665	14,361,452	96.41%	15,919	14,377,371	96.51%
2025	16,244,688	15,638,375	96.27%	15,163	15,653,538	96.36%

(A) These amounts are net of discounts taken.
(B) Delinquent taxes are allocated each Fiscal Year for the applicable Fiscal Year .

Note 1:
Discounts are allowed for early payment: 4% for November, 3% for December, 2% for January, and 1% for February. No discount is allowed for payment in March. Penalties are assessed beginning in April.

Source: Pinellas County Property Appraiser.

City of Tarpon Springs, Florida
Schedule 10
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

	Governmental Activities				Business-Type Activities					
Fiscal Year	Revenue Note	Financed Purchase	Lease Liability	SBITA Liability	Revenue Bonds	Financed Purchase	Lease Liability	Total Primary Government	Percentage of Personal Income (A)	Per Capita (A)
2016	$ -	$ -	$ -	$ -	$ 34,595,836	$ -	$ -	$ 34,595,836	2.94%	1,404
2017	-	-	-	-	33,729,364	-	-	33,729,364	2.73%	1,344
2018	-	-	-	-	32,832,892	-	-	32,832,892	2.55%	1,290
2019	-	-	-	-	31,901,421	-	-	31,901,421	2.34%	1,251
2020	-	894,121	-	-	30,887,972	-	-	31,782,093	2.33%	1,225
2021	-	677,378	-	-	29,891,524	-	-	30,568,902	2.25%	1,205
2022	-	1,146,501	827,690	-	28,875,486	-	129,180	30,978,857	2.06%	1,203
2023	-	750,237	813,586	1,079,311	27,830,128	-	65,596	30,538,858	1.88%	1,185
2024	-	1,078,735	672,566	865,169	26,750,396	-	-	29,366,866	1.64%	1,132
2025	4,953,000	731,735	527,226	644,250	25,646,194	1,129,000	434,870	34,066,275	2.22%	1,302

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

(A) See Schedule 15 for personal income and population data.

City of Tarpon Springs, Florida
Schedule 11
Ratios of General Bonded Debt Outstanding,
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding General Obligation Bonds	Revenue Note	Total	Percentage of Actual Taxable Value of Real Property (A)	Per Capita (B)
2016	$ -	$ -	$ -	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	0.00%	-
2021	-	-	-	0.00%	-
2022	-	-	-	0.00%	-
2023	-	-	-	0.00%	-
2024	-	-	-	0.00%	-
2025	-	4,953,000	4,953,000	0.16%	0

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. The Revenue Note is not General Bonded Debt, it is listed for informational purposes on Governmental Debt outstanding.

(A) See Schedule 6 for property value data.

(B) See Schedule 15 for population data.

City of Tarpon Springs, Florida
Schedule 12
Direct and Overlapping Governmental Activities Debt,
As of September 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (A)	Estimated Share of Overlapping Debt
Pinellas County Bonds/Notes	$ -	2.24%	$ -
Pinellas County Capital Leases	26,586,719	2.24%	595,543
Pinellas County SBITA	3,275,700	2.24%	73,376
Pinellas County School District Certificates of Participation	116,321,197	2.24%	2,605,595
Pinellas County School District Leases	1,636,739	2.24%	36,663
Subtotal, overlapping debt			3,311,176
City direct debt - Finance Purchased, Leases and SBITA	6,855,211	100.00%	6,855,211
Total direct and overlapping debt			$ 10,166,387

A) Applicable net debt percentage is based on ratio of City to County taxable values ($3,025,081,614/$135,231,638,681).

Sources: Assessed value data used to estimate applicable percentages provided by the Pinellas County Property Appraiser. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is bourne by the residents and businesses of Tarpon Springs. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden by the residents and businesses should be taken into account.

City of Tarpon Springs, Florida
Schedule 13
Legal Debt Margin Information,
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2025	
Assessed value (A)	$ 3,025,081,614
Debt limit (100% of total assessed value) (B)	3,025,081,614
Debt applicable to limit (C):	
General obligation bonds	-
Revenue notes	4,953,000
Financed Purchase	731,735
Lease Liability	527,226
SBITA Liability	644,250
Total net debt applicable to limit	6,856,211
Legal debt margin	$ 3,018,225,403

	Fiscal Year					Fiscal Year				
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit (B)	$ 1,482,199,668	$ 1,577,101,454	$ 1,698,217,099	$ 1,803,147,510	$ 1,916,653,655	$ 2,034,349,036	$ 2,180,697,197	$ 2,485,141,329	$ 2,774,052,911	$ 3,025,081,614
Total net debt applicable to limit (C)	-	-	-	-	894,121	677,378	1,146,501	2,643,134	2,616,470	6,856,211
Legal debt margin (B)	$ 1,482,199,668	$ 1,577,101,454	$ 1,698,217,099	$ 1,803,147,510	$ 1,915,759,534	$ 2,033,671,658	$ 2,179,550,696	$ 2,482,498,195	$ 2,771,436,441	$ 3,018,225,403
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.05%	0.03%	0.05%	0.11%	0.09%	0.23%

(A) Assessed value provided by Pinellas County Property Appraiser, and is Total Taxable Assessed Value.
(B) The City of Tarpon Springs has not adopted a legal debt limit; however, the City has traditionally practiced conservative debt issuance.
(C) Includes all general government debt not supported by Enterprise Funds.

City of Tarpon Springs, Florida
Schedule 14
Pledged-Revenue Coverage,
Last Ten Fiscal Years

	Water and Sewer Revenue Bonds						
		Less:	Net				
Fiscal	Gross	Operating	Available	Debt Service			
Year	Revenues (A)	Expenses (B)	Revenue	Principal	Interest	Total	Coverage
2016	$ 14,803,807	$ 8,073,401	$ 6,730,406	$ 820,000	$ 1,223,312	$ 2,043,312	3.29
2017	15,779,350	8,568,453	7,210,897	850,000	1,193,013	2,043,013	3.53
2018	16,869,252	8,649,025	8,220,227	880,000	1,161,563	2,041,563	4.03
2019	17,120,552	9,049,227	8,071,325	915,000	1,129,013	2,044,013	3.95
2020	17,670,251	9,656,986	8,013,265	940,000	1,101,563	2,041,563	3.93
2021	18,439,244	10,028,469	8,410,775	975,000	1,070,563	2,045,563	4.11
2022	18,338,204	11,306,859	7,031,345	995,000	1,050,063	2,045,063	3.44
2023	19,302,358	12,698,660	6,603,698	1,025,000	1,016,113	2,041,113	3.24
2024	20,496,646	13,363,644	7,133,002	1,060,000	984,800	2,044,800	3.49
2025	21,666,131	15,287,719	6,378,412	1,085,000	958,300	2,043,300	3.12

(A) Includes interest earnings (net of unrealized gain or loss) and gross revenues of the Water and Sewer Fund and 100% of water impact fees.

(B) Excludes depreciation and contributions to the General Fund for administrative expenses.

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

City of Tarpon Springs, Florida
Schedule 15
Demographic and Economic Statistics,
Last Ten Fiscal Years

Fiscal Year	Population (A)		Personal Income (per thousand) (B)	Per Capita Income (B)	Median Age (C)	School Enrollment (D)	Unemployment Rate (E)
2016	24,637		$ 1,175,949	$ 47,731	47.8	6,328	5.4%
2017	25,093		1,234,224	49,186	48.0	6,449	4.9%
2018	25,455		1,288,787	50,630	48.1	6,471	4.2%
2019	25,507		1,363,477	53,455	48.3	6,514	3.6%
2020	25,937		1,362,834	52,544	49.2	6,483	3.3%
2021	25,359	(F)	1,358,583	53,574	50.2	6,523	3.5%
2022	25,752		1,502,063	58,328	53.3	6,777	2.6%
2023	25,764		1,622,746	62,985	52.5	6,701	2.7%
2024	25,949		1,787,289	68,877	55.7	6,522	2.8%
2025	26,168		1,531,194	58,514	55.4	6,298	3.6%

Source:

(A) Pinellas County Economic Development Department, City Planning Department,
Bureau of Economic & Business Research at the University of Florida.

(B) Data is from per capita personal income for Pinellas County for one year prior.
Source is the Bureau of Economic & Business Research at the University of Florida,
and Florida Office of Economic and Demographic Research.

(C) Data is from per capita personal income for Pinellas County.
Source is the Bureau of Economic & Business Research at the University of Florida,
and Pinellas County Economic Development.

(D) Pinellas County School Board, Public school enrollment, elementary through high school.
Includes East Lake High School.

(E) U.S. Department of Labor - Bureau of Labor Statistics, and Pinellas County Planning Department.
and Florida Department Economic Development Opportunity.

(F) Population adjustment from 2020 census.

City of Tarpon Springs, Florida
Schedule 16
Principal Employers, Pinellas County
Current Year and Nine Years Ago

	2025		2016	
Employer	Employees Full-Time	Rank	Employees Full-Time	Rank
Publix	7,641	1		
Walmart	4,809	2		
Raymond James & Associates	4,541	3	3,500	1
All Children's Health Systems	3,767	4		
Morton F Plant Hospital	3,196	5		
Baycare Health System	2,550	6		
Mease Hospital Trustees	2,498	7		
St Anthony's Hospital	2,139	8		
Honeywell International	2,060	9	1500	8
Charter Communication	1,888	10		
Home Shopping Club	-	-	2,800	2
Bright House Networks	-	-	2,000	3
Fidelity Information Services	-	-	1,800	4
Nielson Media Research	-	-	1,800	5
Jabil Circuit, Inc.	-	-	1,600	6
Tech Data Corp.	-	-	1,500	7
ThinkDirect Marketing Group	-	-	1,000	9
Ceridian Benefit Services	-	-	1,000	10
TOTAL	35,089		18,500	

Data is based on Pinellas County since numbers for Tarpon Springs is not available.

Source: Pinellas County Economic Development Department.

City of Tarpon Springs, Florida
Schedule 17
Full-time Equivalent City Government Employees by Function/Program,
Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function/Program										
General government	31.10	32.10	32.77	33.77	34.77	35.77	37.17	37.46	37.75	37.75
Public safety	111.00	114.00	117.36	119.20	120.10	121.10	121.60	124.60	133.60	133.60
Physical environment	11.65	12.65	11.40	11.40	11.40	11.40	13.40	13.40	13.40	13.40
Transportation	8.40	8.40	8.40	8.40	8.40	8.50	8.50	8.50	8.50	8.50
Economic Environment	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
Culture/recreation	36.65	36.65	38.95	38.95	38.95	38.95	39.15	42.15	42.15	42.15
Water/Sewer	73.07	73.82	74.73	75.09	79.12	81.12	85.02	87.54	88.06	88.06
Sanitation	7.40	7.40	7.55	7.55	8.55	8.55	8.55	8.55	8.55	8.55
Stormwater	7.93	7.93	8.59	8.59	8.66	8.56	8.56	8.75	8.94	8.94
Golf Course	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Marina	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Total	296.25	302.00	308.80	312.00	319.00	323.00	331.00	340.00	350.00	350.00

Source: City Budget documents.

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

	Fiscal Year									
Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety										
Police										
Arrests	1,048	961	984	1,424	1,049	686	670	796	682	815
Parking violations	125	303	269	150	140	148	273	113	294	96
Citations	1,852	2,125	2,125	1,979	1,430	1,828	1,354	1,144	2,352	1,493
Fire/EMS										
Fire calls	77	227	61	71	68	67	47	69	65	112
EMS calls	3,852	3,970	4,016	3,998	4,358	4,625	4,872	4,524	4,874	4,467
False alarms	223	247	201	188	182	198	215	226	238	205
Culture/recreation										
Community center attendance	25,881	32,328	33,980	31,641 A	12,532	11,098	13,458	14,641	22,662	24,218
Leagues	7	7	7	8	4	7	11	12	8	9
Library-circulation	264,140	246,149	229,706	233,973	254,744	202,384	178,295	173,824	170,535	163,477
Library-materials	99,715	96,242	95,289	96,594	99,611	90,118	91,382	88,323	86,452	75,755
Water/Sewer										
Water										
Average daily consumption (thousands of gallons)	2,525	2,493	2,405	2,839	2,892	2,930	3,079	3,167	3,155	3,119
Sewer										
Annual average daily flow (thousands of gallons)	2,140	2,070	1,970	2,100	2,000	2,020	1,920	1,650	1,910	2,651
Golf Course										
Rounds of golf played	47,194	47,184	44,317	39,311	41,894	55,192	62,363	65,742	67,137	60,170

A Community Center attendance and leagues down due to COVID 19 in FY 2020 and FY 2021

Source: City Departments

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

	Fiscal Year									
Function/Program	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022***	**2023**	**2024**	**2025**
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	2	3	3	3	3	3	3	3	3	3
Transportation										
Streets paved	96.6	107.0	118	118.4	118.4	118.4	170.4	170.4	169.3	153.6
Streets unpaved	1.0	4.8	3.5	3.6	3.6	3.6	0.1	0.1	0.1	0.2
Culture/recreation										
Parks acreage	435.56	435.56	435.56	435.56	435.64	435.64	436	436	436	436
Playgrounds	19	19	19	19	19	19	19	19	19	19
Baseball/softball fields	11	11	11	11	11	11	11	11	11	11
Soccer/football fields	9.5	9.5	9.5	9.5	9.5	9.5	10	10	10	10
Recreation centers	3	3	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1
Water/Sewer										
Water mains/miles	157	168	175	180.2	180.2	180.2	181.4	182.5	183.5	182.2
Sanitary sewer mains/miles	93.7	101.0	102.7	104.2	106.0	106.0	106.6	106.9	106.5	106.9
Treatment daily capacity	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd	4 mgd
Golf Course										
Number of holes	18	18	18	18	18	18	18	18	18	18
Marina										
Boat slips	19	19	21	21	19	19	19	19	19	19

Sources: City Departments

*Updated figures for Streets paved and unpaved to include private, county & FDOT streets within the City.

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REPORTS OF INDEPENDENT AUDITORS/

COMPLIANCE SECTION

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CITY OF TARPON SPRINGS, FLORIDA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2025

Federal Agency/Program Title	Assistance Listing Number	Federal Pass-through Grant Number	Expenditures
Federal Awards			
U.S Department of the Treasury			
Passed-Through State of Florida, Florida Division of Emergency Management			
American Rescue Plan Act	21.027	Y5304	$ 2,521,483
Total U.S Department of the Treasury			2,521,483
U.S. Department of Homeland Security			
Federal Emergency Management Agency (FEMA)			
Passed-Through State of Florida, Florida Division of Emergency Management			
Executive Office of the Governor (Presidentially Declared Disasters)			
Public Assistance Program			
Hurricane Ian	97.036	FEMA-4673-DE-FL	12,820
U.S. Department of Homeland Security			
Federal Emergency Management Agency (FEMA)			
Passed-Through State of Florida, Florida Division of Emergency Management			
Executive Office of the Governor (Presidentially Declared Disasters)			
Public Assistance Program			
Hurricane Helene	97.036	FEMA-4828-DE-FL	46,247
U.S. Department of Homeland Security			
Federal Emergency Management Agency (FEMA)			
Passed-Through State of Florida, Florida Division of Emergency Management			
Executive Office of the Governor (Presidentially Declared Disasters)			
Public Assistance Program			
Hurricane Milton	97.036	FEMA-4834-DE-FL	2,493,179
U.S. Department of Homeland Security			
Federal Emergency Management Agency			
Grants Programs Directorate			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2021-FF-00089	290,445
Total U.S. Department of Homeland Security			2,842,691
U. S. Department of Justice			
Equitable Sharing Agreement	16.000	FL0521800	65,305
Office of Justice Programs			
Edward Byrne Memorial Justice Assistance Grant (JAG) Program			
City of Tarpon Springs Body Cameras	16.738	JAG-C-8C127	3,100
Bureau of Justice Assistance			
Bulletproof Vests Partnership Program	16.607		8,683
Total U. S. Department of Justice			77,088
U.S. Department of Agriculture & Forest Services			
Passed-Through State of Florida, Florida Division of Agriculture and Consumer Services			
Wilton Simpson Commissioner Urban Forestry Tree Survey	10.664	112-001-B	14,700
Total U.S. Department of Agriculture & Forest Services			14,700
U. S. Department of Housing and Urban Development			
Pinellas County Community Development Block Grant			
City of Tarpon Spring Community Center	14.218	CD24TSCCG	22,576
Pinellas County Community Development Block Grant			
City of Tarpon Spring Exercise Park	14.218	CD24TSPARK	35,246
Total U. S. Department of Housing and Urban Development			57,822
National Endowment for the Arts (NEA)			
Arts Engagement in American Communities (AEAC)/Challenge America			
City of Tarpon Spring Cultural Center Theater Production	45.024	1916544-59-23	10,000
Total Expenditures of Federal Awards			**$ 5,523,784**

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

**Honorable Mayor and Members
of the City Commission
City of Tarpon Springs, Florida**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tarpon Springs, 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 June 24, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Bradenton, Florida
June 24, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required By The Uniform Guidance

**Honorable Mayor and Members
of the City Commission
City of Tarpon Springs, Florida**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Tarpon Springs, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance 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. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Mauldin & Jenkins, LLC

Bradenton, Florida
June 24, 2026

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were presented in accordance with GAAP:	Unmodified
Internal control over financial reporting: Material weaknesses identified?	___ yes _X_ no
Significant deficiencies identified not considered to be material weaknesses?	___ yes _X_ none reported
Noncompliance material to financial statements noted?	___ yes _X_ no

Federal Programs

Internal control over major federal programs or state projects: Material weaknesses identified?	___ yes _X_ no
Significant deficiencies identified not considered to be material weaknesses?	___ yes _X_ none reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) ?	___ yes _X_ no

Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
97.036	Disaster Grants – Public Assistance

Dollar threshold used to distinguish between Type A and Type B federal and state programs:	$1,000,000
Auditee qualified as low-risk auditee?	_X_ yes ___ no

State Projects

There was not an audit of major state financial assistance projects for the year ended September 30, 2025, due to the total amount expended being less than $750,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None.

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

SECTION IV
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None noted.

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Independent Auditor's Management Letter

Honorable Mayor and Members
of the City Commission
City of Tarpon Springs, Florida

Report on the Financial Statements

We have audited the financial statements of the City of Tarpon Springs, Florida (the "City"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 24, 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 Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards;* Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 24, 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. There were no findings or recommendations in the preceding annual financial report requiring correction.

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. This information is disclosed in the notes to the financial statements.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures 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 review of financial information provided by same.

Section 10.554(1)(i)2, Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, 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.

Special District Component Units

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Mayor and Members of the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 24, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Accountant's Report

To the Honorable Mayor, and
Members of the City Commission
City of Tarpon Springs, Florida

We have examined the City of Tarpon Springs, Florida's (the "City") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2025. Management of the City is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

This report is intended solely for the information and use of the City and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
June 24, 2026

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Other Compliance Reports

City of Tarpon Springs, Florida

City of Tarpon Springs
Section 163.31801 Compliance

Affidavit

As Finance Director of the City of Tarpon Springs, my signature below indicates that the City of Tarpon Springs has complied with "Section 163.31801 – Impact fees" of the Florida Statutes for the fiscal year ending September 30, 2025.

Finance Director
City of Tarpon Springs, Florida

STATE OF Florida
COUNTY OF Pinellas

The foregoing instrument was acknowledged before me this June 12, 2026, by Ashley Kimpton, Finance Director of the City of Tarpon Springs, who is personally Known to me or has produced "Personally Known as identification.

Notary Public

NOTARY PUBLIC STATE OF FLORIDA
IRENE S. JACOBS
MY COMMISSION # HH 521984
EXPIRES: June 25, 2028

Irene S. Jacobs, CMC
City Clerk & Collector
City of Tarpon Springs
(727) 942-5614
(727) 942-5619 (Fax)